

**ORDINANCE # 2005 -**

**AN ORDINANCE AMENDING CHAPTER 30 (ZONING)  
OF THE MUNICIPAL CODE OF THE TOWNSHIP OF CHATHAM,  
COUNTY OF MORRIS, STATE OF NEW JERSEY  
SO AS TO ADD A NEW SECTION 30-142 ENTITLED "REQUIREMENTS FOR  
DEVELOPMENTS INCREASING THE TOWNSHIP'S  
GROWTH SHARE OBLIGATION FOR AFFORDABLE HOUSING"**

**WHEREAS**, the New Jersey Supreme Court and New Jersey Legislature have recognized in *So. Burl. Co. NAACP v. Mount Laurel* 92 N.J. 158 (1983) ("Mount Laurel II") and the Fair Housing Act, N.J.S.A. 52:27D-301 et seq. ("FHA") that New Jersey municipalities have responsibilities concerning the need to provide affordable housing for low and moderate income households; and

**WHEREAS**, the Legislature conferred upon the New Jersey Council on Affordable Housing ("COAH") "primary jurisdiction for the administration of housing obligations in accordance with sound regional planning considerations in this State" (N.J.S.A. 52:27D-304(a)); and

**WHEREAS**, in *Mount Laurel II*, the New Jersey Supreme Court ruled that municipalities had the power to address the *Mount Laurel* responsibilities the Court had created through "inclusionary devices" and rejected the notion "that inclusionary measures amount to a taking without compensation" (see *Mount Laurel II* at 271); and

**WHEREAS**, in *Mount Laurel II*, the Supreme Court also stated, "Zoning does not require that land be used for maximum profitability and, on occasion, the goals may require something less" (see *Mount Laurel II* at 274 n. 34); and

**WHEREAS**, in the case entitled *Holmdel Builders Association v. Township of Holmdel*, 121 N.J. 550, 582 (1990), the Supreme Court referred to its *Mount Laurel II* decision and emphasized that, in designing inclusionary ordinances, "no density bonuses, compensatory benefits, or subsidies were specifically required;" and

**WHEREAS**, in view of the principles established by the Supreme Court in these landmark decisions, COAH recently adopted substantive regulations that authorized municipalities to impose a set aside, without any density bonuses or other compensatory benefits, pursuant to which municipalities could require residential developers to construct one affordable residential unit for every eight market residential units the developer constructed (N.J.A.C. 5:94-4.4(a)); and

**WHEREAS**, COAH specifically stated that "a municipality may adopt a zoning ordinance requiring a maximum of one for every eight market-rate residential units be affordable to low and moderate income households, as long as the zoning has not allowed an increase in density to accommodate affordable housing" (36 N.J.R. 5775); and

**WHEREAS**, similarly, COAH has also authorized municipalities to require nonresidential developers to produce affordable housing without any enhancement or

compensatory offsetting benefit based upon a formula that would require the production of one affordable residential unit for every 25 jobs projected to be created by the non-residential development (N.J.A.C. 5:94-4.4(a)); and

**WHEREAS**, the Township of Chatham wishes to ensure that, as developers build residential and nonresidential projects, they provide affordable housing consistent with COAH's regulations and policies described above—policies soundly rooted in Supreme Court precedent; and

**WHEREAS**, implementation of these policies will ensure that as the Township of Chatham grows with housing affordable to the middle and upper class, it will also grow with housing affordable to lower income households and that as nonresidential development occurs, it will also provide housing affordable for lower income workers (see Mount Laurel II at 211);

**NOW, THEREFORE, BE IT ORDAINED** by the Township Committee of the Township of Chatham, County of Morris, and State of New Jersey that the Code of the Township of Chatham is hereby amended as follows:

**SECTION 1.** Chapter 30, Land Development, Article 2, *Definitions*, §30-6, Definitions, is hereby amended by amending the definition of "Development" to read as follows:

"DEVELOPMENT – means the division of a parcel of land into two or more parcels, the construction, reconstruction, conversion, structural alteration, relocation, or enlargement of any use or change in the use of any building or other structure, or of any mining, excavation or landfill, and any use or change in the use of any building or other structure, or land or extension of use of land, for which permission may be required pursuant to N.J.S.A. 40:55D-1 et seq."

**SECTION 2.** Chapter 30, Land Development, Article 2, *Definitions*, §30-6, Definitions, is hereby amended and supplemented by the addition and insertion in correct alphabetical order of the following definitions, to read as follows:

"AFFORDABLE – Having a sales price or rent within the means of a low- or moderate-income household as defined in N.J.A.C. 5:93-7.4, or for housing developed in accordance with the third-round rules of the New Jersey Council on Affordable Housing, as defined by N.J.A.C. 5:94-7.

