



2016

Third Round Housing Element & Fair Share Plan



September 15, 2016

Harrison Township, Gloucester County, New Jersey

Prepared by:

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Housing Element and Fair Share Plan

Harrison Township, Gloucester County, New Jersey

Adopted by the Joint Land Use Board on September 15, 2016

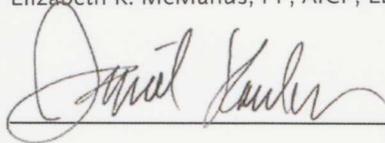
Endorsed by the Township Committee on September 19, 2016

Prepared for Harrison Township by

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APPENDICES TO THE HOUSING ELEMENT & FAIR SHARE PLAN

- A. 2001 Judgement of Repose
- B. Housing, Demographic and Employment Analysis
- C. New Point Group Home Documentation
- D. Walnut Glen / Spring Mill Documentation
- E. Pacilli / Vasalli Documentation
- F. Richwood Village Documentation
- G. Mullica West Extension of Affordability and New Construction Documentation
- H. Cedar-Breakneck Road Documentation
- I. Spending Plan
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- K. Municipal Housing Liaison Documentation



EXECUTIVE SUMMARY

Harrison Township centrally located in Gloucester County, NJ. It is an approximately 25-mile drive to Philadelphia and Vineland, and neighbor to Glassboro, NJ, the home of Rowan University. Although it has historically been an agricultural town, the community's population has grown more than fivefold in forty years due to development pressures. The total population in this 19 square mile Township was 2,661 in the year 1970, 4,715 in the year 1990, and the 2010 Decennial Census data estimates the Township's current population at 12,417 persons – 2.6 times the 1990 population.

The Township has direct access to the New Jersey Turnpike (I-95) and State Highway 55, which links the Township to Philadelphia, Vineland, and shore towns, and also is served by the New Jersey Transit 410 Bus Route, which extends from Bridgeton, NJ to downtown Philadelphia.

The Township's land use pattern is characterized by farmland, broken up by networks of forest and wetland along streams such as Raccoon Creek and Clems Run, and pockets of residential subdivisions. The majority of the Township's housing consists of single-family detached homes. The Township's commercial development includes a mix of traditional main street businesses in the historic village of Mullica Hill and suburban shopping centers along State Route 45. Mullica Hill, formerly a rural trading, industrial, and transportation center, is now recognized as the historic center and heart of the Township, and has been the anchor for recent subdivision activity. In addition to Mullica Hill, Harrison has two other established communities: Richwood on U.S. 322 near a N.J. 55 interchange, the hamlet of Ewan near Elk Township and Jefferson on North Main Steet along the Mantua Township boarder. Scattered residential development can be found on county roads throughout the Township, but is primarily found on the eastern end of the Township closer to N.J. 55. The remainder of the Township is mostly farmland, woodland, pasture, orchards, or wetlands.

This Third Round Housing Element and Fair Share Plan has been prepared as part of a 2016 Settlement Agreement between Harrison Township and the Fair Share Housing Center (hereinafter "FSHC"). FSHC is an interested party in the Township's Declaratory Judgement filing, which was submitted to the Superior Court on July 7, 2015 as required by the March 10, 2015 Supreme Court decision known as Mt. Laurel IV. The Settlement Agreement identifies a 0-unit rehabilitation, or present need, obligation (Source: Settlement Agreement with FSHC), a 198-unit prior round obligation (Source: Council on Affordable Housing, "COAH"), and a 546-unit third round prospective need obligation (Source: Settlement Agreement with FSHC). This Plan will serve as the foundation for the Township's application for a Judgment of Compliance and Order of Repose by the Court. There are 3 components to a municipality's affordable housing obligation: the rehabilitation share, the prior round obligation, and the third round obligation.

Harrison's Affordable Housing Obligation:

- Rehabilitation Share: 0 units
- Prior Round Obligation: 198 units
- Third Round Obligation: 546 units



As the Settlement Agreement establishes, the Township's affordable housing obligations are as follows:

- Rehabilitation Share: 0 units
- Prior Round Obligation: 198 units
- Third Round Obligation: 546 units

The Township satisfied the prior and third round obligations with an RCA, a group home, two 100% affordable housing development, and two inclusionary developments.



JUDICIAL & LEGISLATIVE BACKGROUND

In its landmark 1975 decision now referred to 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. In its 1983 “Mount Laurel II” decision, the Supreme Court extended the obligation to all municipalities with any “growth area” as designated in the State Development Guide Plan (NJDCG 1978). Subject to a number of limitations, Mt. Laurel II also gave developers, under appropriate circumstances, the opportunity to secure a builder’s remedy. A builder’s remedy, also referred to as exclusionary zoning litigation, is a mechanism that grants a developer the right to develop what is typically a multifamily project on land that was not zoned to permit this use at the time of the suit and where a “substantial” percentage of the units are reserved for low and moderate income households.

In 1985, the Legislature enacted the Fair Housing Act in response to Mount Laurel II. The Fair Housing Act created the Council on Affordable Housing (hereinafter referred to as “COAH”) and an administrative alternative to compliance in a court proceeding. The Legislature conferred “primary jurisdiction” on COAH and charged COAH with promulgating regulations: (i), to establish housing regions; (ii), to estimate low and moderate income housing needs; (iii), to set criteria and guidelines for municipalities to determine and address their fair share numbers, and (iv) to create a process for the review and approval of appropriate housing elements and fair share plans. As will be further discussed, COAH has been declared a moribund agency which has forced the NJ Supreme Court to reactivate a judicial process in the review and approval of affordable housing plans. This document is being created to submit to the judicial process for determining affordable housing allocations and responses and ultimately, to receive a Third Round Judgment of Repose for a 10-year period. This Judgment of Repose will provide protection from builders’ remedy suits during the time that it is in effect.

