

**TOWNSHIP OF MONTGOMERY
MASTER PLAN**

**HOUSING PLAN ELEMENT
AND
FAIR SHARE PLAN**

November 25, 2008

INTRODUCTION

In accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1, et seq.), a municipal Master Plan must include a "Housing Plan Element" as a prerequisite for the adoption of zoning ordinance provisions within the municipality. More specifically, pursuant to Section 10 of P.L. 1985, c. 222 (C.52:27D-310), a "municipality's housing element shall be designed to achieve the goal of access to affordable housing to meet present and prospective housing needs, with particular attention to low and moderate income housing, and shall contain at least:

- a. 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...;
- b. 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 of lands;
- c. An analysis of the municipality's demographic characteristics, including, but not necessarily limited to, household size, income level, and age;
- d. An analysis of the existing and probable future employment characteristics of the municipality;
- e. A determination of the municipality's present and prospective fair share for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing; and

- f. A consideration of the lands that are 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."

Additional requirements to be included in a "Housing Plan Element" and a "Fair Share Plan" in order to address the 1987-2018 affordable housing obligation of a municipality are set forth in the New Jersey Council On Affordable Housing's "Third Round Substantive Rules" at N.J.A.C. 5:97 and are addressed in this document.

BRIEF LOCATIONAL DESCRIPTION OF THE TOWNSHIP

The Township of Montgomery is situated in the southeastern corner of Somerset County and contains approximately 32 square miles, or 20,646 acres of land. The municipality is traversed from north to south by State Route 206, County Route 601 (the Belle Mead-Blawenburg and Great Roads), County Route 533 (River Road North), and County Route 605 (River Road South). East-west access is provided by County Route 518 (the Georgetown and Franklin Turnpike), County Route 604 (Dutchtown-Harlingen Road), and County Route 602 (Skillman Road) in conjunction with Orchard Road and portions of Sunset and Burnt Hill Roads.

The Township of Montgomery is bounded by Hillsborough Township to the north; Princeton Township to the south; Franklin Township to the east; Hopewell and East Amwell Townships to the west; and surrounds the Borough of Rocky Hill on its north, west and south sides.

In addition to the municipal boundaries, the natural boundaries of the Sourland Mountains to the west and the Millstone River to the east are significant, since they effectively limit intra-municipal vehicular access points and channel most traffic flow to a north-south direction.

EXISTING LAND USE PATTERN

During October of 2000, a field survey was undertaken to update the documentation of the existing development throughout the Township of Montgomery. The findings of the survey are illustrated on the "Existing Land Use, October 2000" map which appears on the following page of this report. The analysis included a lot-by-lot field survey augmented by Montgomery Township Tax Book data.

As indicated on the map, nine (9) land use categories were generated from the field survey to include all lands within Montgomery Township. Additionally, the locations of barns, cemeteries, and detention basins also are noted.

EXISTING LAND USE MAP

The October 2000 existing land use survey was an update of previous surveys conducted during 1970, 1980, 1988, 1990 and 1995. The following "Existing Land Use Acreage Distribution

Chart, October 2000" indicates the approximate amount of land occupied by the various land use categories during 2000.

EXISTING LAND USE ACREAGE DISTRIBUTION CHART		
October 2000		
Land Use Categories	Approximate Acreage & Percentage of Township [1]	
Single-Family Residential [2]	5,028.70	24.36%
Multiple-Family Residential	123.67	0.60%
Commercial/Office	432.97	2.10%
Common Open Space	924.33	4.48%
Industrial	214.67	1.04%
Public	2,905.83	14.07%
Quasi-Public	823.89	3.99%
Vacant/Agricultural/Roads	6,064.90	29.37%
Wooded [3]	4,127.04	19.99%
TOTALS:	20,646.00	100.00%
Notes:		
[1] Montgomery Township contains 32.26 square miles, or 20,646 acres.		
[2] Residential lots over five (5) acres were attributed one (1) acre each.		
[3] Updated aerial photographs were used to determine "Wooded" acreage.		

It should be noted that while approximately forty-nine percent (i.e., 49.36%) of the lands in Montgomery Township may be considered to be "undeveloped" acreage, the lands are not necessarily appropriate for development. The environmental, transportation and community facility limitations imposed upon the undeveloped lands in Montgomery Township significantly restricts their availability for future development. Additionally, legitimate policy decisions concerning land conservation further limits the land areas which can be considered available for new development.

Indeed, Montgomery Township has been very aggressive in preserving lands for conservation, agricultural, recreational and open space purposes. The "Conservation Plan" map, which appears on the following page of this document, shows those properties which have been preserved as of April 24, 2008. The preserved lands shown on the map total approximately 6,436 acres, or 31.17% of Montgomery Township's land area.

Therefore, a significant amount of the land shown to be "Vacant/Agriculture/Roads" or "Wooded" acreage (i.e., undeveloped acreage) on the "Existing Land Use" map actually is restricted from development.

CONSERVATION PLAN MAP

MONTGOMERY TOWNSHIP'S CURRENT ZONE PLAN

The Township's "Zoning Map", dated May 15, 2006, which appears on the following this page of this report, indicates the location of the nineteen (19) zoning district as well as the current

optional development alternatives, the historic "Landmarks Preservation Overly Zone", and the "Airport Hazard Area" in the Township.

CRITICAL ENVIRONMENTAL CONSTRAINTS

The Township of Montgomery exhibits certain physical characteristics which limit the ability of the lands within the municipality to support development due to their environmentally fragile nature. The 2004 "Natural Resources Inventory" of Montgomery Township and additional mappings and textual discussions included in the various documents comprising the Township's Master Plan provide a systematic review of various natural resource features existing within Montgomery Township and their land use planning implications.

Carrying Capacity Of The Soils & Critical Areas

Since most of the land area in Montgomery Township is not served by public wastewater treatment facilities, specific attention must be given in those areas to the land's ability to adequately accommodate individual septic disposal systems. Suitable areas for septic systems require a soil that has enough, but not excessive drainage; in other words, an area that can adequately absorb the effluent, yet sufficiently filter the effluent to prevent groundwater contamination. Therefore, there must be unsaturated soil material beneath the absorption field to filter the effluent effectively.

As noted in the 2004 "Natural Resource Inventory", an overwhelming majority (84%) of the soils in Montgomery Township have severe limitations for disposal of effluent. The depth to bedrock and the depth to seasonal high water table are the two most important factors in the Township that affect effluent disposal. The "Natural Resource Inventory" also notes that approximately 25% of the Township is covered by soils that create situations that are unsuitable for any type of septic system, based upon the 1999 standards for individual subsurface sewage disposal systems (N.J.A.C. 7:9A) adopted by the New Jersey Department of Environmental Protection (NJDEP). Most of these soils are found in the Sourland Mountains and along stream beds, as well as along the Princeton ridge in the vicinity of the Princeton Township/Montgomery Township common border.

MAY 15, 2006 EXISTING ZONING MAP

Critical Areas

In addition to the severe limitation of the soils throughout almost the entirety of Montgomery Township to support development via individual septic systems, there are three (3) fundamental environmental features which deserve particular mention because they limit the development potential of the underlying lands and are noted within the "New Jersey State Development And

Redevelopment Plan" (SDRP); i.e., freshwater wetlands, 100-year floodplains and lands with a topographic slope fifteen percent (15%) or greater.

The "Critical Areas" map, which appears on the following page of this report, generally indicates those portions of Montgomery Township which are environmentally encumbered for development by these three (3) environmental features. The "Critical Areas" map also shows streams corridors and those lands exhibiting certain types of hydric soils.

Freshwater Wetlands & Transition Areas

Freshwater wetlands are physical characteristics which present severe constraints for land development. As indicated on the "Critical Areas" map, significant portions of Montgomery Township have been classified as "freshwater wetlands", and not all of these land areas are associated with the Millstone River or the extensive stream tributary system within the Township.

Most of the "freshwater wetlands" in Montgomery Township are considered by NJDEP as having intermediate resource value. A fifty foot (50') transition area is required by NJDEP to be established around these wetlands to act as a buffer to the valuable resources. However, there also are many exceptional resource value wetlands in the Township, particularly in the southwestern portion of the Township, where a transition area of one hundred fifty feet (150') is required by NJDEP.

Critical Hydric Soils

The purpose of designating hydric soils as "critical areas" is to assure the protection of these environmentally fragile soils as classified as by the United State Department of Agriculture, Natural Resources Conservation Service. By definition, "hydric soils" are either saturated at or near the soil surface with water that is virtually lacking free oxygen for significant periods during the growing season or are flooded frequently for long periods during the growing season.