DWELLING UNITS, MARKET-RATE – Housing units not restricted to low- and moderate-income households that may sell at any price determined by a willing seller and a willing buyer. "

**SECTION 3.** Chapter 30, Land Development, Article 11 Affordable Housing is hereby amended and supplemented by the addition of a new Section 30-142, entitled "Requirements for Developments Increasing the Township's Growth Share Obligation for Affordable Housing", to read as follows:

**“§30-142 Requirements for Developments Increasing the Township’s Growth Share Obligation for Affordable Housing**

§30-142.1 Every development that increases the number of affordable housing units that must be addressed by the Township’s housing element and fair share plan is subject to this ordinance.

§30-142.2 **Legislative intent.** The legislative intent and recitals set forth in the preamble to Ordinance No. \_\_\_\_\_ (adopting this section) are hereby adopted and incorporated by reference herein as if set forth herein at length.

§30-142.3 **Applicability.** The provisions of this section shall apply to the following developments, subject to the exemptions in §30-142.4.

- A. Any development which results in a net increase in the number of market-rate dwelling units in the Township.
- B. Any development which results in a net increase in the gross floor area of any nonresidential building in the Township of the following use groups, as defined by the International Building Code (IBC) (which has been incorporated by reference into the Uniform Construction Code (UCC)):

<u>Use Group</u>	<u>Description*</u>
B	Office buildings. Places where business transactions of all kinds occur. Includes banks, corporate offices, government offices, professional offices, car showrooms and outpatient clinics.
M	Mercantile uses. Buildings used to display and sell products. Includes retail stores, strip malls, shops and gas stations.
F	Factories where people make, process, or assemble products. Includes automobile manufacturers, electric power plants, foundries, and incinerators. F use group includes F1 and F2.
S	Storage uses. Includes warehouses, parking garages, lumberyards, and aircraft hangers. S group includes S1 and S2.
H	High Hazard manufacturing, processing, generation and storage uses. H group includes H1, H2, H3, H4 and H5.
A1	Assembly uses including concert halls and TV studios.
A2	Assembly uses including casinos, night clubs, restaurants and taverns.

A3	Assembly uses including libraries, lecture halls, arcades, galleries, bowling alleys, funeral parlors, gymnasiums and museums but excluding houses of worship
A4	Assembly uses including arenas, skating rinks and pools.
E	Schools K – 12.
I	Institutional uses such as hospitals, nursing homes, assisted living facilities and jails. I group includes I1, I2, I3 and I4.
R1	Hotels and motels.

\*Note: The descriptions in the above table are not intended to be exhaustive, and additional uses are or may be included within the use group; in all cases, the IBC definitions control. The inclusion of any use in the above table is not to be construed to mean that such use is permitted in the Township or in any particular zoning district; such use shall only be permitted in accordance with the balance of the provisions in the Land Use Ordinance.

**§30-142.4 Exemptions.** Notwithstanding the provisions of §30-142.3 above, the following developments shall be exempt from the provisions of this section:

- A. Market-rate dwelling units within developments that provide affordable housing units in accordance with the housing element of the Township Master Plan and the Township's fair share plan regulations, in accordance with either the first- or second-round rules of the Council on Affordable Housing and in accordance with the applicable affordable housing requirements of the respective zone districts; provided, however, that such exemption shall only apply to the number of market-rate dwelling units in the development that do not exceed a ratio of four market-rate units for every one affordable unit in the development.
- B. Developments of Federal, state, county and municipal governments, but not including developments of school districts
- C. Developments that received all required approvals from the Planning Board and/or Board of Adjustment, as applicable, prior to the effective date of this ordinance.

**§30-142.5 Developer's obligation.** Prior to, or as a condition precedent to the grant of any approval of a development application by the Planning Board, Board of Adjustment, Zoning Officer or Construction Official, as applicable, the developer shall be required to comply with the requirements of this section and to enter into an agreement with the Township Committee, in order to address the effect of the development upon the Township's affordable housing obligation, in accordance with the following requirements:

A. Residential development.

1. A net increase (new construction less demolition) of every eight (8) market-rate dwelling units, or fraction thereof, shall increase the obligation of the Township by one (1) affordable housing unit, or fraction thereof.
2. For every unit increase, or fraction thereof, in the Township's affordable housing obligation resulting from the development, the developer shall be required to increase the number of affordable housing units in the Township by an equal number, as set forth in Paragraphs 3 and 4 below.
3. For every whole unit of increase in the Township's obligation, one affordable unit shall be developed on the site or tract being developed, or at another location in the Township, in accordance with the applicable zoning regulations.
4. For every fractional unit of increase in the Township's obligation, the developer shall have the option to:
  - a) develop an affordable unit on the site or tract being developed or at another location in the Township in accordance with the applicable zoning regulations, and to claim a credit for any resulting fractional surplus, and/or,
  - b) pay a fee to the Township in accordance with §30-142.7.
5. None of the foregoing shall be construed as increasing the permitted density above that which the zoning regulations would otherwise permit for the development.