COAH’s First and Second Round

COAH created the criteria and guidelines for municipalities to determine and address their respective affordable housing obligation, or number of affordable dwellings. COAH originally established a formula for determining municipal affordable housing obligation for the six-year period between 1987 and 1993 (*N.J.A.C. 5:92-1 et seq.*), which became known as the “first round.” These rules established an existing need where sub-standard housing was being occupied by low and moderate income households (variously known as “present need” or “rehabilitation share”) and future demand to be satisfied with new construction (“prospective need” or “fair share”).

The first round formula was superseded by COAH regulations in 1994 (*N.J.A.C. 5:93-1.1 et seq.*). The 1994 regulations recalculated a portion of the 1987-1993 affordable housing obligations for each municipality and computed the additional municipal affordable housing need from 1993 to 1999 using 1990 U.S. Census data. The regulations COAH adopted in



1994 to identify a municipality's "cumulative" obligations for the first and second round are known as "the second round" regulations. Under regulations adopted for round three, the obligation of municipalities to create new affordable housing for the first and second round is referred to as the "prior round" obligation. This plan will refer to the new construction obligation for the first and second housing cycles as the "prior round".

COAH's Third Round and Related Judicial Activity

On December 20, 2004, COAH's first version of the third round rules became effective some five years after the end of round two in 1999. At that time the third round was defined as the time period from 1999 to 2014 but condensed into an affordable housing delivery period from January 1, 2004 through January 1, 2014. In other words, 15 years of necessary affordable housing activity was to take place in 10 years. The third round rules marked a significant departure from the methods utilized in COAH's prior round. 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 to the development of residential and non-residential development within a municipality.

However, on January 25, 2007 the New Jersey Appellate Court decision, In re Adoption of N.J.A.C. 5:94 and 5:95, 390 N.J. Super. 1, invalidated key elements of the first version of the third round rules, including the growth share approach. The Court ordered COAH to propose and adopt amendments to its rules within six months to address the deficiencies identified by the Court. COAH missed this deadline but did issue revised rules effective on June 2, 2008 (as well as a further rule revision effective on October 20, 2008). COAH largely retained the growth share approach but implemented several changes intended to create compliance with the 2007 Appellate Court decision. Additionally, the third round was expanded from 2014 to 2018. As such, this required 19 years of necessary affordable housing activity (1999-2018) to take place during a 10-year delivery period (2008-2018).

Just as various parties challenged COAH's initial third round regulations, parties challenged COAH's 2008 revised third round rules. On October 8, 2010, the Appellate Division issued its decision, In re Adoption of N.J.A.C. 5:96 and 5:97, 416 N.J. Super. 462, with respect to the challenge to the second iteration of COAH regulations. The Appellate Division validated the COAH prior round regulations that assigned rehabilitation and prior round numbers to each municipality, but invalidated the regulations by which the agency assigned housing obligations in the Third Round. Specifically, the Appellate Division ruled that COAH could not allocate obligations through a "growth share" formula. Instead COAH was directed to use similar methods that had been previously used in the first and second rounds. The Court gave COAH five months to address its ruling, and provide guidance on some aspects of municipal compliance.



Judicial Activity from 2011 to the Present

COAH sought a stay from the NJ Supreme Court of the March 8, 2011 deadline that the Appellate Division imposed in its October 2010 decision for the agency to issue new third round housing rules. The Supreme Court granted COAH's application for a stay and granted petitions and cross-petitions to all of the various challenges to the Appellate Division's 2010 decision. The Supreme Court heard oral argument on the various petitions and cross petitions on November 14, 2012.

On September 26, 2013 the NJ Supreme Court upheld the Appellate Court decision in In re Adoption of N.J.A.C. 5:96 and 5:97 by New Jersey Council On Affordable Housing, 215 N.J. 578 (2013), and ordered COAH to prepare the necessary rules. Subsequent delays in COAH's rule preparation and ensuing litigation led to the NJ Supreme Court, on March 14, 2014, setting forth a schedule for adoption.

Although ordered by the NJ Supreme Court to adopt revised new rules on or before October 22, 2014, the Council on Affordable Housing ("COAH") deadlocked 3-3 at its October 20th meeting and failed to adopt the draft rules it had issued on April 30, 2014. In response, FSHC filed a motion in aid of litigant's rights with the NJ Supreme Court and oral argument on that motion was heard on January 6, 2015.

On March 10, 2015, the Supreme Court issued a ruling on the Motion In Aid of Litigant's Rights (In re Adoption of N.J.A.C. 5:96 & 5:97, 221 NJ 1, aka "Mt. Laurel IV"). This long-awaited decision provides a new direction for how New Jersey municipalities are to comply with the constitutional requirement to provide their fair share of affordable housing. The Court transferred responsibility to review and approve housing elements and fair share plans (housing plans) from COAH to designated Mt. Laurel trial judges. The implication of this is that municipalities may no longer wait for COAH to adopt third round rules before preparing new third round housing plans and municipalities must now apply to Court, instead of COAH, if they wish to be protected from exclusionary zoning lawsuits. These trial judges, with the assistance of an appointed Special Master to the Court, should review municipal plans much in the same manner as COAH previously did. Those towns whose plans are approved by the Court should receive a Judgment of Repose, the court-equivalent of COAH's substantive certification.

While the Supreme Court's decision set a process in motion for towns to address their third round obligation, it did not assign those obligations. Instead, that must be done by the trial courts. Additionally, the Court stated that municipalities should rely on COAH's second round rules (N.J.A.C. 5:93) and those components of COAH's 2008 regulations that were specifically upheld (including but not limited to Redevelopment Bonuses), as well as the Fair Housing Act (N.J.S.A. 52:27D – 301 et seq.), in their preparation of third round housing elements and fair share plans.



This plan is prepared in response to and in compliance with the March 10, 2015 Supreme Court decision.