As a result, hydric soils may develop anaerobic conditions that favor the growth of hydrophytic vegetation and, therefore, may be associated with a wetland. In Montgomery Township, the identified critical hydric soils consist of, but are not necessarily limited to, Bowmansville, Cokesbury, Croton, Elkton, Fluvaquents, Lamington, Parsippany, Parsippany Variant, or Watchung soils.

CRITICAL AREAS MAP

100-Year Flood Plains & Stream Corridors

Lands indicated to be within the 100-year flood boundary have a 1.0% chance of flooding in any given year. As shown on the "Critical Area" map, significant 100-year flood plain areas exist within Montgomery Township along the Millstone River, Bedens Brook, Crusier Brook, Rock Brook, Back Brook and Pike Brook.

As noted in the 2004 "Natural Resource Inventory", the flood plain has not been delineated along a number of streams or water courses throughout the Township. Associated with the surface water courses and bodies are riparian areas that surround them. The riparian area encompasses the fragile and environmentally important aquatic ecosystem which helps to control non-point sources of pollution. Disturbance to these riparian areas or the introduction of impervious surfaces in the riparian areas can result in greater volumes of runoff. This can result in erosion of stream banks and in sediment and chemicals being carried to aquatic systems at accelerated rates.

In an effort to protect the aquatic ecosystem and prevent further degradation to surface water quality, the Township of Montgomery has adopted ordinances to protect the stream corridor areas associated with the riparian area of all surface water courses or bodies from any development. The required stream corridor is a one hundred foot (100') buffer from the edge of any delineated flood plain or, where there is no delineated flood plain, from the top of the channel bank of the water course. A Township "Hydrography" map, developed from aerial photography, identifies all surface water courses and bodies within the Township which are subject to the required stream corridor protection.

Topographic Slopes 15% & Greater

Slope is indicated as a percentage; the change in vertical elevation (in feet) per 100 feet of horizontal distance. Aside from the sheer physical impediment of improving a site for construction on steep slopes or rocky ledges, the degree of slope has a direct bearing on a number of other physical characteristics, since steep slopes exacerbate the inherent shortcomings of the soils. For example, absorption or soil drainage is inversely related to the degree of slope. Steep slopes have poor drainage due to increased run-off. The natural evolution of soil types also is impeded on steep slopes due to the inherently limited amount of ground cover that can develop in areas of high erosion.

Summarily, lands with a topographic slope fifteen percent (15%) or greater have great environmental importance with respect to erosion, sedimentation, water supply, and septic limitations because of poor soil drainage and absorption as well as thin soils with low fertility. For these reasons, it is recommended that relatively low densities prevail in areas where slopes are fifteen percent (15%) or greater in grade.

Most of the steep slope areas within Montgomery Township were formed by geologically folded bedrock and glacier scouring. The highest concentrations of steeply sloped lands within the Township occur along the southeast face of the Sourland Mountain as well as along the Millstone River and the numerous stream corridors.

THE STATE PLAN & MONTGOMERY TOWNSHIP

On June 12, 1992, the New Jersey State Planning Commission adopted "Communities Of Place: The New Jersey State Development and Redevelopment Plan" (SDRP) which serves as a guide for municipal and county master planning. The SDRP was reexamined in the late 1990s, and during 2000 input was received from the municipalities and counties as part of the "Cross Acceptance II" process. As a result, the New Jersey State Planning Commission adopted an

updated and modified plan on March 1, 2001, entitled "The New Jersey State Development and Redevelopment Plan".

The "New Jersey State Development And Redevelopment Plan" (SDRP) has allocated the land within New Jersey into "Planning Areas" and "Centers". The "Centers" are those lands within the "Planning Areas" where growth is first encouraged; the surrounding areas, or "Environs", are those lands located outside the "Centers".

As indicated on the "Resource Planning And Management Map" (now called the "Policy Map"), which appears on the following page of this document, the New Jersey State Planning Commission has included a majority of Montgomery Township's land area within "Planning Area 4", the "Rural Planning Area", and "Planning Area 5", the "Environmentally Sensitive Planning Area".

The "Planning Area 4" designation is in recognition of the rural character of the subject portion of Montgomery Township, an area where significant land has been preserved, or is targeted to be preserved, as farmland and/or open space. Very limited non-residential uses and low density residential development on individual septic systems are scattered throughout this portion of the Township.

The "Planning Area 5" designation in Montgomery Township is in recognition of the environmentally fragile lands at the base of the Sourland Mountains and along the Millstone River.

Additionally, the central portion of Montgomery Township, along the Route 206 corridor, has been designated within the "Planning Area 3", the "Fringe Planning Area". This area of the Township is characterized by moderate density residential development, mostly without public sewerage facilities, some preserved farmlands and some non-residential uses developed at relatively low intensities.

The northeastern and southeastern portions of Montgomery Township, which contain the existing and planned principal commercial and higher density residential development in the Township, are designated within "Planning Area 2", the "Suburban Planning Area".

RESOURCE PLANNING AND MANAGEMENT MAP

The following are excerpts from the "Policy Objectives" sections of the March 1, 2001 "New Jersey State Development and Redevelopment Plan" with regards to housing in the applicable Planning Areas:

The "Environmentally Sensitive Planning Area" (PA5)

"Provide for a full range of housing choices primarily in Centers at appropriate densities to accommodate projected growth. Ensure that housing in general – and in particular affordable, senior citizen, special needs and family housing – is

developed with access to a range of commercial, cultural, educational, recreational, health and transportation services and facilities. Focus multi-family and higher-density, single-family housing in Centers. Any housing in the Environs should be planned and located to maintain or enhance the cultural and scenic qualities and with minimum impacts on environmental resources."

The "Rural Planning Area" (PA4)

"Provide for a full range of housing choices primarily in Centers at appropriate densities to accommodate projected growth, recognizing the special locational needs of agricultural employees and minimizing conflicts with agricultural operations. Ensure that housing in general – and in particular affordable, senior citizen, special needs and family housing – is developed with maximum access to a full range of commercial, educational, recreational, health and transportation services and facilities in Centers. Focus multi-family and higher-density, single-family housing in Centers. Any housing in the Environs should be planned and located to maintain or enhance the cultural and scenic qualities and with minimum impacts on agricultural resources."

The "Fringe Planning Area" (PA3)

"Provide for a full range of housing choices primarily in Centers at appropriate densities to accommodate projected growth. Ensure that housing in general – and in particular affordable, senior citizen, special needs and family housing – is developed with maximum access to a full range of commercial, educational, recreational, health and transportation services and facilities in Centers. Focus multi-family and higher-density, single-family housing in Centers. Any housing in the Environs should be planned and located to maintain or enhance the character of the Environs."

The "Suburban Planning Area" (PA2)

"Provide for a full range of housing choices primarily in Centers at appropriate densities to accommodate the area's projected growth. Ensure that housing in general – and in particular affordable, senior citizen, special needs and family housing – is developed with maximum access to a full range of commercial, cultural, educational, recreational, health and transportation services and facilities. Focus multi-family and higher-density, single-family housing in Centers. Any housing in the Environs should be planned and located to maintain the existing character of the Environs."

Regarding the location of "low" and "moderate" affordable housing within a municipality, there is a relationship between the recommendations of the SDRP and the requirements of the New Jersey Council On Affordable Housing (COAH). Specifically, COAH's "Substantive Rules" for the third round states that sites designated to produce affordable housing shall be consistent with the State Development and Redevelopment Plan and shall be in compliance with the rules and regulations of all agencies with jurisdiction over the site, including, but not limited to the following [N.J.A.C. 5:97-3.13(b)]:

- "1. Sites that are located in Planning Areas 1 or 2 or located within a designated center or located in an existing sewer service area are the preferred location for municipalities to address their fair share obligation."
- "2. Municipalities or developers proposing sites located in Planning Areas 3, 4, 4B, 5 or 5B that are not within a designated center or an existing sewer service area shall demonstrate to the Council that the site is consistent with sound planning principles and the goals, policies and objectives of the State Development and Redevelopment Plan. The Council may seek a recommendation from the Executive Director of the Office of Smart Growth on the consistency of the site with sound planning principles and the goals, policies and objectives of the State Development and Redevelopment Plan."

There are no "designated" centers within Montgomery Township. However, the 2001 SDRP notes a "Proposed Montgomery Village Center" for Montgomery Township on the properties that were recently purchased by the Township from the State of New Jersey. These properties had been used by the State of New Jersey for the North Princeton Developmental Center and the Skillman Training Center. The lands are now known as "Skillman Village".

The State Planning Commission is in the process of reexamining the SDRP once again, and the third round of the "Cross Acceptance III" process has been completed with the municipalities. The SDRP's "N.J. Prelim. Plan: Update Delta Map – Cross-Acc. III" for Somerset County, last dated January 29, 2007 and shown on the following page of this document, no longer shows the "Proposed Montgomery Village Center".