B. Nonresidential development.

1. A net increase due to development, as defined in this Chapter, of every twenty-five (25) estimated jobs, or fraction thereof, shall increase the obligation of the Township by one (1) affordable housing unit, or fraction thereof. The number of estimated jobs shall be based on the gross floor area in square feet of new buildings or additions to existing buildings, less the gross floor area of any building to be demolished on the site, and on the use group of the development, in accordance with the following table:

Use Group	Description	Sq. Ft. of Gross Floor Area Generating Obligation of One Affordable Unit	Jobs Per 1,000 Square Feet
B	Office buildings. Places where business transactions of all kinds occur. Includes banks, corporate offices, government offices, professional offices, car showrooms and outpatient clinics.	8,333	3
M	Mercantile uses. Buildings used to display and sell products. Includes retail stores, strip malls, shops and gas stations.	25,000	1
F	Factories where people make, process, or assemble products. Includes automobile manufacturers, electric power plants, foundries, and incinerators. F use group includes F1 and F2.	12,500	2
S	Storage uses. Includes warehouses, parking garages, lumberyards, and aircraft hangers. S group includes S1 and S2.	125,000	0.2
H	High Hazard manufacturing, processing, generation and storage uses. H group includes H1, H2, H3, H4 and H5.	25,000	1
A1	Assembly uses including concert halls and TV studios.	12,500	2
A2	Assembly uses including casinos, night clubs, restaurants and taverns.	8,333	3
A3	Assembly uses including libraries, lecture halls, arcades, galleries, bowling alleys, funeral parlors, gymnasiums and museums but excluding houses of worship.	8,333	3
A4	Assembly uses including arenas, skating rinks and pools.	8,333	3
A5	Assembly uses including bleachers, grandstands, amusement park structures and stadiums.	Exclude	Exclude

E	Schools K – 12.	25,000	1
I	Institutional uses such as hospitals, nursing homes, assisted living facilities and jails. I group includes I1, I2, I3 and I4.	12,500	2
R1	Hotels and motels.	31,250	0.8
U	Miscellaneous uses. Fences, tanks, barns, agricultural buildings, sheds, greenhouses, etc.	Exclude	Exclude

2. For every unit increase, or fraction thereof, in the Township's affordable housing obligation resulting from the development, the developer shall be required to increase the number of affordable housing units in the Township by an equal number, as set forth in Paragraph 3 below.
3. For every unit increase, or fraction thereof, in the Township's affordable housing obligation resulting from the development, the developer shall have the option to:
  - (a) develop an affordable unit at another location in the Township, in accordance with the applicable zoning regulations, and/or,
  - (b) pay a fee to the Township in accordance with §30-142.7. In the case of a fractional unit obligation, the developer shall have the option to develop an affordable unit at another location in the Township, in accordance with the applicable zoning regulations, and to claim a credit for any resulting fractional surplus, or to pay a fee to the Township in accordance with §30-142.7.
4. None of the foregoing shall be construed as increasing the permitted floor area ratio or density above that which the regulations for the zone district would otherwise permit for the development.

**§30-142.6 Requirements for affordable housing units.** All affordable housing units shall be subject to the requirements of this Chapter that apply to comparable market-rate housing units of the same type in the same zone district. In addition, affordable housing units provided pursuant to this section shall be subject to the requirements set forth in Article VIII of this Chapter and the following:

- A. All affordable units to be created shall be eligible for credit against the Township's affordable housing obligations and to that end shall comply with all applicable regulations of the New Jersey Council on Affordable Housing. No age-restricted affordable units and/or affordable sales units may be credited in excess of the number of such units permitted to be credited within the Township by such regulations.

- B. The developer, in cooperation with the Township Committee, shall:
1. Demonstrate capacity to administer the units in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.
  2. Demonstrate that the units will have a low/moderate income split in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26. For example, in each affordable development, at least 50 percent of the restricted units within each bedroom distribution shall be low-income units and the remainder may be moderate-income units. Where an odd number of affordable units are required to be provided, a majority of the units shall be low-income units.
  3. Demonstrate that the rents or sale prices of affordable units shall be established in accordance with N.J.A.C. 5:94-7 and with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26. For example:
    - (a) The maximum rent for affordable units within each affordable development shall be affordable to households earning no more than 60 percent of median income. The average rent for low- and moderate-income units shall be affordable to households earning no more than 52 percent of median income. The developers and/or municipal sponsors of restricted rental units shall establish at least one rent for each bedroom type for both low-income and moderate-income units, provided that at least 10 percent of all low- and moderate-income units shall be affordable to households earning no more than 35 percent of median income.
    - (b) The maximum sales price of restricted ownership units within each affordable development shall be affordable to households earning no more than 70 percent of median income. Each affordable development must achieve an affordability average of 55 percent for restricted ownership units. In achieving this affordability average, moderate-income ownership units must be available for at least three different prices for each bedroom type, and low-income ownership units must be available for at least two different prices for each bedroom type, insofar as is possible given the number of affordable units in the development.
  4. Demonstrate that the units will be affirmatively marketed in accordance with N.J.A.C. 5:94-7 and with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26;
  5. Demonstrate that the units will have the appropriate controls on affordability in accordance with N.J.A.C. 5:94-7 and with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26; and