LEGISLATIVE ACTIVITY

In addition to the State agency negotiation and judicial decisions, the New Jersey Legislature has amended the Fair Housing Act in recent years. On July 17, 2008, Governor Corzine signed P.L.2008, c.46 (referred to as the “Roberts Bill”, or “A500”), which amended the Fair Housing Act in a number of ways. Key provisions of the legislation included the following:

- It established a statewide 2.5% nonresidential development fee instead of requiring nonresidential developers to provide affordable housing;
- It eliminated regional contribution agreements (“RCAs”) as a compliance technique available to municipalities whereby a municipality could transfer up to 50% of its fair share to a so called “receiving” municipality; and
- It added a requirement that 13% of all affordable housing units and 13% of all similar units funded by the state’s Balanced Housing Program and its Affordable Housing Trust Fund be restricted to very low income households (30% or less of median income); and
- It added a requirement that municipalities had to commit to spend development fees within four years of the date of collection after its enactment, which obligation commenced on the four-year anniversary of the law (July 17, 2012).

These amendments to the FHA are not promulgated in any valid COAH regulations.



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, as is measured within each housing region. Harrison Township is in COAH’s Region 5, which includes Burlington, Camden and Gloucester 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. Very-low income households must be accounted for. These households, which are a subset of “low-income” households, are defined as households earning 30% or less of the regional median income.

Income Categories

Moderate = 50% to 80% regional median income

Low = 30% – 50% regional median income

Very Low = 30% regional median income or less.

The Uniform Housing Affordability Controls (“UHAC”) at NJAC 5:80-26.3(d) and (e) requires that the maximum rent for a qualified unit be affordable to households that earn 60% or less 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 70% or less of the median income. The average sale price must be affordable to a household that earns 55% or less of the median income.

The regional median income is defined by COAH using the federal Department of Housing and Urban Development (“HUD”) income limits on an annual basis. In the spring of each year HUD releases updated regional income limits which COAH reallocates to its regions. It is from these income limits that the rents and sale prices for affordable units are derived. See Tables 1 through 3 for additional information. These figures were last updated in 2014 and are available from COAH. The sample rents and sale prices are gross figures and do not account for the specified utility allowance. The Township anticipates that the Courts will have to formally approve updated income limits for 2015 and 2016 at a later date.

Table 1. Sample 2014 Income Limits for Region 5

Household Income Levels	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household
Moderate	\$45,640	\$52,160	\$58,680	\$65,200	\$70,416
Low	\$28,525	\$32,600	\$36,675	\$40,750	\$44,010
Very Low	\$17,115	\$19,560	\$22,005	\$24,450	\$26,406

Source: NJDCA 2014 Affordable Housing Regional Income Limits



Household Income Levels (% of Median Income)	1 Bedroom Unit Rent	2 Bedroom Unit Rent	3 Bedroom Unit Rent
Moderate	\$768	\$904	\$1,032
Low	\$554	\$648	\$736
Very Low	\$309	\$354	\$397

Source: NJDCA 2014 Illustrative Rents

Household Income Levels (% of Median Income)	1 Bedroom Unit Price	2 Bedroom Unit Price	3 Bedroom Unit Price
Moderate	\$109,802	\$131,762	\$152,258
Low	\$72,529	\$87,034	\$100,573
Very Low	\$35,255	\$42,306	\$48,887

Source: NJDCA 2014 Illustrative Sales Prices for New Construction



HOUSING ELEMENT/FAIR SHARE PLAN REQUIREMENTS

In accordance with the Municipal Land Use Law (NJSA 40:55D-1, et seq.), a municipal Master Plan must include a housing element as the foundation for the municipal zoning ordinance. Pursuant to the FHA, a municipality's housing element must be designed to provide access to affordable housing to meet present and prospective housing needs, with particular attention to low and moderate income housing. The housing element must contain at least the following, as per the FHA at N.J.S.A. 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.

This portion of the Housing Plan Element can be found in the "Appendices to the Housing Element" and "Fair Share Plan".

See the section titled "Harrison's Affordable Housing Plan" for information on the Township's fair share of low and moderate income housing.

See the section titled "Consideration of Lands Appropriate for Affordable Housing" for this information



HARRISON TOWNSHIP AFFORDABLE HOUSING HISTORY

Harrison Township received substantive certification on October 3, 1990 for its first round plan. A builder's remedy lawsuit brought by Leigh Court Limited Partnership led the Township to prepare and adopt a second round plan in February of 1999. The plan was later amended in the Spring of 2001, and received a Judgement of Compliance and Repose from the Superior Court on June 27, 2001. The Township received an extension of immunity in 2007.

The Township did not submit a plan to COAH in response to the first iteration of its Third Round Rules (*N.J.A.C. 5:94*), but on November 20, 2008 the Township's Planning Board adopted a third round Housing Element and Fair Share plan to comply with COAH's third round rules in *N.J.A.C. 5:97*. It petitioned to COAH for Substantive Certification on December 31, 2008, and its submission was deemed complete by COAH on March 5, 2009.

COAH issued a Pre-mediation Report on the 2008 Housing Element and Fair Share Plan on July 30, 2010. The Township did not have the opportunity to respond in the just over two months before the October 8, 2010 Appellate Division decision was issued.

Since the adoption of the 2008 Plan, the Township abandoned a 76-unit age-restricted project known as The Traditions that was featured in the 2008 Plan as a prior round mechanism. Also since that time, Harrison has approved plans for the Pacilli/Vasalli and Richwood Village inclusionary projects, and began rehabilitation and construction on the Mullica West and Mullica West Extension sites.

Harrison Township adopted a revised third round spending plan on March 24, 2011, which received COAH approval on March 30, 2011. The approval authorized the Township to expend \$3,665,369 on new construction. Additionally, the Township adopted an Amended Spending Plan on February 19, 2014 seeking specific approval to expend \$1,350,000 in trust funds on the Mullica West affordable housing site. The 2014 spending plan was never reviewed or approved by COAH. However, because this expenditure was authorized the umbrella of new construction spending approved in its 2011 spending plan, the Township moved forward with the funding of the Mullica West projects.