N.J. PRELIM. PLAN: UPDATE DELTA MAP – CROSS-ACC. III

Other changes to the "Policy Map" are proposed by the State which affect the Township of Montgomery. Specifically, some of the preserved open space areas within the Township have been cited for planning area designation changes to "Parks & Natural Areas" from "Planning Areas 3, 4 and 5". The "Preliminary Policy Map" also shows "Planning Areas 4" lands that are within the sewer service areas of the Township, which indicates a potential conflict with the "Planning Area 4" criteria.

It should be noted that these sewer service areas in "Planning Area 4" existed before 1992 when the first SDRP was adopted. Moreover, the sewer service areas were in concert with the then existing rules of the State Department of Environmental Protection. The sewer service provided to the lands of the North Princeton Developmental Center and the Skillman Training Center, now known as "Skillman Village", was a State constructed and owned facility that was purchased

from the State by Montgomery Township.

PUBLIC WATER SUPPLY AND SEWAGE TREATMENT FACILITIES

The "Wastewater Management Plan" for Montgomery Township and Rocky Hill Township was prepared during June 2001 and was revised during June 2002. The plan was developed pursuant to Chapter 15, Statewide Water Quality Planning (N.J.A.C. 7:15-1 et seq.). The adopted plan represents the anticipated wastewater needs through the year 2020. The plan was based upon existing land uses, the current sewer policies of the two (2) municipalities, existing wastewater treatment facilities and their service areas as approved by the New Jersey Department of Environmental Protection (NJDEP), proposed developments that have preliminary approval from the Planning and/or Zoning Boards and those developments under review for approval.

As indicated on the "Proposed Sewer Service Area" map, which appears on the following page of this report, the "Wastewater Management Plan" contains eight (8) service water discharge areas, as follows, with all to be public facilities excepting "Carrier" and "J&J".

1. Riverside Farms
2. Pike Brook
3. Oxbridge
4. North Princeton Developmental Center
5. Stage II
6. Cherry Valley
7. Carrier Foundation
8. Johnson & Johnson

Again, these sewer areas existed before 1992 when the first SDRP was adopted.

PROPOSED SEWER SERVICE AREA MAP

EXISTING HOUSING, POPULATION AND ECONOMIC CHARACTERISTICS

The following is a summary of the outstanding characteristics of the Township of Montgomery's housing stock, population and employment. The information was compiled from the 2000 U.S. Census data and supplemented by data published by the State of New Jersey Department of Labor. The Summary File 1 (SF-1) and the Tables DP-1 through DP-4 data sheets from the 2000 Census for the Township of Montgomery, as published by the Census Bureau, respectfully are included as Addendums I and II to this document.

Inventory Of Municipal Housing Stock

The "Selected Housing Characteristics, 2000" table includes selected data regarding Montgomery Township's housing stock as reported in the 2000 Census. In 2000, Montgomery had a total of 6,130 housing units (Summary File 1 and Table DP-1).

However, due to a sampling error in the census data, the total number of housing units shown on Table DP-4 is 6,126 housing units. Of these 6,126 units, single-family units (detached and attached) accounted for 5,226 units or approximately 85.3% of the total units. Two-family units accounted for an additional 58 units or approximately 0.9% of the total. Therefore, approximately 86.2% or 5,284 of the total 6,126 units reported to be in the Township in 2000 were either detached or attached single-family or two-family dwelling units. Multi-family units with three or more units per building accounted for 828 units or 13.5% of the total.

Regarding housing tenure, 5,803 units, or approximately 94.7% of the total 6,130 units, were occupied at the time the 2000 Census was taken in the Township. Of the 5,803 occupied housing units, approximately 13.3%, or 772 units, were renter occupied.

Therefore, in terms of housing vacancy, 5.3% or 327 of the total 6,130 units in the Township were vacant in 2000. Of the 327 vacant housing units, 13.5% were for sale (44 units), 46.2% were for rent (151 units), and 19.0% (62 units) already were rented or sold, but not yet occupied. The remaining 21.4% (70 units) were for "seasonal, recreational or occasional use" or for "other" use.

The median value of owner-occupied homes in the Township of Montgomery in 2000 was \$348,500 and the median monthly contract rent was \$1,196. Throughout Somerset County, the 2000 median value for owner-occupied homes was \$235,000 and the median monthly contract rent was \$898.

Regarding the age of housing units in the Township of Montgomery, two-thirds (66.7%), or 4,084 units, of the total 6,126 housing units existing in the Township in March of 2000, were constructed after 1980 and 76.5%, or 4,686 units, were constructed after 1970. This data indicates the relatively new character of the existing residential development within Montgomery Township, with relatively few historic structures existing in the Township compared to the total number of housing units.

**SELECTED HOUSING CHARACTERISTICS, 2000
TOWNSHIP OF MONTGOMERY**

Total Housing Units, 2000 6,126 units

Housing Type, 2000

Single-family detached	4,537 units
Single-family attached	689
Multi-family (two units at address)	58
Multi-family (three or more units at address)	828
Mobile home or trailer	14
Other	0

Housing Tenure, 2000

Occupied housing units	5,803 units
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Owner occupied	5,031
Renter occupied	772
Renter occupied as percent of occupied units = 13.3%	

Housing Vacancy, 2000

Vacant housing units	327 units
For rent	151
For sale only	44
Rented or sold, not occupied	62
For seasonal, recreational or occasional use	34
For migrant workers	0
Other	36

Housing Value, 2000

Median value, specified owner-occupied housing units = \$ 348,500
 Median contract rent, specified renter-occupied units = \$ 1,196

Age Of Housing Units, 2000

<u>Year Constructed</u>	<u>No. of Units</u>	<u>Percentage of Total</u>
1990 - March 2000	2,960	48.3%
1980 - 1989	1,124	18.4%
1970 - 1979	602	9.8%
1960 - 1969	694	11.3%
1940 - 1959	400	6.5%
1939 or earlier	346	5.7%
Totals:	6,126 units	100.0%

SOURCES: U.S. Census Bureau, Census 2000, "Summary File 1" & "Table DP-4. Profile of Selected Housing Characteristics: 2000".

More specifically, the housing units existing in the Township of Montgomery as of March 2000 were broken down by the decade in which they were constructed as follows:

- # 346 units or 5.7% constructed 1939 or earlier;
- # 400 units or 6.5% constructed between 1940 and 1959;
- # 694 units or 11.3% constructed between 1960 and 1969;
- # 602 units or 9.8% constructed between 1970 and 1979;
- # 1,124 units or 18.4% constructed between 1980 and 1989; and
- # 2,960 units or 48.3% constructed between 1990 and March 2000.

Regarding construction activity in the Township of Montgomery, the "Residential Building

Permits Issued" table indicates the number of residential units for which building permits were issued for each year between 1999 and 2007. Additionally, the table indicates the number of demolitions for those years.

As indicated on the "Residential Building Permits Issued" chart, during the nine (9) year time period between 1999 and 2007, a total of 1,811 building permits were issued for residential construction in the Township of Montgomery and a total of 52 residential demolition permits were issued during the same time period.

The annual average of building permits issued during the nine (9) year time period was 201.2 permits. Almost all of the total building permits (95%) were issued between 1999 and 2003, with the highest number of permits (607) issued in 2002.

Only 6 building permits were issued in 2006 and 2007. From January through July of 2008, a total of 2 building permits and one demolition permit have been issued for residential units. Therefore, it is evident that there is a definite slow down in the construction of new dwelling units in Montgomery Township.

Adding the 6,126 total housing units existing in the early part of 2000 to the 1,480 dwelling units for which building permits were issued in 2000 through July of 2008 and subtracting the 53 dwelling units for which demolition permits were issued in 2000 through July of 2008 would mean that the Township of Montgomery had approximately 7,553 housing units built or under construction by the end of July 2008.

**RESIDENTIAL BUILDING PERMITS ISSUED, 1999-2007
TOWNSHIP OF MONTGOMERY**

<u>Year</u>	<u>Total Permits</u>	<u>Demolitions</u>
1999	333	0
2000	206	1
2001	176	2
2002	607	0

Inadequate Water Supply (no public water, drilled well or dug well).

Although the U.S. Census does not measure housing quality directly, several items in the Census are indirect indicators of substandard housing conditions. The 2000 Census collected data on the first five (5) surrogates, but not on the sewer service and water supply characteristics of housing units.