6. Demonstrate that the units will have the appropriate bedroom distributions in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.
  - (a) Affordable developments that are not age-restricted shall be structured in conjunction with realistic market demands such that:
    - (i) The combined number of efficiency and one-bedroom units is no greater than 20 percent of the total low- and moderate-income units;
    - (ii) At least 30 percent of all low- and moderate-income units are two bedroom units;
    - (iii) At least 20 percent of all low- and moderate-income units are three bedroom units; and
    - (iv) The remainder, if any, may be allocated at the discretion of the developer.
    - (v) Where there are an insufficient number of affordable units provided to meet the above bedroom distribution, the first unit shall be a two-bedroom unit, the second unit shall be a three-bedroom unit and the third unit shall be a one-bedroom unit.
  - (b) Age-restricted low- and moderate-income units may utilize a modified bedroom distribution. At a minimum, the number of bedrooms shall equal the number of age-restricted low- and moderate-income units within the affordable development. The standard may be met by creating all one-bedroom units or by creating a two-bedroom unit for each efficiency unit.
7. Comply with all other applicable requirements of the substantive rules of the New Jersey Council on Affordable Housing, N.J.A.C. 5:94, and the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.

**§30-142.7 Payments in lieu of developing affordable housing.** When approved by the Planning Board, Zoning Board or Township Committee, in the case of permit applications not before a board, a developer may make a payment to the Township in lieu of developing affordable housing units under the following conditions:

- A. The amount of payments in lieu of constructing affordable units shall be negotiated between the applicable authority and the developer. The amount of the payment shall be based upon the cost to the Township to create, or subsidize the creation of the same number, or fraction thereof, of affordable

housing units within the Township as the increased obligation resulting from the development, using any of the methods permitted by the New Jersey Council on Affordable Housing (COAH) as set forth in Paragraph B below. Both hard and soft costs shall be included in the calculation. The applicable authority shall require the preparation of a pro-forma to confirm that the payment is accurate and based upon realistic costs within the Township to create such affordable units, and the applicable authority may submit such pro-forma for review by a third party retained by the applicable authority.

- B. Payments in lieu of constructing affordable units on site shall only be used to fund eligible affordable housing activities within the Township, in accordance with COAH's substantive rules at N.J.A.C. 5:94-4.5, 4.6 and 4.8 through 4.15, provided that such activities are eligible for credit against the Township's affordable housing obligation, comply with all applicable requirements of COAH's substantive rules, and comply with the zoning regulations of the Township.
- C. Payments in lieu of constructing affordable units shall be deposited in a separate interest-bearing housing trust fund or deposited in the Housing Trust fund, and shall at all times be identifiable from development fees. No funds shall be spent by the Township until and unless COAH has approved a spending plan for such funds. The Finance Officer shall maintain a record of the amount deposited in the account, plus interest, and shall make such record available for public inspection upon request.
- D. In the event that a developer makes such a payment, but then does not proceed to develop the project that resulted in the affordable housing obligation, the developer may request a refund of the payment. Such request shall be made in writing to the Township Committee. If approved, the Township shall refund such fee, plus any interest in the account resulting from the payment, less any administrative expenses required to administer the account. Any refund issued by the Township shall be construed as a failure of the applicant to satisfy a condition precedent to the development approval and shall therefore terminate any and all rights to such development. The developer may reinstate such rights by making a new payment, with the amount of such payment to be renegotiated as set forth in §30-142.7.A. The foregoing shall not be construed to extend or otherwise alter any rights to proceed with the development as established by the New Jersey Municipal Land Use Law, the rules of the New Jersey Council on Affordable Housing or other applicable law."

**SECTION 4.** All ordinances or parts of ordinances in conflict or inconsistent with any part of this ordinance are hereby repealed to the extent that they are in such conflict or inconsistent.

**SECTION 5.** This ordinance may be renumbered for codification purposes.

**SECTION 6.** This ordinance shall take effect after passage and publication as soon as practicable and in the manner provided by law.

**SECTION 7.** In the event that any section, part or provision of this ordinance shall be held to be unenforceable or invalid by any court, such holding shall not affect the validity of this ordinance as a whole, or any part thereof, other than the part so held unenforceable or invalid.