To comply with the March 10, 2015 Mt. Laurel IV decision, Harrison petitioned to the Superior Court on July 7, 2015 for Declaratory Judgement and temporary immunity from builders remedy suits. FSHC is an interested party in its Declaratory Judgement, and in 2016, the Township entered into successful negotiations with FSHC to settle its fair share obligation.



CONSIDERATION OF LANDS APPROPRIATE FOR AFFORDABLE HOUSING

As a rural community, Harrison Township has a significant amount of developable lands. It has made efforts to focus new infrastructure investments and property development in existing centers within the Township – specifically Mullica Hill and Richwood Village, where there are higher concentrations of residences and commercial services, and greater availability of public sewer. As part of this housing element, the Township has considered land that is appropriate for the construction of low and moderate income housing.

HARRISON'S AFFORDABLE HOUSING OBLIGATION

Rehabilitation Obligation

The rehabilitation obligation can be defined as an estimate of the number of deteriorated housing units existing in Harrison Township that are occupied by low and moderate income households. The Settlement Agreement with FSHC establishes Harrison's rehabilitation obligation as zero units.

Rehabilitation
Obligation:0

Prior Round
Obligation: 198

Third Round
Obligation: 546

Prior Round Obligation

The prior round obligation can be defined as the cumulative 1987 through 1999 new construction affordable housing obligation. This time period corresponds to the first and second rounds of affordable housing. FSHC's May 2016 calculations, as well as the Settlement Agreement with FSHC, establishes Harrison's prior round obligation to be 198 units.

Third Round Obligation

The future demand for affordable housing also includes that portion of the Third Round that has already passed by, as well as a projected 10 years into the future. The 10-year period is derived from the Fair Housing Act that, when amended in 2001, set the projection for this length of time (N.J.S.A. 52:27D-310). As established by the Township's 2016 Settlement Agreement with FSHC, Harrison's third round obligation (2015-2025) is 546 units.



HARRISON'S AFFORDABLE HOUSING PLAN

Satisfaction of the Rehabilitation Obligation

As stated, Harrison's rehabilitation obligation is 0 units. Therefore, no rehabilitation program is required. However, Harrison Township will continue to participate in Gloucester County's Home Improvement Loan Program to provide ongoing opportunities for housing rehabilitation for low- and moderate-income homeowners. The Township has historically addressed its present need through this program. In its 2008 third round plan the Township was eligible for four (4) credits against its 10-unit present need for units rehabilitated through the program between 2000 and 2004. Similarly, in its Second Round plan the Township was awarded credit for 14 units rehabilitated through the County, against its 25-unit present need.

Satisfaction of the Prior Round Obligation

As confirmed in the settlement agreement, Harrison's prior round obligation (1987-1999) is 198 units. 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.

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

As demonstrated in the Summary Tables at the end of this section (pg. 21), the Township has satisfied its prior round obligation with RCA credits, special needs facilities, municipally sponsored housing, and inclusionary development. The rental obligation is satisfied with the Walnut Glen / Spring Mill project.

Prior Round Rental Obligation = 2 units

.25 (Prior round obligation – prior cycle credits – impact of the 20% cap – impact of the 1,000 unit cap – rehabilitation obligation) = .25
(198-0-0-0-0)
= 49.5, rounded up to 50

Prior Rental Credits:

A rental unit available to the general public receives one rental bonus;

An age-restricted unit receives a .33 rental bonus, but no more than 50 percent of the rental obligation shall receive a bonus for age-restricted units; and

No rental bonus is granted in excess of the rental obligation.

Prior Round Maximum Age-Restricted = 44 units

.25 (third round obligation – prior cycle credits – rehabilitation credits – impact of the 20% cap – impact of the 1,000-unit cap) – age-restricted units from the first round
= .25 (198-0-0-0-22)-0 = 44



REGIONAL CONTRIBUTION AGREEMENT (RCA)

COAH approved a 22-unit RCA with the City of Woodbury, totaling \$550,000 on October 13, 2004. This RCA was made in compliance with a June 27, 2001 Judgement of Repose that required the Township to either facilitate the creation of 24 affordable units as part of a project known as Leigh Court or to enter into an RCA. Between 2005 and 2010, the Township contributed a total of \$575,000 to Woodbury.

Regional Contribution Agreement

The transfer of up to 50 percent of a municipality's fair share obligation to another municipality within its housing region by means of a contractual agreement into which two municipalities voluntarily enter.

SPECIAL NEEDS FACILITIES

Newpoint Group Home

The 2.88-acre lot, located at 244 Tomlin Station Road, is owned by Newpoint Behavioral Health Inc. and houses five (5) persons with mental illnesses in three (3) bedrooms. It received a certificate of approval on July 12, 1993, and is licensed by the Department of Human Services. Group homes, such as this facility, are eligible for one credit per bedroom; as such, this facility is eligible for 3 credits. The group home received capital funding from the agency currently known as the Department of Human Services Division of Mental Health and Addiction services in 1993, and charges its tenants not more than 50% of their income or social security payments. Occupants of these facilities typically qualify as low- or very-low income persons; therefore, Harrison is eligible for three (3) very low income rental credits for the bedrooms in this group home.

Alternative Living Arrangement / Supportive & Special Needs Housing

A structure in which households live in distinct bedrooms, but share kitchen and plumbing facilities, central heat and common areas.

They may be restricted to special needs groups, such as persons with developmental disabilities, veterans and their families, and victims of domestic abuse.

INCLUSIONARY DEVELOPMENT

Pacilli/Visalli

The site, Block 45, Lot 16, is a 64.5-acre tract located on Swedesboro Road. The project is subject to a January 28, 2010 settlement agreement and received preliminary major subdivision approval on March 31, 2010 (Resolution No 9-2010) for a total of 205 age-restricted units, including 24 affordable units, built over three phases.