According to the 2000 Census, and as summarized hereinbelow, at least 455 housing units in the Township of Montgomery were included in one and/or another of these seven (7) surrogates. It should be emphasized that some units may have been multiply counted, since the Census data did not account for overlapping data. The data is more indicative of the age, rather than the quality, of the housing stock in Montgomery Township, since 346 of the 455 units were included in the surrogate for dwelling units constructed prior to 1940.

Moreover, in order for a housing unit to be considered substandard by the New Jersey Council On Affordable Housing (COAH) and be included as an "indigenous need" unit, it must exhibit at least two (2) of the seven (7) surrogates and be occupied by a qualified "low" or "moderate" income household.

Number Of Deficient Units By Housing Quality Surrogate

Constructed Prior To 1940	346 units
Overcrowded	77
Inadequate Plumbing Facilities	8
Inadequate Kitchen Facilities	8
Inadequate Heating	<u>16</u>
Total:	455 units

Existing Units In Montgomery

Theoretically Affordable To Low And Moderate Income Households

The actual number of housing units in the Township of Montgomery theoretically affordable to "low" and "moderate" income households can only be estimated given the data available.

According to the "2008 Regional Income Limits" adopted by the Council On Affordable Housing (COAH), the eligible "low" and "moderate" incomes for Region 3, which includes Somerset County, for a one and one-half person household were \$36,263 and \$58,020, respectively, for a three (3) person household were \$43,515 and \$69,624, respectively, and for a four and one-half (4.5) person household were \$50,284 and \$80,454, respectively.

To estimate the number of owner-occupied housing units existing in Montgomery Township which theoretically are affordable to "low" and "moderate" income households, the COAH chart for Region 3 on the following page, entitled "Illustrative 2008 Low and Moderate Income Sales Prices for New Construction", reflects the approximate cost of an affordable dwelling in Montgomery Township's housing region, based upon household size and income, as follows:

Household Size	"Low" Income (max. 50%) Household	"Moderate" Income (70%) Household
One and one-half (1.5) persons	\$81,591	\$114,227
Three (3) persons	\$97,909	\$137,072
Four and one-half (4.5) persons	\$113,139	\$158,395

For a "low" income household, 14 (0.3%) of the 4,721 owner occupied units in Montgomery Township on Table DP-4 of the 2000 Census are indicated to be valued less than \$50,000, and 37 (0.8%) are indicated to be valued less than \$100,000.

For a "moderate" income household, 37 (0.8%) of the 4,721 owner occupied units in Montgomery Township on Table DP-4 of the 2000 Census are indicated to be valued less than \$100,000, and 219 (4.6%) are indicated to be valued less than \$150,000.

2008 ILLUSTRATIVE COAH SALE PRICES

To estimate the number of rental housing units existing in Montgomery Township which theoretically are affordable to "low" and "moderate" income households, the COAH chart for Region 3 on the following page, entitled "Illustrative 2008 Low and Moderate Income Rents for New Construction and/or Reconstruction", reflects the approximate cost of renting an affordable dwelling in Montgomery Township's housing region, inclusive of utilities and based upon household size and income, as follows:

Household Size	"Low" Income (max. 46%) Household	"Moderate" Income (60%) Household
One and one-half (1.5) persons	\$834	\$1,088
Three (3) persons	\$1,001	\$1,305
Four and one-half (4.5) persons	\$1,157	\$1,509

For a "low" income household, 100 (13.7%) of the 728 renter occupied units specified for Montgomery Township on Table DP-4 of the 2000 Census are indicated to be rented at less than \$750, and 258 (35.4%) are indicated to be rented at less than \$1,000.

For a "moderate" income household, 258 (35.4%) of the 728 renter occupied units specified for Montgomery Township on Table DP-4 of the 2000 Census are indicated to be rented at less than

\$1,000, and 489 (67.2%) are indicated to be rented at less than \$1,500.

Summarily, some existing housing units within Montgomery Township, particularly rental units, are theoretically affordable to "low" and "moderate" income households, depending upon their size.

2008 ILLUSTRATIVE COAH RENTS

Existing Population, Households And Income

In 2000, the total population of the Township of Montgomery was 17,481 persons, of whom 17,346 resided in households. The 17,346 people residing in households were distributed among 5,803 households, resulting in an average of 2.99 persons per household.

Montgomery Township's population increased 357.7% from 1950 to 2000, while the population of Somerset County increased by 200.3% during the same period. As shown on the "Population Trends, 1950-2000" table, the population of Montgomery Township grew very little in the 1950s (0.8%). The greatest growth occurred during the 1990s (81.9%) and in the 1960s (65.0%), with a slower growth rate in the 1970s (15.9%) and the 1980s (30.6%).

In comparison, the population of Somerset County increased the most during the 1950s (45.3%), then slowed to a 37.8% growth rate during the 1960s, which continued to decline during the 1970s (2.4%). The County then experienced a slight increase in the population growth rate during the 1980s (18.3%) and the 1990s (23.8%).

Between 1950 and 2000, the population of Montgomery Township as a percentage of the population of Somerset County was 3.9% in 1950. In 1960 and 1970, it declined slightly to 2.7% and 3.2%, respectively, and then increased in 1980 to 3.6%, followed by a continued increase in 1990 and 2000 to 4.0% and 5.9%, respectively.

In 2000, the median age of the Township's population was 36.8 years; 36.7 years for males and 36.9 for females. As shown on the "Population By Sex And Age Cohort, 2000" table, the population of Montgomery Township in 2000, both male and female, was normally distributed among the age cohorts. The total number of males in 2000 was 8,624 (49.3%) and the total number of females was slightly more at 8,857 (50.7%) for a total population of 17,481.

Regarding income, the "Household Income In 1999" table indicates that the median household income in 1999 in the Township of Montgomery was \$118,850. The largest income group, 1,561 households, or 26.9% of the total, earned between \$100,000 and \$149,999.

Only 311 households, or 5.4% of the total, earned less than \$25,000, and only 73 households, or 1.3% of the total, had incomes of less than \$10,000. Slightly less than two-thirds of the total households in the Township (3,577 or 61.6%) earned \$100,000 or more annually.

**POPULATION TRENDS, 1950 - 2000
TOWNSHIP OF MONTGOMERY AND SOMERSET COUNTY**

	<u>Township of Montgomery</u>	<u>Somerset County</u>	Montgomery's Total Population As A Percentage Of Somerset County
1950	3,819	99,052	3.9%
1950-1960 Increase	32 (0.8%)	44,861 (45.3%)	
1960	3,851	143,913	2.7%
1960-1970 Increase	2,502 (65.0%)	54,459 (37.8%)	
1970	6,353	198,372	3.2%
1970-1980 Increase	1,007 (15.9%)	4,757 (2.4%)	

1980	7,360	203,129	3.6%
1980-1990 Increase	2,252 (30.6%)	37,168 (18.3%)	
1990	9,612	240,297	4.0 %
1990-2000 Increase	7,869 (81.9%)	57,193 (23.8%)	
2000	17,481	297,490	5.9%
Percentage Growth 1950-2000	357.74%	200.34%	

SOURCES: NJSDC 1990 Census Publication; "New Jersey Population Trends 1790 To 1990", State Data Center, April 1991, and 2000 U.S. Census data.

**POPULATION BY SEX AND AGE COHORT, 2000
TOWNSHIP OF MONTGOMERY**

<u>Age</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Percentage Of Total</u>
0 - 4	1,514	759	755	8.7%
5 - 14	3,455	1,796	1,659	19.8%
15 - 24	1,476	744	732	8.4%
25 - 34	1,708	770	938	9.8%
35 - 44	3,869	1,865	2,004	22.1%
45 - 54	2,899	1,441	1,458	16.6%
55 - 64	1,371	677	694	7.8%

65 - 74	768	383	385	4.4%
75 +	<u>421</u>	<u>189</u>	<u>232</u>	<u>2.4%</u>
Total:	17,481	8,624	8,857	100.0%

SOURCE: 2000 U.S. Census data, STF-1, Profile 1.

**HOUSEHOLD INCOME IN 1999
TOWNSHIP OF MONTGOMERY**

	<u>Households</u>	
	<u>Number</u>	<u>Percent</u>
Under \$10,000	73	1.2%
\$10,000 - 14,999	66	1.1%
\$15,000 - 24,999	172	3.0%
\$25,000 - 34,999	190	3.3%
\$35,000 - 49,999	457	7.9%
\$50,000 - 74,999	570	9.8%
\$75,000 - 99,999	699	12.0%
\$100,000 - 149,999	1,561	26.9%

\$150,000 – 199,999	1,020	17.6%
\$200,000 +	<u>996</u>	<u>17.2%</u>
Total:	5,804	100.0%

Median Household Income: \$118,850

SOURCE: 2000 U.S. Census data, Table DP-3.