APPENDIX A  
MUNICIPAL OPTIONS FOR PROVIDING AFFORDABLE HOUSING  
PURSUANT TO N.J.A.C. 5:94 (As prepared by COAH/ revised March 22, 2005)

MUNICIPAL ZONING OPTIONS

- Municipalities may choose to adopt a land use ordinance(s) that would require certain types of development to provide for the on-site construction of affordable housing as a part of that development. These ordinances are commonly referred to as inclusionary zoning ordinances.
- Many options are available. Your municipality may adopt a growth share ordinance that applies to all future development in the municipality, including residential and nonresidential zones. For instance, the zoning may require one affordable unit for every eight market-rate units, one unit for every 25,000 square feet of new retail space, one affordable unit for every 12,500 square feet of new factory space, etc. This approach creates mixed-use developments within the municipality.
- Because inclusionary zoning is a compliance mechanism, which is distinct from the method of generating the obligation, you should note that your municipality is not required to adopt an ordinance that provides exactly one unit of affordable housing for every eight market rate units constructed and one unit of affordable housing for every 25 jobs, as measured by nonresidential construction by UCC use group (although this is a permissible option). The zoning may provide for less or more than one affordable unit for every eight market-rate units or one unit for every 25 jobs in an inclusionary development. What is important is that you present a plan that meets your overall obligation, which is based on certificates of occupancy issued since January 1, 2004 for both residential and non-residential development.
- Municipalities that have already experienced significant development since January 1, 2004 and have not required any affordable housing as a condition of development approvals may wish to consider zoning that provides for greater than one affordable unit for every eight market-rate units or one affordable unit for every 25 jobs as a way to address your growth share obligation. If you elect to require more affordable housing, you must take into consideration the economic feasibility of that zoning. The other compliance options described below are another way to meet the obligation that has accrued since January 1, 2004.
- Rather than requiring on-site construction of affordable housing in non-residential zones, the municipality through its ordinance may permit a payment in lieu of construction. Take note that COAH's third round rules require payments in lieu to fund affordable housing elsewhere within the municipality.
- Another alternative is for the growth share ordinance to apply only to certain zones within the municipality, such as only to residential zones, or only to certain parcels. In this instance, you may utilize other compliance mechanisms to address the outstanding affordable housing obligation generated by the development in your municipality that is not subject to the growth share ordinance.
- If you select any of these inclusionary zoning approaches, you must provide the Council with a draft or adopted ordinance as part of your Fair Share Plan.
- The inclusionary zoning ordinance may contain a development size threshold below which the construction of affordable units will not be required on site. It is up to your municipality to establish

this threshold. Your municipality may still choose to require these sites to make a payment in lieu of constructing the proportional number of affordable units associated with the number of market-rate units or jobs. It is important to note that even if affordable units are not required to be constructed on-site and no payment in lieu is required; the affordable housing obligation generated by those units will still accrue to your municipality.

- If your municipality elects to address its affordable housing obligation through site-specific inclusionary housing developments, rather than a growth share ordinance, you must demonstrate that the site is suitable (clear title; adjacent to compatible land uses; access to street, water, and sewer infrastructure; developable, and environmentally suitable)
- If the zoning requires more than one affordable unit for every eight market-rate residential units or one affordable unit for every 25 jobs, or if there has been a density increase on the site to accommodate affordable housing, the zoning must conform to all of the site suitability standards and State Plan consistency criteria in the third round rules. They are as follows:
  - > Sites should be located in Planning Areas 1 or 2 or located within a designated center. If you propose a site that is located in Planning Areas 3, 4, 4B, 5 or 5B that is not within a designated center where growth is not encouraged, you will have the burden of demonstrating 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.
  - > COAH defers to land use policies of the Pinelands Commission, Highlands Water Protection and Planning Council, Division of Coastal Resources of the DEP, and the New Jersey Meadowlands Commission; as well as DEP regulations (C-1, stormwater).

#### MUNICIPALLY SPONSORED AND 100 PERCENT AFFORDABLE PROGRAMS

- Project may be municipally sponsored or you may work with non-profit or for-profit developer to construct project.
- Your municipality must demonstrate site control or the ability to control the site(s) either in the form of outright ownership or an option on the property.
- The site must be suitable (clear title; adjacent to compatible land uses; access to street, water, and sewer infrastructure; developable, and environmentally suitable).
- Your municipality must demonstrate adequate funding capabilities including a pro-forma statement for the project and evidence of adequate and stable funding.
- Your municipality must provide a schedule, or timetable, for each step in the development process including preparation of a site plan, granting of municipal approvals, applications for State and Federal permits, selection of a contractor and sponsor, and construction schedule that provides for construction to begin within three years of your petition for substantive certification.
- New construction credit can be given for units that undergo reconstruction involving either replacement of all major systems or work costing in excess of 50 percent of the physical value of the building.

## REGIONAL CONTRIBUTION AGREEMENTS

- Up to 50 percent of your growth share obligation, not cumulative for all three rounds.
- Contract between sending and receiving municipality in the same housing region; sending municipality receives credit.
- Minimum amount is now \$35,000 per unit.
- Receiving municipality may use funds for new construction or rehabilitation; if rental obligation is transferred, receiving municipality must do new construction rental project.