Existing Visalli's Farm Market



Phase I received Zoning Board of Adjustment approval on June 30, 2010 (Resolution No 12-2010) for a total of 54 age-restricted units, including, eight (8) affordable units. The Township is eligible for 24 family sale credits for this project.

The income and bedroom distribution at this site will be consistent with the UHAC and the extant affordable housing regulations.

Richwood Village (Block 2, various lots; Block 3, various lots; Block 4.01, Lots 1,2; Block 22, various lots, Block 23, Lots 1, 1.01; Block 24, various lots, Block 24.01, Lot 1; Block 25, various lots; Block 30, Lot 1)

The Township is eligible for new construction credit for 300 affordable family units as part of the Richwood Village / Richwood Town Center inclusionary development. Six (6) of these credits will go toward the satisfaction of the prior round obligation. The property in question, was part of the Judgement of Repose, dated June 27, 2001, approving what is known as the Leigh Court Settlement. The settlement required the Township to rezone an approximately 55-acre site for 162 single-family detached homes, including 24 homes set aside for low- and moderate-income families. In addition to this settlement, the Judgement of Repose states that the Township would address its new construction obligation with 49 age-restricted units “in the Richwood section of town.” On August 7, 2008 the Township declared the 443 acres an area “in need of redevelopment” (Resolution 160-2008) and on September 15, 2008 the governing Body adopted a Redevelopment Plan (Ordinance 51-2007, Planned Village Center Overlay). A General Development Plan for Richwood Town Center, prepared by Richwood Village LLC, was preliminarily approved on February 19, 2009 with conditions. In October of 2011, the Township adopted an amended Redevelopment Plan (Ordinance 46-2011) with which the revised GDP was required to comply. On August 18, 2014 the Township adopted two redevelopment plans for the north and south portions of the redevelopment area, and the following month the Township adopted a General Development Plan (GDP) that provides for 300 affordable housing units. The bedroom and income distributions at this site will be consistent with the UHAC.

Inclusionary Development

A development containing low- and moderate-income units among market rate units. N.J.A.C. 5:93 requires 20% of units to be affordable in for-sale developments and 15% of units to be affordable in rental developments

Inclusionary development may also be a non-residential development (i.e. a shopping center) with affordable units built-in.



MUNICIPALLY-SPONSORED CONSTRUCTION

Walnut Glen/Spring Mill (Block 57, Lot 22.03)

The Township is entitled to credit for 93 affordable family rental units toward its prior round from the Spring Mill affordable housing site, as well as 50 rental bonus credits. This site, along NJ Route 77 and opposite the municipal building, is a 121-acre tract in the R-4 inclusionary housing district. The site was rezoned as part of the Township's 1989 affordable housing plan (allowing a variety of housing types including single-family and multi-family homes). The R-4 zone had an inclusionary provision that required 93 deed-restricted low and moderate income units to be set aside and constructed as part of a larger planned unit development.

Municipally Sponsored Construction / 100% Affordable Development

A development in which all units are affordable to low- and moderate-income households and where the municipality provides at least a portion of the funding for the development.

The original developer of the property constructed 100 market rate townhouses (Walnut Glen) but abandoned the development prior to constructing any low or moderate income units. A new developer, Ingerman, stepped in and completed the project (Spring Mill), converting the existing units to affordable housing. Harrison Township facilitated the creation of these



Spring Mill Apartments

units by applying for and receiving \$2.6 million from the Department of Community Affairs Balanced Housing Neighborhood Preservation program. Additionally, Spring Mill Ingerman Associates, LLC obtained low income housing tax credits and other forms of financing. The project received site plan approval on July 5, 2001 and has been occupied since 2002 (as determined from the final inspection report).

The completed affordable project consists of seven 12-unit buildings and one 10-unit building for a total of 94 affordable units (one (1) unit is reserved for an on-site property manager). About 30% of the units are affordable to households earning 40% or less than the area median household income. The affordable housing project sits on approximately 14 acres and includes off-street parking, a playground area, and administration building. It is served by public sewer and water, and adjacent to a pre-existing townhouse development and a development of single-family homes.



Prior Round Summary

The Township has met its 198-unit prior round obligation with RCA credits, special needs facilities, municipally sponsored housing, and inclusionary development, as shown in the tables at the end of this section.

SATISFACTION OF THE THIRD ROUND OBLIGATION

As established in the Consent Order, Harrison's third round obligation (1999-2025) is 546 units. The Township must also adhere to a maximum number of age-restricted units, and minimum number of very low income units.

As demonstrated in the Summary Tables at the end of this section the Township satisfied its third round obligation with Richwood Village and the two Mullica West projects. The very low income obligation will be satisfied with 20 very-low income units will be generated from the Mullica West site and additional units at the Richwood Village and Pacilli/Vasalli sites. The Township may also use trust funds to create very-low income units at existing or proposed sites.

Third Round Minimum Very Low Income = 49 units

.13(units created after 7/2008) =
.13(24+300+48) = 48.36, rounded up to
49

Third Round Rental Obligation = 137 units

.25 (third round obligation – prior
cycle credits – impact of the 20% cap
– impact of the 1,000-unit cap –
rehabilitation obligation) = .25 (546-0-
0-0-0) = 136.5, rounded up to 137

Third Round Rental Bonus Credits

- A rental unit available to the general public receives one rental bonus;
- An age-restricted unit receives a .33 rental bonus, but no more than 50 percent of the rental obligation shall receive a bonus for age-restricted units; and
- No rental bonus is granted in excess of the rental obligation.

Third Round Maximum Age-Restricted = 136 units

.25 (third round obligation – prior
cycle credits – rehabilitation credits –
impact of the 20% cap – impact of the
1,000-unit cap) – age-restricted units
from the prior round = .25 (546-0-0-0-
0)-0 = 136.5, rounded down to 136



INCLUSIONARY

Richwood Village, balance

The Third Round will utilize the 294 units of this project that were not utilized in the Prior Round. See Prior Round discussion for additional project details.