Between 1989 and 1999, the per capita money income of the Township of Montgomery increased from \$38,936 in 1989 to \$48,699 in 1999, an increase of 25.1%. The per capita money income average of all Somerset County municipalities increased from \$25,111 in 1989 to \$37,970 in 1999, an increase of 51.2%.

	<u>1989</u>	<u>1999</u>	<u>Percent of Change</u>
Montgomery Township	\$ 38,936	\$48,699	25.1%
Somerset County*	\$ 25,111	\$37,970	51.2%

*Average of all municipalities in Somerset County.

The poverty rate for all persons in Montgomery Township was 1.5%, or a total of 261 persons, in 1999. The poverty rate for Somerset County was 3.8%, or a total of 11,061 persons, in 1999.

Existing Employment

The New Jersey Department of Labor indicates that the Township of Montgomery had 7,359 covered jobs in the private sector during 2006 and that Somerset County had 156,242 covered jobs in the private sector that year. The term "covered jobs" refers to employment covered by the New Jersey Unemployment Compensation Program.

As indicated on the "Covered Employment, 1995 - 2006" table, employment in Montgomery Township increased from 5,898 covered jobs in 1995 to 7,359 covered jobs in 2006, while employment in Somerset County increased from 134,290 covered jobs in 1995 to 156,242 jobs in 2006.

The overall change in the number of private sector covered jobs between 1995 and 2006 was +1,461, or +24.8%, for the Township of Montgomery and +21,952, or +16.3%, for Somerset County, indicating that employment growth in Montgomery Township was greater than that of Somerset County during the 12-year period. Covered jobs in Montgomery Township as a percentage of covered jobs in Somerset County ranged over the 12-year period from a low of 4.39% in 1995 to a high of 5.99% in 2000.

**COVERED EMPLOYMENT, 1995 - 2006
TOWNSHIP OF MONTGOMERY AND SOMERSET COUNTY**

<u>Year</u>	<u>Covered Jobs</u>		<u>Montgomery Township As Percent Of County</u>
	<u>Montgomery Township</u>	<u>Somerset County</u>	
1995	5,898	134,290	4.39%
1996	7,483	141,096	5.30%
1997	7,860	149,737	5.25%
1998	8,423	149,442	5.64%
1999	8,563	152,552	5.61%
2000	9,574	159,904	5.99%
2001	9,197	161,367	5.70%
2002	8,322	155,829	5.34%
2003	8,360	148,774	5.62%

2004	8,107	149,814	5.41%
2005	7,979	154,473	5.17%
2006	7,359	156,242	4.71%
Increase 1995 Through 2006	+1,461 (+24.8%)	+21,952 (+16.3%)	

Note: 2007 data not yet available for both County and Municipalities.

SOURCES: Private Sector Covered Jobs, Third Quarter, 1995-1999,
New Jersey Department of Labor and
2000-2006 New Jersey Department of Labor & Workforce Development's
Employment & Wage Data For The Third Quarter.

MONTGOMERY TOWNSHIP'S COMPLIANCE WITH THE "MT. LAUREL II" DECISION PRIOR TO THE CREATION OF COAH

The New Jersey State Supreme Court decided the "Mt. Laurel II" Supreme Court Decision on January 20, 1983. The decision addressed the responsibilities of municipalities throughout New Jersey to permit the construction of "low" and "moderate" income affordable housing units within their bounds.

Approximately one and one-half (12) years after the "Mt. Laurel II" Supreme Court Decision, and prior to the creation of the New Jersey Council On Affordable Housing (COAH), Judge Eugene Serpentelli, as part of his July 16, 1984 Decision regarding a "Mt. Laurel" litigation against Warren Township in Somerset County, sanctioned the so-called "consensus methodology". The methodology was the required way in which municipalities were to calculate their "fair share" housing obligation.

In accordance with the "consensus methodology", Montgomery Township's "fair share" housing obligation through December 31, 1993 initially was calculated to be a very high seven hundred thirty-one (731) affordable housing units.

However, Montgomery Township disagreed with certain aspects of the "consensus methodology" and, in the face of imminent litigation, *voluntarily* petitioned Judge Serpentelli's court during March 1985 for a review of its "Mt. Laurel II" "fair share" housing obligation, as well as for approval of the zone plan that the Township proposed to satisfy the obligation.

During the Court proceedings, Montgomery Township corrected certain of the statistical data from the Department of Labor which were utilized in the "consensus methodology", and the Township also successfully argued against certain other aspects of the methodology. As a result

of these efforts, the Court entered a Judgment of Compliance on July 31, 1985 which found that Montgomery Township's "fair share" housing obligation was three hundred twenty-five (325) "low" and "moderate" income units, versus the originally calculated seven hundred thirty-one (731) units.

Moreover, the Court found that the Township's zoning provisions for the "APT/TH" Apartment/Townhouse District in the southern portion of the Township and the "PRD" Planned Residential Development option in the northern portion of the Township provided a reasonable opportunity for the construction of the required three hundred twenty-five (325) affordable units.

As a result of the July 31, 1985 "Judgment of Compliance", Montgomery Township became the *first municipality* in the State of New Jersey deemed to be in compliance with its "Mount Laurel II" housing obligations through *voluntary* measures.

Montgomery Township's addressment of its obligation to provide for the construction of the three hundred twenty-five (325) affordable units consisted of two hundred ten (210) units to be constructed within the approved "Pike Run" Planned Residential Development plus one hundred fifteen (115) unit credits from the approved ninety-five (95) affordable units in the "Scribner Village" (a/k/a "Montgomery Hills") development in the Apartment/Townhouse zoning district.

On July 2, 1985, *after* Montgomery Township voluntarily petitioned Judge Serpentalli's Court for a finding that it was complying with its "Mt. Laurel II" housing obligation, the "Fair Housing Act" (N.J.S.A. 52:270-301, et seq.) was signed into law by the Governor. In accordance with the then prevailing "Substantive Rules" of the New Jersey Council On Affordable Housing (COAH), which were adopted pursuant to the "Fair Housing Act", the mandated "fair share" affordable housing obligation for Montgomery Township was calculated to be one hundred eight (108) affordable units between the years 1987 and 1993.

MONTGOMERY TOWNSHIP'S CURRENT COAH MANDATED AFFORDABLE HOUSING OBLIGATION

COAH's new/proposed rules require that a municipality address three (3) components of its affordable housing obligation, including the "Rehabilitation Share", the "Prior Round Obligation" and the "Growth Share" obligation.

Rehabilitation Component

Montgomery Township has been assigned an 11 unit rehabilitation share obligation; the rehabilitation share is the number of unspecified housing units in the Township as of April 1, 2000 which have a physical deficiency such as problematic plumbing, heating or septic systems

and which are occupied by eligible COAH households.

In accordance with N.J.A.C. 5:97-6.2 of COAH's "Substantive Rules", the Township will address its rehabilitation share obligation via a rehabilitation program. The rehabilitation program will be funded from the Township's "Housing Trust Fund" which, as of November 20, 2008, had a balance of \$991,183.33.

The rehabilitation program will be managed by CGPH, LLC (formerly Community Grants & Planning) who currently are under contract with the Township.

Prior Round Obligation

According to COAH, Montgomery Township's currently calculated prior round obligation is 307 units, versus the 315 units previously calculated.

The Township has provided a total of 305 affordable units to be credited to its prior round obligation, including 210 family units in Pike Run, 35 family units in Montgomery Hills and 60 age-restricted units, also in Montgomery Hills.

Montgomery also has received bonus credits for its rental housing, as follows:

- Initially, the Township received a $\frac{1}{3}$ bonus from the Superior Court for each of the 60 age-restricted units in Montgomery Hills, resulting in 20 credits.
- However, when the Township received "Substantive Certification" from COAH on March 5, 1997, the rental credits changed because of COAH's adopted rules and the fact that all 210 family affordable units in Pike Run became rental units instead of being for-sale.
- As a result, instead of the 20 credits previously determined by the Court, Montgomery received a total of 77 bonus credits which is equivalent to 25% of its 307 affordable housing obligation and is the maximum number of credits permitted.
- Given the 77 rental bonus credits, the following table summarizes Montgomery Township's satisfaction of its prior round affordable housing obligation:

Development Name	Number Of Affordable Units & Type	Bonus Rental Credits	Total Affordable Housing Credits
Pike Run	210 Family Units	77	287
Montgomery Hills	35 Family Units	0	35
Montgomery Hills	60 Units	0	60
Total Affordable Housing Credits:			382 Units

The 382 credited units against Montgomery Township's 307 unit prior round obligation results in a surplus credit of 75 units to be applied against the third round "growth share" obligation.