## ALTERNATIVE LIVING ARRANGEMENTS

- Examples: transitional facilities for the homeless; residential health care facilities regulated by the New Jersey Department of Health and Senior Services; group homes for the developmentally disabled and mentally ill as licensed and/or regulated by the New Jersey Department of Human Services; and congregate living arrangements.
- Long-term health care facilities including nursing homes, and Class A, B, C, D, and E boarding homes do not qualify as alternative living arrangements.
- The unit of credit for an alternative living arrangement is the bedroom.
- These facilities qualify for credit if they were constructed/placed in service after April 1, 1980 and have appropriate affordability controls.
- These facilities count toward rental obligation.

## ACCESSORY APARTMENTS

- Maximum of ten accessory apartments may be included for credit unless you have record of successful completion of accessory apartments.
- All units must be made available to low-income households, which can be balanced by other moderate-income units in your affordable housing program.
- The minimum subsidy is \$20,000 per unit.
- Progress will be monitored after three years.

## .BUY-DOWN PROGRAM

- Market-rate units are purchased and sold to low- and moderate-income households; may be restricted only to moderate-income households when used in conjunction with another program serving only low-income households, such as accessory apartments.

- The minimum subsidy is \$25,000 per unit, with additional subsidy depending on the market prices in a municipality.
- Limited to ten units until the viability of the program is documented; progress will be monitored after three years.

#### MUNICIPALLY SPONSORED RENTAL PROGRAM

- Market-rate units are purchased and rented to low- and moderate-income households.
- The minimum subsidy is \$25,000 per unit, with additional subsidy depending on the market prices in the municipality.
- Limited to ten units until the viability of the program is documented.

#### ASSISTED LIVING RESIDENCE

- Private pay residents must qualify as low or moderate income, or the resident is a recipient of a Medicaid waiver.
- They are considered age-restricted housing.
- Must have 30-year deed restrictions (which runs with the facility) and be administered by HMTA.

#### AFFORDABLE HOUSING PARTNERSHIP PROGRAM

- New program that gives credit for units when two or more municipalities cooperate to build low- and moderate-income housing in a voluntarily agreement.
- Municipalities may provide land, sewer/water, funding, etc to make project work.
- Each municipality receives credit for a portion of units.
- Units that are not located within the municipality are applied against RCA cap of 50 percent.

#### EXPANDED CREDITING OPPORTUNITIES

- Innovative programs or approaches, provided that COAH's normally applied standards can be achieved and clearly demonstrated, including:
  - Affordable to income-eligible households
  - Appropriate controls on affordability
  - Affirmatively marketed
  - Demonstrated source(s) of funding.

#### EXTENSION OF EXPIRING CONTROLS

- A municipality may receive a new construction credit for each low- or moderate-income for sale housing unit that is subject to affordability controls that are scheduled to expire during the 1999-2014

period if the affordability controls are extended in accordance with the Uniform Housing Affordability Controls (at least 30 years for low-poverty- census tracts, and 10 years for high-poverty census tracts pursuant to N.J.A.C. 5:80-26).

- This provision will be most practicable in cases where the deed has recapture provisions, such as first right of refusal.

#### AGE-RESTRICTED HOUSING

- A maximum of 50 percent of the growth share obligation addressed within a municipality may be met with age-restricted housing.
- Example: If the growth share obligation is 100, 50 can be transferred via an RCA and 50 built within the municipality. In this instance, 25 of the units within the municipality may be age-restricted and 25 of the RCA units may be age-restricted. If all units built within the municipality (no RCA's), then 50 units of the 100 units provided within the municipality could be age-restricted.
- Surplus age-restricted credits from prior rounds may be applied to growth share up to the 50 percent limit.

#### RENTAL HOUSING

- At least 25 percent of a municipality's growth share obligation must be addressed with rental housing.
- A municipality may receive two units of credit for each affordable rental unit provided in excess of the rental obligation. Units must be available to the general public, i.e., not age-restricted, to qualify for the bonus credit.
- If the rental obligation is transferred via an RCA, it must be used to create new rental units in the receiving municipality. Units transferred by an RCA only receive a one-unit credit for each rental unit transferred.
- A maximum of 50 percent of the rental housing obligation addressed within a municipality may be met with age-restricted housing.

#### BONUS CREDIT FOR VERY LOW INCOME UNITS

- Municipalities may receive two units of credit for affordable units created during the third round delivery period that are available to households of the general public, earning 30 percent or less of median income by region. Age-restricted units and alternative living arrangements do not qualify for this credit.



## TOWNSHIP OF CHATHAM

Municipal Building  
58 Meyersville Road  
Chatham, New Jersey 07928  
(973) 635-4600  
FAX (973) 635-2644

Please reply to:  
Planning Board  
(973) 635-5622

December 1, 2005

### **Via Email**

Chatham Township Committee  
58 Meyersville Road  
Chatham, NJ 07928

Re: **Petition for COAH Certification**

Ladies and Gentlemen:

The Chatham Township Planning Board adopted the attached resolution at the public hearing held on November 21, 2005. Accordingly, please consider the Housing Plan Element and Fair Share Plan, as well as the proposed Growth Share Ordinance, in deciding how to meet the Township's affordable housing obligations in accordance with COAH rules and regulations.