INNOVATIVE METHODS - EXTENSION OF AFFORDABILITY

Mullica West Extension of Affordability (Block 52, Lot 8)

The Mullica West development, currently under renovation, is an existing family affordable complex consisting of 168 apartments in seven (7) buildings built between 1978 and 1979. As an approved and funded tax credit project, pursuant to N.J.S.A. 45:22A-46.16, the Township is eligible for credits for 167 units toward its cumulative obligation, of which 15 will be affordable to very-low income households. The project was constructed with funding through the United States Department of Agriculture (USDA) Farmer’s Home Administration rural housing grant program. Financing was conditioned on the property being preserved for occupancy by low- and moderate-income households during the life of the loan.

Due to changes to the program and subsequent re-financing of the property, the project’s affordability controls were set to expire on June 18, 2011. However, an affordable housing developer (Rukenstein & Associates) secured 9% federal Low Income Housing Tax Credits, as well as other financing tools, to preserve the units as affordable housing for an additional 45 years.

Innovative Methods – LIHTC Financed Project

COAH’s Acting Director, Sean Thompson, recognized that this project was eligible for credit per the 2009 amendment to the Fair Housing Act (C. 45:22A-46.16), which states that projects financed in whole or in part through the allocation of federal Low-Income Housing Tax Credits shall be eligible for COAH credit, and per N.J.A.C. 5:97-6.15, which allows for “other innovative methods”.



A resolution designating the property as an area in need of rehabilitation was adopted on May 20, 2013. Preliminary approval of a rehabilitation plan submitted by United Cerebral Palsy, Inc. was granted on June 6, 2013. Subsequently, on March 3, 2014, the Township



Committee authorized a preliminary investigation to determine if the site meets the criteria for an Area in Need of Redevelopment, and one month later the Committee adopted a resolution designating it a Redevelopment Area and adopted a Redevelopment Plan. An amendment to the redevelopment plan was adopted on April 20, 2015. Amended preliminary and final major site plan approval was granted on July 23, 2014 and July 16, 2015. As part of the preservation of the 168 units, the interior and exterior of the buildings will be substantially rehabilitated and the bedroom distribution will move toward compliance with the UHAC regulations. 44 of the existing two bedroom units will be expanded to contain 3 bedrooms and 1.5 baths. No residents will be involuntarily displaced. As a consequence, rent levels (or the tenant paid portion of rent if there is rental assistance) for the 3BR units will be exactly the same as the 2BR units for existing residents. The units will meet all applicable NJHMFA and USDA requirements. While the USDA continues to provide rental assistance to this project, without rehabilitation, rental assistance was in jeopardy. Certificates of approval for units in each of the seven buildings have been issued as recently as December 29, 2015.

MUNICIPALLY-SPONSORED CONSTRUCTION

Mullica West New Construction (Block 52, Lot 9)

In addition to the preservation phase described above, the developer plans to construct 48 family affordable housing units as part of a second phase on Block 52, Lot 9. The new units will provide housing for the project's existing residents during rehabilitation, thereby eliminating the need to relocate residents off-site and dramatically easing any inconvenience on the existing residents. Since the filing of the Township's Declaratory Judgment action on July 8, 2015, the project has received land use approvals and a funding commitment from the HMFA. New Construction will also include a community building, which will house a laundry facility and management office to serve not only the new units but the existing ones. Five of the 48 units, or roughly 10%, will be affordable to very low income households. Nine (9) units will be one-bedroom, 27 units will have two bedrooms, and 12 units will have three bedrooms.

POSSIBLE ADDITIONAL MUNICIPALLY-SPONSORED CONSTRUCTION

Cedar-Breakneck Road site (Block 38, Lot 6)

The Township owns a 66.3-acre property that was originally identified in its 2008 third round housing element and fair share plan. This site is not proposed to satisfy the third round obligation, but instead is a potential site for future affordable housing that may provide surplus credits. On May 2, 2011 the Township adopted a redevelopment plan for the site allowing for the redevelopment of a 6-acre portion of the parcel for this development. The remainder of the parcel contains Green Acres protected open space and a pump station for the Township. The Township was in negotiations with the Diocesan Housing Services Corporation of the Diocese of Camden ("DHSC") in 2011 to convey the property to the DHSC for the creation of 75



affordable age-restricted units. The Township and DHSC have not moved forward with the development since its application for HUD financing was rejected.

Should the Township determine that it is appropriate or necessary to create additional housing, it may consider this site for the creation of 75 affordable age-restricted units. The site has frontage on County Route 667 (Cedar Road) and Breakneck Road, and is adjacent to agricultural and single-family land-uses, as well as Clearview Regional High School and commercial services. It is located in both a sewer service area consistent with the Wastewater Management Plan and also in Planning Area 3. In addition, a May 9, 2011 letter from BGM Engineers confirmed that although the projected flow would require a treatment works approval, the site has sufficient available capacity. Therefore, the site meets the Suitable and Developable criteria found in *N.J.A.C. 5:93*. There are approximately nine acres of wetland on the site, according to NJDEP land use / land cover data, but this would have no impact on the sites ability to accommodate housing. If developed, the site will be administered by an experienced administrative agent and its income distribution, bedroom distribution, and affirmative marketing program will be implemented consistent with *N.J.A.C. 5:93* and UHAC.