Growth Share Obligation

Montgomery Township's presumptive growth share affordable housing obligation totals 501 affordable units, including 427.60 units calculated from projected residential unit growth and 73.13 units calculated from projected nonresidential job growth.

Subtracting the 75 surplus units credited in the prior round results in a net growth share obligation of 426 affordable units (i.e., 501 du - 75 du = 426 du).

The affordable housing obligation is for the time period between January 1, 2004 and December 31, 2018 and Montgomery Township, as well as every other municipality in the State, currently is required to submit an adopted "Housing Plan Element & Fair Share Plan" to COAH by the end of this 2008 calendar year addressing its affordable housing obligation.

COAH'S PRESCRIBED MINIMUMS & MAXIMUMS FOR MONTGOMERY TOWNSHIP

Based upon the 426 unit growth share affordable housing obligation for Montgomery Township, COAH's adopted/proposed rules establish the following minimum and maximum requirements:

- At least 50% of the units within the municipality (i.e., not including any bonus credits) addressing its 426 unit "growth share" obligation must be family for-sale or for-rent housing [N.J.A.C. 5:97-3.9].

As defined by COAH, a family unit "means a self-contained residential dwelling unit with a kitchen, sanitary facilities, sleeping quarters and a private entrance, which is available to the general public and not restricted to any specific segment of the

population."

- At least 25% of its 426 unit affordable housing obligation, or 107 units (i.e., 106.5 du), must be rental housing units [N.J.A.C. 5:97-3.10(b)], and at least 50% of its 107 unit rental obligation, or 54 units (i.e., 53.5 du) must be family rental housing units [N.J.A.C. 5:97-3.4(b)].
- No more than 25% of its 426 unit affordable housing obligation, or 106 units (i.e., 106.5 du), can be age-restricted units [N.J.A.C. 5:97-3.10(c) 1. & 2.].
- At least 13% of its 426 unit "growth share" obligation, or 56 units (i.e., 55.38 du), must be provided for "very low income" households, and at least 50% or 28 of the 56 "very low" income units must be family housing units [no citation at this time].
- No more than 10% of its 426 unit affordable housing obligation, or 42 units (i.e., 42.6 du), can be "Accessory Apartments" [N.J.A.C. 5:97-6.8(b)1.].
- In accordance with the proposed rule amendments, bonus credits for rental units will only be given to the second 25% of units provided; no rental bonuses will be given to the base number of required rental units (i.e., the first 25%) and no rental bonuses will be given to either age-restricted housing or accessory apartments.
 - a. Rental bonuses for supportive housing and group home bedrooms will be given at a ratio of 1:25 credits per bedroom.
 - b. Rental bonuses for family units will be given at a ratio of 2 credits per unit.
 - c. In any case, credits are limited to no more than 25% or 106 (i.e., 106.5) of the 426 unit affordable housing obligation.

GOALS OF MONTGOMERY'S COAH WORK GROUP REGARDING A "FAIR SHARE PLAN"

Montgomery Township formed a COAH Work Group which is comprised of municipal officials and staff which has been meeting since the beginning of the year to formulate and submit a "Housing Plan Element & Fair Share Plan" to COAH by the end of 2008.

The COAH Work Group faced the challenge of having to react to numerous changes to COAH's rules which have been continuously adopted and proposed including a most recent communication regarding an interpretation of the rules on October 30, 2008.

The overall goal of the COAH Work Group has been to formulate a "Fair Share Plan" that achieves the following objectives:

- Protect Montgomery Township against a "builder's remedy" lawsuit which will negate the ability of the Township to determine what is in its best interests.
- Provide most of the affordable housing in locations which are in proximity to job opportunities and public transit services, primarily along the Route 206 corridor within Planning Areas 2 & 3 as identified in the current State Development & Redevelopment Plan.
- Provide affordable housing development in a manner that is compatible with the existing development pattern of the Township.
- Be a plan that promotes smart growth and context sensitive design while providing the required affordable housing units.
- Be a plan that promotes the renovation and preservation of existing architecturally significant buildings and/or the development or redevelopment of existing infill properties or existing developments in need of renovation.
- Be a plan which safeguards the quality of life and other interests of the citizens of Montgomery Township.
- Be a plan which provides the greatest amount of flexibility for future changes to the plan should the rules change for any reasons, including the results of the pending litigations.

COMPONENTS OF PROPOSED "FAIR SHARE PLAN"

Prior to describing the components of Montgomery Township's "Fair Share Plan" to satisfy its 426 unit affordable housing obligation, the following information is noted:

- A total of 52 of the required 426 affordable units, or 12.2%, currently exist and are fully occupied.
- There are seven (7) properties included in the plan to accommodate the new affordable housing units to be constructed, including five (5) properties which

are privately owned and two (2) properties which are owned by Montgomery Township.

- A total of 274 new affordable units are proposed as part of the plan, and 197 or 71.9% of the units are located along the Route 206 corridor, with all but 15 of the units in relatively close accessibility to existing public bus service.
- The 77 new affordable units which are not located along the Route 206 corridor include 22 group home bedrooms and 55 family units; both include the renovation of existing historically significant buildings on the Township owned "Skillman Village" property.
- Each of the eight (8) proposed new developments with affordable housing are the result of development proposals submitted by the landowner and/or developer, and concept plans for each of the developments have been submitted to the Township.

The following are descriptions of the components of Montgomery Township's "Fair Share Plan" to satisfy its 426 unit affordable housing obligation; the "2008 Fair Share Plan Developments" map, which appears on the following page of this document, generally indicates the locations of the developments:

Existing "Group Homes" (30 bedrooms/units)

The existing group homes will provide 30 non-family rental unit credits.

The Crawford House, Inc.

Located at 362 Sunset Road in the Township, the "Crawford House" serves female residents of New Jersey, age 18 and older, who have been assessed with alcohol and/or drug dependence. The "Crawford House" offers an intensive, comprehensive and highly individualized six-month treatment program. The "Crawford House" facility currently has twenty-two (22) bedrooms, all for "very low" income people.

In addition to counseling, psycho-educational classes and employment readiness services, the program also emphasizes gaining experience in life skills management, such as budgeting, parenting, nutrition and stress management. While the program is free to residents upon admission, clients must obtain part-time employment after an orientation period. They then contribute half of their net salary to help pay for their own treatment. Obtaining employment is emphasized to foster self-worth, economic independence and personal responsibility while becoming sober members of the community.

The Devereux Corporation

Located at 797 Route 601 in the Township, the "Devereux Corporation" provides services to individuals with developmental disabilities and autism and is fully funded by the State Division of Developmental Disabilities. The residents learn life skills designed to increase their ability to live as independently as possible in the community. The community-based homes are designed to provide a family-like setting, with the practitioners providing consistency, teaching and stability for the individuals.

The "Devereux Corporation" facility has four (4) bedrooms in Montgomery Township, and the residents receive Supplemental Security Disability Income (SSDI) from the federal government, which is their only source of income. All four (4) of the units are for "very low" income people.

2008 FAIR SHARE PLAN DEVELOPMENTS MAP

The Developmental Residential Corporation

Located at 174 Opossum Road in the Township, the "Developmental Residential Corporation" provides services to individuals with developmental disabilities and is fully funded by the State Division of Developmental Disabilities.

The "Developmental Residential Corporation" facility has four (4) bedrooms in Montgomery Township, and the residents receive Supplemental Security Disability Income (SSDI) from the federal government, which is their only source of income. All four (4) of the units are for "very low" income people.

Proposed "Group Homes" (22 bedrooms/units)

The proposed group homes will provide 22 non-family rental unit credits.

Global Communities of Support (GCoS)

The Montgomery Township Master Plan was amended on November 14, 2005 to include a concept plan for the redevelopment of lands which were formerly owned by the State of New Jersey and used as the North Princeton Developmental Center. The lands have been purchased by the Township from the State and are now known as "Skillman Village".

The concept plan includes approximately 3.6 acres of land specifically planned for the development of "group home" facilities, although the land area shown on the concept plan will be modified and/or expanded by the Township as necessary in order to meet the needs of the facilities.

Montgomery Township will have "Global Communities of Support" (GCoS), a 501 (c)3 organization formed in 2001, as the coordinator of the "group home" facilities to be located on the property, which will include twenty-two (22) bedrooms, all designated for "low" or "very low" income people.

The overall mission of GCoS is to enable programs and services that allow individuals with autism and other developmental disabilities to reach their

potential. GCoS partners with service providers (e.g., Eden, PCDI, Midland, etc.) and other key stakeholders to design facilities for teenagers and adults with developmental disabilities.

The twenty-two (22) bedrooms within the group homes are expected to be fully occupied during 2015.

Existing Family Units For Sale (19 units)

The existing family units for sale will provide 19 family unit credits.