The Planning Board's consideration of these issues was led by our planner, Frank Banisch, and a committee chaired by Lydia Chambers. Both Frank and the committee did a superb job of educating the Board about COAH. Lydia and possibly one other committee member (Tom Browne) are planning to attend the Township Committee meeting to address any issues or concerns of the Committee.

Very truly yours,

Joel N. Jacobson  
Chairman

JNJ/pc

Enclosures

Cc: Lydia Chambers  
Tom Browne  
Frank Banisch  
Don Malehorn  
Kali Tsimboukis

Chatham Township  
Morris County

Housing Plan Element  
and  
Fair Share Plan

Adopted:  
November 21, 2005

Prepared by: The Chatham Township Planning Board

In Consultation with Banisch Associates, Inc.  
Sergeantsville, New Jersey

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## **Executive Summary**

This Housing Element and Fair Share Plan details how Chatham Township is planning for affordable housing in accordance with rules established by the Council on Affordable Housing (COAH). The Housing Element documents how the Township met its fair share obligation for the period 1987-1999, and how it proposes to meet its continuing affordable housing obligation for the period January 1, 2004 to January 1, 2014.

Chatham Township is a predominantly residential community with population characteristics broadly similar to those of Morris County and the State (see Appendix A). Present land use, zoning, and building regulations support a varied inventory of housing, consistent with local demographics, and non-residential buildings supporting business, institutional, and educational activities and active and passive recreational activities. Anticipated growth in residential housing will be constrained by a limited supply of developable land parcels within the area designated for growth (Metropolitan Planning Area 1) in the State Development and Redevelopment Plan.

The Housing Element identifies the Township's affordable housing obligation for the period 1987 through 1999, established by COAH using the methodology of the First and Second Rounds. Construction and occupancy of affordable housing units, along with the establishment of group homes in the Township, combined with a Regional Contribution Agreement with Newark, generated excess affordable housing units or credits (certified by COAH) beyond those required by COAH for that time period, yielding a surplus carried forward to the Third Round. For the Third Round (January 1, 2004 to January 1, 2014), COAH recalculated the affordable housing obligation from prior rounds, reducing the Township's cumulative total affordable housing obligation. As a result, the Township has fully satisfied its numerical Third Round affordable housing obligation, although one additional rental unit will be required to meet the COAH rental obligation. Apart from the need to provide one additional rental unit, Chatham Township has surplus affordable housing credits that will not be significantly depleted by all growth presently envisioned in the Township. Detailed computations of the prior rounds and Third Round obligation are provided below and in Appendix B.

The Fair Share Plan is designed to ensure the provision of affordable housing in the Township as a by-product of future growth. COAH introduced a planning methodology for the Third Round (January 1, 2004 to January 1, 2014), that ties a municipality's affordable housing obligation to growth in market-based housing and non-residential space that generates jobs and, hence, additional housing need. Since additional growth could require additional affordable housing units beyond those afforded by the present surplus credits, a "growth share" ordinance will be enacted requiring affordable housing construction, or in lieu payments, by developers of net new residential units or non-residential floor area. The Township will also explore development of affordable units, through partnership efforts, and may utilize other COAH-approved housing components to address its affordable housing obligations.

## **Introduction**

This Housing Plan Element has been prepared in accordance with the Municipal Land Use Law (MLUL) at N.J.S.A. 40:55D-28b(3) to address Chatham Township's cumulative housing obligation for the period 1987- 2014. This Plan has also been prepared pursuant to N.J.S.A. 52:27D-310, which outlines the mandatory requirements for a Housing Plan Element, including an inventory and projection of the municipal housing stock; an analysis of the demographic characteristics of the Township's residents; and, a discussion of municipal employment characteristics. It also responds to the affordable housing mandates of the Third Round Substantive Rules of the Council on Affordable Housing (COAH) (N.J.A.C. 5:94-1 et seq.).

As required by the Fair Housing Act, municipalities that choose to enact and enforce a zoning ordinance are obligated to prepare a Housing Element as part of the community's Master Plan. The Fair Housing Act also established the Council on Affordable Housing (COAH) as the State agency to administer municipal implementation of municipal plans and to create rules and regulations to develop low- and moderate-housing in the State.

COAH has established both procedural and substantive rules for a Compliance Plan to address the affordable housing obligation, based on a regional fair share allocation formula. Municipal land development regulations are now entitled to a ten-year presumption of validity against a builders remedy challenge where a local Housing Element/Fair Share Plan either receives substantive certification from COAH or a Judgment of Compliance and Repose approved by a Court.

The first round COAH regulations covered the 1987-1993 time period. In 1994, COAH adopted substantive rules establishing the requirements for the Second Round of affordable housing plans, covering a twelve-year cumulative period from 1987-1999. The substantive rules for COAH's Third Round were adopted on December 20, 2004, covering the period from January 2000 to December 2013, although compliance is to be achieved during the period from January 2004 to December 2013.

