

**SUMMARY OF DENVILLE TOWNSHIP'S THIRD ROUND COAH OBLIGATION – 1999-2018**

**COAH 3.0 rules** – adopted December 2004:

- Obligation to provide one affordable unit for every 8 market rate residential units
- Obligation to provide one affordable unit for every 25 jobs generated
- Municipality could project growth and plan accordingly
- Only 3 municipalities were certified under these rules before they were invalidated by the Superior Court in January 2007

**COAH 3.1 rules** – adopted May 2, 2008

- Obligation to provide one affordable unit among every 5 residential units built
- Obligation to provide one affordable unit for every 16 jobs generated
- COAH projected numbers – have to plan for the construction of those units, but only obligated to construct affordable units based on actual growth
- Can adopt Development Fee Ordinance to collect fees on residential construction up to 2% of Equalized Assessed Valuation (EAV) (based on a sliding scale of value) and up to 3.0% EAV for non-residential development

Denville Township's projected numbers under the 3.1 rules:

1260 residential units constructed divided by 5 = 252

4017 new jobs created divided by 16 = 251

**Total = 503 affordable units**

**COAH 3.2 rules** – proposed and published June 16, 2008, final comments due August 15, 2008, expected to be adopted in September 2008

- Obligation to provide one affordable unit among every 5 residential units built
- Obligation to provide one affordable unit for every 16 jobs generated
- COAH projected numbers – have to plan for the construction of those units, but only obligated to construct affordable units based on actual growth
- Authorizes development fees on residential construction of 1.5% EAV and of 3.0% EAV for non-residential development.

Denville Township's projected numbers under the 3.2 rules:

829 residential units constructed divided by 5 = 165.8

1976 new jobs created divided by 16 = 123.5

**Total = 289.3 round up to 290 affordable**

**units**

**Bill A500 passed late June, 2008, effective July 17, 2008**

- Eliminated Regional Contribution Agreements (RCA's),
- Does not permit payments in lieu of constructing affordable units for non-residential developers.
- Reduces development fees for non-residential construction to 2.5%
- Establishes statewide development fee bank for fees collected from non-residential developers in non-COAH participating towns.
- Permits regional planning for affordable housing if in Highlands Region
- May result in another set of rules being published (3.3 rules)

**Executive Order #114, September 5, 2008**

- Governor Corzine approved the Highlands Plan
- Requires COAH and the Highlands Council to work with the NJDEP and the DCA to:
  1. review the third round growth projections for consistency with the Highlands Plan and develop projections consistent with Highlands
  2. create realistic opportunities for municipalities to address the actual growth share obligation for the third round in the Highlands Region
  3. identify sites and opportunities for affordable housing in the Highlands region
  4. coordinate deadlines to comply with both Highlands Act and Fair Housing Act, including reasonable extensions of deadlines
- COAH and Highlands Council must reach a Memorandum of Understanding with regard to the above within 60 days.

**Application of Current Third Round Rules to Denville Township:**

Using the 3.2 rules' projections:

New Obligation is	290 new affordable units
Rehabilitation component is	31 units
Prior Round obligation is	<u>325 units</u>
Total obligation	646 units

Expected Credits for prior rounds:

RCA	136	
Denville Family Housing	57	
Cook's Pond Senior Housing	64	
Bonus credits for rentals	82	(25% of prior round obligation)
Bonus credits – age-restricted	13	(.33 unit for each unit in excess of the 25%)
Group Homes:	<u>4</u>	
	356	

Additional credits:

Cook's Pond	5	(units were not credited during second round)
Habitat for Humanity Homes	2	
Palmar subdivision's obligation	2	rentals not yet constructed
Bonus credits for Habitat and Palmar	4	
Group Homes	6	187 Morris (5); 56 Morris (5) – total of 10, 6 new
Group Homes bonus	1.5	
Morris County Housing Authority	6	(for sale units)
Possible add'l units at Palmar	<u>5</u>	

Total credits 387.5

**Remaining obligation 227.5 new units plus 31 rehabilitations\***

\*Not more than 25% of the Township's obligation may be age-restricted (senior) housing.

\*At least 13% of all affordable housing must be reserved for very low income households. Any units in excess of the 13% are eligible for bonus credits.

**Methods To Address Obligation:**

- Overlay Inclusionary Zoning in Residential Zones – proposed 3.2 rules establish a presumptive density for Planning Area 1 of 8 units/acre with a 25% set-aside for affordable housing. For Planning Area 2 the density is 6 units/acre with a 25% set-aside.
- Alternative to presumptive density is developer's incentives
- Rezone some industrial property to allow high density residential
- Develop a transit village - 120 unit development would yield 24 affordable units with 8 bonus credits for a total of 32 credits.
- Work with non-profit organizations to build 100% affordable housing projects on either available vacant parcels or non-restricted parcels owned by Township
- Encourage development of supportive and special needs homes for the developmentally or mentally disabled. These units provide 1.25 units of credit with a bedroom being the applicable unit.
- Develop a rental housing project. 25% of the Township's obligation must be rental housing and 50% of that must be family housing. With the exception of the two Habitat for Humanity homes and the proposed Morris County Housing Authority units, all of the Township's affordable units are rental housing. Once the 25% threshold is reached, bonus credits are available.
- Accessory apartments, buy-down program, ECHO housing