Montgomery Glen

Nineteen (19) affordable housing units for sale have been completed within the "Montgomery Glen" "inclusionary" residential development located along Princeton Avenue and Blue Spring Road within the Township's "APT/TH" Apartment/Townhouse zoning district.

These affordable units were not included in Montgomery Township's "Fair Share Plan" previously approved by COAH for the Township's second round obligation.

The "Montgomery Glen" development is identified on the Township Tax Map as Block 37002/Lots 7.01 & 8-43 and all lots within Blocks 3700 through 37007.

Existing Family Units For Rent (3 units)

The existing family units for rent will provide 3 family rental unit credits.

Railsedge Enterprises

The "Railsedge Enterprises" mixed use development includes three (3) rental residential flats affordable to "moderate income" households which are located above three (3) retail/office uses on the first floor of a building located in the "NC" Neighborhood Commercial District on Belle Mead-Blawenburg Road (Lots 1 and 2 in Block 26002). The three (3) affordable family units for rent were not included in the Township's second round certified housing plan and was the result of a "use" variance approval by the Township's Zoning Board of Adjustment.

Montgomery Township is seeking a "waiver" from N.J.A.C. 5:97-3.3 (a) to permit this development to have all three (3) units in this development affordable to "moderate income" households; three (3) additional compensating "low income" units are provided in the plan from the group homes.

Proposed Family Units For Sale (15 units)

The proposed family units for sale will provide 15 family unit credits.

RPM Development Group

The RPM Development Group will completely rehabilitate four (4) of the existing structures remaining on the Skillman Village property owned by Montgomery Township. RPM also proposes to construct three to five (3-5) additional "green design" buildings with brick facades to complement the existing buildings to be renovated.

Financing for the development will come predominantly from the New Jersey Housing and Mortgage Finance Agency's Tax Credit program and the New Jersey Department of Community Affairs Balanced Housing program.

As shown on the "Preliminary Concept Plan" prepared by the RPM Development Group and attached to this document in Addendum III, a total of up to eighty-four (84) affordable family units could be developed on the site. However, the Township proposes a total of fifty-five (55) affordable family units at this time, including fifteen (15) units for sale and forty (40) units for rent. All fifteen (15) of the units for sale will be for "moderate" income households.

The fifteen (15) family units are expected to be fully occupied during 2017.

Proposed Age-Restricted Units For Sale (40 units)

The proposed age-restricted units for sale will provide 40 non-family unit credits.

Sharbell Plainsboro, Inc.

Sharbell Plainsboro, Inc. currently is developing 218 age-restricted market units as part of the "Tapestry At Montgomery" active adult community on a land area located west of Route 206 and north of Route 518.

When the active adult community was preliminarily approved on February 9, 2004, approval also was given for the construction of two (2) office buildings totaling approximately 29,600 square feet.

The lot approved for the office buildings is identified as Block 28004/Lot 7 on the Township Tax Maps. The lot contains 4.087 acres and is located at the intersection of Research Road and Hartwick Drive, just south of the "Tapestry At Montgomery" age-restricted active adult community.

Sharbell Plainsboro, Inc. now proposes to construct eighty (80) age-restricted apartment units for sale in a 3-story building, with forty (40) of the units (50%) set aside for occupancy by COAH eligible age-restricted households.

A map indicating the location of the property relative to the "Tapestry At

Montgomery" active adult community and a concept drawing for the forty (40) unit apartment building prepared by Sharbell Plainsboro, Inc. are attached to this document in Addendum IV.

The forty (40) age-restricted units for sale are expected to be fully occupied during 2014.

Proposed Age-Restricted Units For Rent (80 units)

It should be noted that a total of one hundred twenty (120) age-restricted affordable housing units are proposed in this "Fair Share Plan", with the understanding that only one hundred six (106) age-restricted units can be credited against Montgomery Township's affordable housing obligation at this time.

Therefore, although eighty (80) age-restricted units for rent are proposed, since forty (40) other age-restricted units are included in this "Fair Share Plan" (Sharbell Plainsboro, Inc.), only sixty-six (66) of the eighty (80) units can be credited against the Township's affordable housing obligation at this time; the additional fourteen (14) age-restricted units could be applied to a future affordable housing obligation.

Presbyterian Homes

Montgomery Township owns approximately 16.19 acres of land along Montgomery Road adjacent to the "Stonebridge" continuing care retirement community owned and operated by Presbyterian Homes. The "1860 House" is located on the subject property.

Montgomery Township proposes that the property be subdivided into two (2) lots; one lot will be approximately 11.5 acres in area and contain the existing "1860 House", while the other lot will be approximately 4.69 acres and will be developed with sixty-six to eighty (66-80) age-restricted affordable apartment units for rent.

A copy of a conceptual subdivision and site plan for an eighty (80) unit "Affordable Senior Housing" age-restricted apartment building was prepared by Princeton Senior Living and is attached to this document in Addendum V.

The eighty (80) age-restricted affordable units are expected to be fully occupied during 2015.

Proposed Family Units For Rent (121 units)

The proposed family units will provide 121 family rental credits plus 106 rental bonus credits.

Harlingen Village Square

"Harlingen Village Square" is a proposed mixed use "inclusionary" development to include 24,800 square feet of retail space, 9,200 square feet of office space, an 8,400 square foot child care center and thirty (30) apartment units, fifteen (15) of which will be COAH qualified family units for rent.

Seven (7) of the units will be for "moderate" income households, five (5) units will be for "low" income households, and three (3) units will be for "very low" income households.

The subject property is located on the east side of Route 206 north of Harlingen Road and extends from Route 206 to Fox Brook. Identified as Block 6001/Lots 33, 34, 34.01, 35, 35.01 & 36 on the Township Tax Maps, the property contains approximately 22.1781 acres.

The "Harlingen Village Square" development will be situated on approximately 10.5117 acres of the property towards Route 206.

A copy of the "Conceptual Site Plan" for the proposed mixed use "inclusionary" development was prepared by Van Cleef Engineering Associates and is attached to this document in Addendum VI.

The fifteen (15) family affordable units are expected to be fully occupied during 2013.

Montgomery Five, LLC

The subject property is situated along the west side of Route 206 south of Applegate Road. Identified as Block 34001/Lots 60, 61 & 62 on the Township Tax Maps, the property contains approximately 1.692 acres.

The conceptual site plan that has been prepared for the property includes a multi-use building with 12,600 square feet of retail space on the first floor and six (6) affordable housing units on the second floor.

Three (3) of the units will be for "moderate" income households, two (2) will be for "low" income households and one (1) unit will be for a "very low" income household.

Given the relatively small size and depth of the subject property, all six (6) of the residential units will be 1-bedroom units and a waiver from the bedroom distribution requirements of N.J.A.C.5:80-26.3 (b) is requested; two (2) additional 2-bedroom and 3-bedrooms units will be provided among the 15 for sale units to be provided by the RPM Development Group on the Skillman Village Property (i.e., 3 1-bedroom, 7 2-bedroom & 5 3-bedroom du).

A copy of the "Conceptual Site Plan" prepared for the multi-use building by Van Cleef Engineering Associates is attached to this document in Addendum VII.

The six (6) family affordable units are expected to be fully occupied during 2012.

RPM Development Group

As previously noted for the proposed family units for sale, the RPM Development Group will completely rehabilitate four (4) of the existing structures remaining on the Skillman Village property owned by Montgomery Township. RPM also proposes to construct three to five (3-5) additional "green design" buildings with brick facades to complement the existing buildings to be renovated.

Financing for the development will come predominantly from the New Jersey Housing and Mortgage Finance Agency's Tax Credit program and the New Jersey Department of Community Affairs Balanced Housing program.

As shown on the "Preliminary Concept Plan" prepared by the RPM Development Group attached to this document in Addendum III, a total of up to eighty-four (84) affordable family units could be developed on the site. However, the Township proposes a total of fifty-five (55) affordable family units at this time, including fifteen (15) units for sale and forty (40) units for rent.

Twenty-five (25) of the forty (40) for rent will be for "moderate" income households, five (5) for "low" income households, and ten (10) for "very low" income households.

The forty (40) family units for rent are expected to be fully occupied during 2017.

JER Herring Orchard, LLC

The subject property is situated at the southwestern corner of the Route 206/Orchard Road intersection and contains an existing 238,947 square foot office building. Identified as Block 28001/Lot 5 on the Township Tax Maps, the property contains approximately 70.194 acres.

The proposed development will subdivide the existing lot into two (2) new lots; proposed Lot 5.01 will be approximately 45.808 acres and contain the existing office building, and proposed Lot 5.502 will be approximately 24.386 acres and contain an "inclusionary" residential development.