Affordable Housing Site Summary											
ID	Name	Block	Lot	Address	Zone	Existing Use	Gross	Acreage Constrained	Developable	Comments / Status	
1	RCA –Woodbury	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Completed	
2	Walnut Glen / Spring Mill	57	22.03	100 Walnut Ln		Inclusionary Townhouses	14		14	Constructed, active	
3	Pacilli/ Vasalli	45	16-16.02	140 Swedesboro Rd		Farmland	63.5	6.13	57.37	Approved	
4	Richwood Village	2	Var	Various	AC						
		3	Var		C-1						
		4.01	1, 2		C-6						
		22	Var		C-56	Single Family and undeveloped	356.6	2.5	354.1	Adopted GDP	
		23	1, 1.01		R-1						
		24	Var		R-2						
		24.01	1		INS						
		25	Var		PD						
		30	1								
5	Mullica West Extension of Affordability	52	8, 8.01	54 Woodstown Road	R-1	100% Housing	24.79	n/a	24.79	Approved; rehabilitation underway	
6	Mullica West New Construction	52	9	58 Woodstown	R-1	Single Family	5.27	n/a	5.27	Approved	
7	Newpoint Group Home	49	1.01	244 Tomlin Station Rd	R-1	Single Family Group Home	3	0.12	2.88	Constructed, active	
Surplus											
8	Cedar-Breakneck Road Site	38	2	Cedar-Breakneck Road	INS	Park, pumping station	6	1.1	4.9	Redevelopment Plan	
Total							473.16	9.85	463.31		



2016 HOUSING ELEMENT & FAIR SHARE PLAN

Cedar-Breakneck Road Site

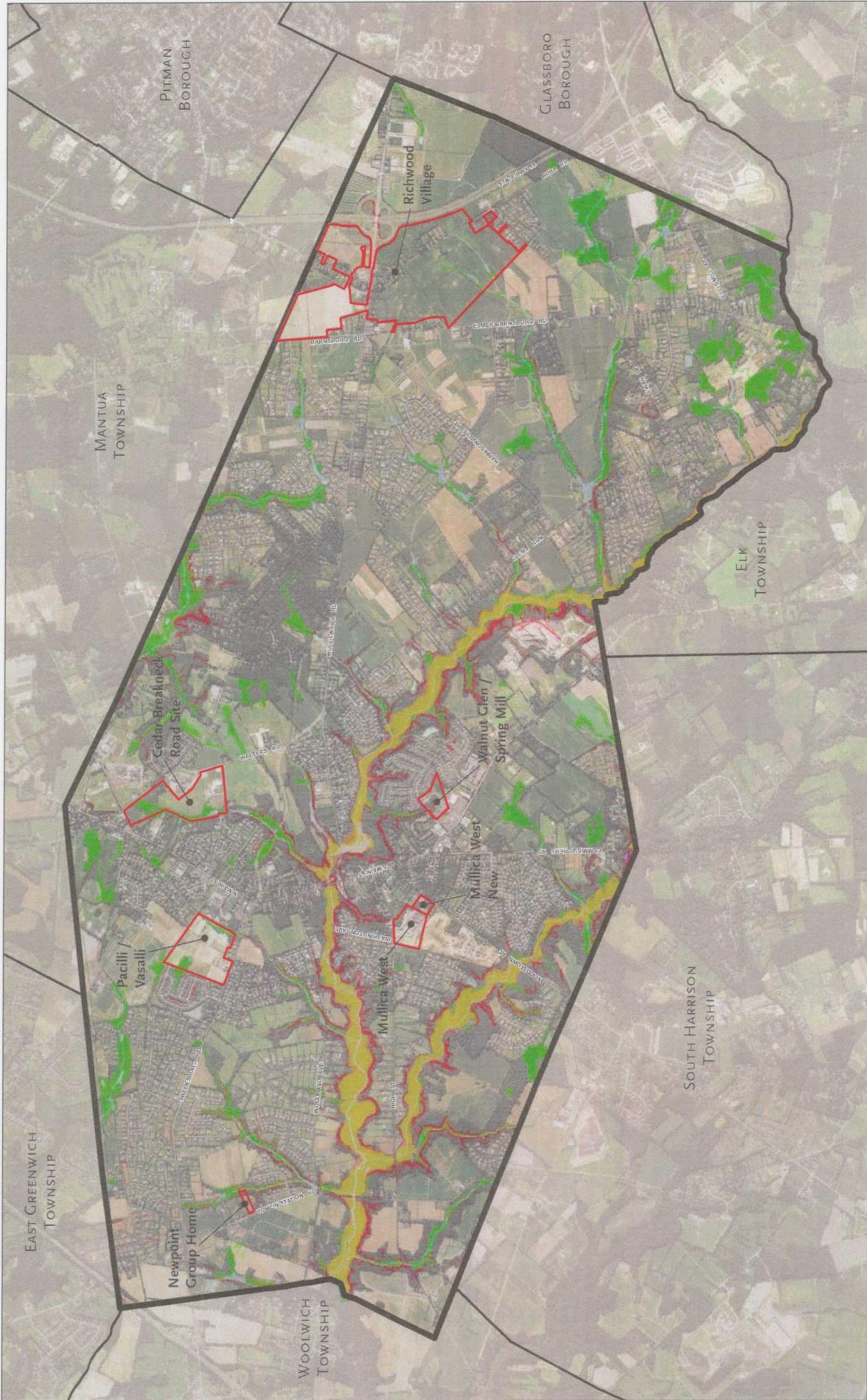
LOCATION: Harrison Township, Gloucester County, NJ
 DATE: August, 2016

LEGEND

- 15% Slopes and Above
- Special Flood Hazard Area (1% annual chance)
- Moderate Flood Hazard Area (0.2% annual chance)
- Stream
- Wetlands



Clarke Caton Hintz
 Architecture
 Planning
 Landscape Architecture



2016 HOUSING ELEMENT & FAIR SHARE PLAN

Affordable Housing Sites

LOCATION: Harrison Township, Gloucester County, NJ
 DATE: August, 2016

LEGEND

- 15% Slopes and Above
- Special Flood Hazard Area (1% annual chance)
- Moderate Flood Hazard Area (0.2% annual chance)
- Wetlands
- Stream