The "inclusionary" residential development will develop a total of one hundred sixty (160) units, including one hundred twenty (120) market family units for sale and forty (40) affordable family units for rent.

Twenty-six (26) of the affordable family units will be for "moderate" income households, six (6) will be for "low" income households, and eight (8) will be for "very low" income households.

The forty (40) affordable family units for rent are expected to be fully occupied during 2014.

DeVan Development Co., LLC

The subject property is located on the east side of Route 206 between the "Montgomery Township Shopping Center" to the south and the "Montgomery Knolls" condominium office development to the north.

Identified as Block 29002/Lot 45 on the Township Tax Maps, the property contains approximately five (5) acres. The property currently is developed with a warehouse/office flex building containing approximately 33,186 square feet.

In accordance with the "Conceptual Site Plan" prepared by Van Cleef Engineering Associates and which is attached to this document in Addendum VIII along with an aerial view of the subject property, the landowner has proposed to redevelop the property with a mix of non-residential and residential land uses.

More specifically, a 1-story 14,600 square foot pharmacy building and two (2) 30 unit apartment buildings are shown on the concept plan, with fifty percent (50%) or thirty (30) of the units to be affordable family units for rent.

Twenty-two (22) of the affordable family units for rent will be for "moderate" income households, two (2) will be for "low" income households, and six (6) will be for "very low" income households.

The thirty (30) affordable family units for rent are expected to be fully occupied during 2015.

SUMMARY OF PROPOSED "FAIR SHARE PLAN"

The currently proposed "Fair Share Plan" to satisfy the Township's COAH mandated affordable "growth share" housing obligation of 426 units is summarized on the chart on the following page of this report.

Compared to COAH's prescribed minimums and maximums for Montgomery Township, the proposed "Fair Share Plan" addresses these requirements as follows:

- Family Units: At least 160 family units are required (i.e., 426 du "growth share" - 106 du bonus rental credits = 320 du x 50% = 160 du), and 168 family units are provided.
- Rental Units: At least 107 rental units are required and 252 rental units are provided, including 52 group home bedrooms, 66 age-restricted rental units and 134 family rental units.
- Family Rental Units: At least 54 family rental units are required and 134 family rental units are provided.
- Age-Restricted Units: No more than 106 age-restricted units are permitted and 106 age-restricted units are provided.
- Very Low Income Units: At least 56 "very low" income units are required and 58 "very low" income units are provided, and, also as required, 28 of the "very low" income units are family units.

The numerical breakdown and percentage of the actual units included in the plan (i.e., 326 units not including the 106 rental bonus credits) is as follows for group home bedrooms, age-restricted units, and family units:

■ <u>Group Home Bedrooms:</u>	52 units (15.95%)
■ <u>Age-Restricted Units For Sale:</u>	40 units (12.27%)
■ <u>Age-Restricted Units For Rent:</u>	66 units (20.25%)
■ <u>Family Units For Sale:</u>	34 units (10.43%)
■ <u>Family Units For Rent:</u>	134 units (41.10%)

Totals: 326 units (100.00%)

SUMMARY OF TABLE OF CURRENTLY PROPOSED "FAIR SHARE PLAN" TO SATISFY MONTGOMERY TOWNSHIP'S 426 UNIT AFFORDABLE HOUSING OBLIGATION					
	Location	BR's/Units	Income Limits		
			Very Low	Low	Moderate
EXISTING GROUP HOMES					
The Crawford House, Inc.	362 Sunset Road	22 bedrooms	22	-	-
The Devereux Corporation	797 Route 601	4 bedrooms	4	-	-
Developmental Residential Corp	174 Opossum Road	4 bedrooms	4	-	-
PROPOSED GROUP HOMES					
Global Communities of Support	Skillman Village	22 bedrooms		22	-
EXISTING FAMILY FOR SALE					
Montgomery Glen	APT/TH District	19 units	-	10	9
EXISTING FAMILY FOR RENT					
Railsedge Enterprises	Blawenburg	3 units	-	-	3
PROPOSED FAMILY FOR SALE					
RPM At Skillman Village	Skillman Village	15 units	-	-	15
PROPOSED AGE-RES FOR SALE					
Sharbell Plainsboro, Inc.	Tapestry Out-Parcel	40 units	-	20	20
PROPOSED AGE-RES FOR RENT					
Presbyterian Homes	1860 House Property	66 units	-	33	33
PROPOSED FAMILY FOR RENT					
Harlingen Village Square Mixed Use	Harlingen	15 units	3	5	7
Montgomery Five Mixed Use	Route 206	6 units	1	2	3
RPM At Skillman Village Renovation	Skillman Village	40 units	10	5	25
JER Herring Orchard Inclusionary	Orchard Road	40 units	8	6	26
DeVan Development Multi-Use	Route 206	30 units	6	2	22
TOTALS:		326 Units	58	105	163

RENTAL BONUS CREDITS					
106 Family Rental Units @ 1:1		106 units			
	TOTAL CREDITS:	432 Units			

ADDITIONAL POTENTIAL COMPONENTS OF "FAIR SHARE PLAN"

Although not included in Montgomery Township's "Fair Share Plan" at this time, one or more of the following three (3) additional components will be added to the plan as may be necessary for the Township to satisfy its COAH mandated affordable housing obligation:

Accessory Apartments

In accordance with N.J.A.C. 5:97-1.4 of COAH's "Substantive Rules", an "Accessory Apartment" is defined as follows:

"A self-contained residential dwelling unit with a kitchen, sanitary facilities, sleeping quarters and a private entrance, which is created within an existing home, or through the conversion of an existing accessory structure on the same site, or by an addition to an existing home or accessory building, or by the construction of a new accessory structure on the site."

As previously noted, Montgomery Township can include up to forty-two (42) "Accessory Apartments" in the "Fair Share Plan" (i.e., 10% x 426 du = 42.6 or 42 du).

The Township recognizes that "Accessory Apartments" are not considered "family" units by COAH and, therefore, cannot be credited to the required number of family units in the Township.

The Township also recognizes that it would have to provide a minimum of \$20,000 per unit to subsidize a "moderate" income accessory apartment or \$25,000 per unit for a "low" income apartment. Therefore, if forty (40) "moderate" income "Accessory Apartments" are provided in the plan, the cost to the Township would be a minimum of \$800,000.

Market To Affordable Program

In accordance with N.J.A.C. 97-1.4 of COAH's "Substantive Rules", a "Market To Affordable Program" is defined as follows:

"A program to pay down the cost of market-rate units and offer them in sound condition, for sale or rent, at affordable prices to low- and moderate-income households to address all or a portion of the fair share obligation."

Montgomery Township is in the process of determining whether or not such a "Market To Affordable Program" can be implemented in the Township and will possibly amend its "Fair Share Plan" if such a program is determined to be feasible and written agreements with the subject property owners are executed.

In accordance with N.J.A.C. 5:97-6.9 (b) of COAH's "Substantive Rules", the Township recognizes that the following provisions shall apply to a "Market To Affordable Program":

1. At the time they are offered for sale or rental, eligible units may be new, pre-owned or vacant.
2. The units must be certified to be in sound condition as a result of an inspection performed by a licensed building inspector.
3. No more than forty-two (42) market to affordable units (i.e., 10% x 426 du = 42.6 du) may be used to address Montgomery Township's the fair share obligation.
4. Montgomery Township would have to provide a minimum of \$25,000 per unit to subsidize a "moderate" income unit or \$30,000 per unit for a "low" unit; therefore, if forty (40) "moderate" income "market to affordable" units were provided in the plan, the cost to the Township would be a minimum of \$1,000,000.

Municipally Sponsored & 100% Affordable Development

A municipally owned property is located on the east side of Route 206 just north of the existing Montgomery Township Municipal Building. A preliminary review of the property concludes that the site is suitable for development.

Identified as Block 6001/Lot 12 on the Township Tax Maps, the property contains approximately 18.32 acres. The easterly portion of the property currently is developed with a municipal salt dome storage facility and a municipal "dog park". The dog park is located within an area that is restricted for open space and recreation uses. The salt dome is located at the far northeasterly corner of the portion of the property that is unrestricted. The entirety of the unrestricted portion of Lot 12 contains approximately 6.16 acres.

Montgomery Township is considering developing a portion of the 6.16 acres with a 100% affordable development in one or more 2 or 3-story buildings. The development could potentially share a detention basin with the New Jersey Department of Transportation if a small portion of the property along the frontage of Route 206 is needed to effectuate a bridge reconstruction project near the subject property.

Vehicular access to the development would be from the existing Covert Drive which currently

provides access to the salt dome and the dog park.

Montgomery Township has a listing of interested nonprofit affordable housing developers and would choose a developer to proceed with the project.