Clarke Caton Fritz
 Architects
 Planning
 Landscape Architecture



Affordable Housing Program Summary											
ID	Name	Gross Ac.	Program Type	Unit Type	Housing Type	Sale / Rental	Density (du / ac)	Set-aside	Resulting Units Total	Resulting Units Mkt. Afford.	
1	RCA – Woodbury	n/a	Regional Contribution Agreement	n/a	n/a	n/a	n/a	n/a	22	0	22
2	Walnut Glen / Spring Mill	14	Municipal Sponsored	Family	Multi-family	Rental	6.64	100%	93	0	93
3	Pacilli/ Vasalli	63.5	Inclusionary Zoning	Age-restricted	Single-family	Sale	3.23	12%	205	181	24
4	Richwood Village	356.6	Inclusionary Zoning	Family	Multi-family	Rental	3.37	25%	1200	900	300
5	Mullica West Extension of Affordability	24.79	Innovative Methods-LHTC	Family	Multi-family	Rental	6.78	100%	168	0	168
6	Mullica West New Construction	5.27	Municipal Sponsored	Family	Multi-family	Rental	9.11	100%	48	0	48
7	Newpoint Group Home	3	Special Needs	Special Needs	Single-family	Rental	1	100%	3	0	3
Surplus											
8	Cedar-Breakneck Road Site	6	Municipal Sponsored	Age-restricted	Multi-family	Rental	12.5	100%	75	0	75
Total									1813	1081	733

Satisfaction of Prior Round and Third Round Obligations												
ID	Name	Gross Acreage	Program Type	Unit Type	Sale / Rental	Total Afford. Units	Prior Round:			Third Round:		
							Units	Bonus Credits	Credits	Units	Bonus Credits	Type
1	RCA – Woodbury	n/a	Regional Contribution Agreement	n/a	n/a	22	22	0	22	0	0	0
2	Walnut Glen / Spring Mill	14	Municipal Sponsored	Family	Rental	93	93	50	143	0	0	0
3	Pacilli/ Vasalli	63.5	Inclusionary Zoning	Age-restricted	Sale	24	24	0	24	0	0	0
4	Richwood Village	356.6	Inclusionary Zoning	Family	Rental	300	6	0	6	123	Rental: Family	417
5	Mullica West Extension of Affordability	24.79	Innovative Methods-LIHTC	Family	Rental	168	0	0	0	0		168
6	Mullica West New Construction	5.27	Municipal Sponsored	Family	Rental	48	0	0	0	14	Rental: Family	62
7	Newpoint Group Home	3	Special Needs	Special Needs	Rental	3	3	0	3	0		0
Surplus												
8	Cedar-Breakneck Site	6	Municipal Sponsored	Age-restricted	Rental	75	0	0	0	0		75
Total						733	148	50	198	585	137	722
Surplus												
											176	



AFFORDABLE HOUSING ADMINISTRATION & AFFIRMATIVE MARKETING

Harrison Township has prepared an Affordable Housing Ordinance in accordance with COAH's substantive rules and UHAC. The Fair Share Ordinance will govern the establishment of affordable units in the Township as well as regulating the occupancy of such units. The Township's Fair Share Ordinance covers the phasing of affordable units, the low/moderate income split, bedroom distribution, occupancy standards, affordability controls, establishing rents and prices, affirmative marketing, income qualification, etc.

The Township has established the position of the Municipal Housing Liaison and has appointed a staff member to the position. However, the Township relies on outside organizations to conduct the administration and affirmative marketing of its affordable housing sites. More specifically, the Township's existing affordable housing sites, Mullica West and Spring Hill, have their own administrative agents and affirmative marketing plans. The affirmative marketing plans are 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 the Township's housing region, Region 5, consisting of Burlington, Camden and Gloucester counties.

The affirmative marketing plans include regulations for qualification of income eligibility, price and rent restrictions, bedroom distribution, affordability control periods, and unit marketing in accordance to *N.J.A.C. 5:80-26*. All newly created affordable units will comply with the thirty-year affordability control required by UHAC, *N.J.A.C. 5:80-26-5* and *5:80-26-11*. This plan must be adhered to by all private, non-profit or municipal developers of affordable housing units and must cover the period of deed restriction or affordability controls on each affordable unit.

Affirmative Marketing

The Affirmative Marketing Plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups...to housing units which are being marketed by a developer or sponsor of affordable housing. It is a continuing program and covers the period of deed restriction.



AFFORDABLE HOUSING TRUST FUND

Harrison adopted a development fee ordinance in May 21, 2001 which received Superior Court approval on June 27, 2001. A revised development fee ordinance was adopted on December 7, 2009 (Ordinance 36-2009), and approved by COAH on March 12, 2010. The ordinance permits collection of residential development fees equal to 1.5% of the equalized assessed value of new residential construction and additions, and nonresidential development fees equal to 2.5% of the equalized assessed value of new nonresidential construction and additions.

While the Township received Spending Plan approval in 2011, a new spending plan has been prepared consistent with this Plan. The Spending Plan, which discusses anticipated revenues, collection of revenues, and the use of revenues, was prepared in accordance with COAH's applicable substantive rules. All collected revenues will be placed in the Township's Affordable Housing Trust fund and may be dispensed for the use of affordable housing activities.

- 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 affordable housing units for the purpose of maintaining or implementing affordability controls,
- Accessory apartment or market to affordable programs;
- 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.
- In the case of inclusionary developments, costs shall be pro-rated based on the proportion of affordable housing units included in the development;

Eligible Trust Fund Expenditures

"A municipality may use revenues collected from the development fees for any activity approved by the Council (now the Court) for addressing the municipal fair share...Municipalities are encouraged to use development fee revenues to attract other funds..."

However, the Township is required to fund the programs in the certified Housing Element and Fair Share Plan, as well as provide affordability assistance.



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

COST GENERATION

Harrison 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 (*N.J.A.C. 5:21-1 et seq.*) and the mandate of the FHA regarding unnecessary cost generating features. Harrison shall comply with COAH's requirements for unnecessary cost generating requirements, *N.J.A.C. 5:93-10.1*, procedures for development applications containing affordable housing, *N.J.A.C. 5:93-10.4*, and requirements for special studies and escrow accounts where an application contains affordable housing, *N.J.A.C. 5:97-10.3*.