## **Cumulative Prior Round and Third Round Obligation**

COAH calculated a cumulative obligation of 89 units for Chatham Township for the First and Second Round (1987-1999). Affordable housing obligations assigned to municipalities by COAH for the Third Round (through 2013) have been recalculated from prior forecast estimates, based on population and housing data from the 2000 Census. COAH recalculated each municipality's prior round obligation, remaining rehabilitation component and anticipated residential and non-residential growth through the year 2013, to generate a new affordable housing obligation for each municipality, which is to be met during the period January 1, 2004 to January 1, 2014.

The Third Round rules adopt a new "growth share" methodology, whereby the regional housing need is assigned to communities based on their projected growth. COAH Third Round rules

provide that a growth share obligation accrues, beginning January 1, 2004, in relation to new residential and non-residential development. The obligation is one new affordable housing unit for every eight market-rate homes that are constructed or for every twenty-five new jobs, based upon net increases in market-rate housing and square footage of non-residential construction. COAH has utilized household and job forecasts prepared by regional Metropolitan Planning Organizations as presumptive indicators of growth share, and require municipalities to compare these numbers to locally-derived estimates based on approved or expected growth.

The total Third Round obligation, which is cumulative for all prior cycles, is shown in Table 1:

**Table 1**  
**Chatham Township’s Third Round**  
**Affordable Housing Obligation**

	MPO	Locally-derived
Total Recalculated Second Round (Appendix C – COAH Third Round rules)	52	52
Growth Share	18	27
Rehabilitation Obligation	0	0
<b>Total Third Round Obligation</b>	<b>70</b>	<b>79</b>

Table 1 illustrates the results of the two methods of calculating growth share, as described in COAH rules and the MPO forecast is compared with the locally-derived total. The North Jersey Transportation Planning Authority is the MPO responsible for the region that includes Chatham Township, and their forecasts indicate a growth share of 18 units, compared with the 27-unit locally-derived growth share forecast, which is described in Appendix B.

When a higher locally-derived growth share estimate is developed from a review of actual and projected growth based on Certificates of Occupancy and approved or expected development, as in Chatham Township, COAH requires the higher estimate to be utilized in calculating the Third Round obligation. Additionally, COAH requires monitoring the actual growth at intervals during the period of certification (Years 3, 5 and 8) and will adjust the obligation upward if actual growth outpaces projected growth.

In summary, the recalculated prior round obligation for Chatham Township decreased from 89 units (including 6 rehabilitation units) in the Second Round to 52 units (including 0 rehabilitation units) in the Third Round. Added to this recalculated number is a growth share obligation to provide an additional 27 affordable units, based upon anticipated new residential development and job creation. These elements combine to create a cumulative affordable housing obligation for Chatham Township of 79 affordable units and/or credits for the period 1987-2013 (Table 1).

### **COAH-Certified Second Round Units and Credits**

Chatham Township has been a participant in the COAH process and has seen its housing plan certified by the Council. The Substantive Certification issued by COAH on March 5, 1997 cites

an 89-unit 12-year cumulative obligation (1987-1999), and acknowledges the following compliance elements:

COAH-Certified Credits and Reductions as of March 1997

Chatham Glen	75
Group Homes	6
+ rental bonuses	<u>6</u>
	87

Subsequent to the 1997 Certification by COAH, Chatham Township entered into a Regional Contribution Agreement that funded 8 affordable units in Newark, bringing the total of affordable units or credits to 95. This is verified by the COAH Compliance report of April 28, 2005, which noted that Chatham Township had 95 affordable units or credits previously certified by COAH, compared with the 89-unit prior round obligation.

**Meeting the Recalculated Prior Round Obligation**

Table 2 illustrates how the total of 95 units and credits are applied to the 52-unit recalculated obligation.

**Table 2  
Summary of Chatham Township’s Recalculated Second Round  
Affordable Housing Completion Status**

Project Name	Total Units Approved	Number Bedrooms	Affordable Units Applied to Second Round Obligation	Rental Bonus Credits*	Total Affordable Units and Bonus Credits Applied to Second Round	Affordable Units Carried Forward to Third Round Obligation
RCA (Newark)	8	---	8	---	8	---
Group homes	---	6	---	6	6 (bonus credits)	6 (units)
Chatham Glen (for sale)	75	---	38		38	37
<b>Total</b>					<b>52</b>	<b>43</b>

In Table 2, 6 rental bonus credits from the 6 group home units, 8 RCA units and 38 Chatham Glen units are applied to meet the 52-unit recalculated prior round obligation. Table 2 also carries forward the remaining units to be applied to the Third Round, including 6 group home units and 37 Chatham Glen units. After addressing the 52-unit recalculated prior round obligation, as shown on Table 2, Chatham Township has a total of 43 units and credits available to apply to the Round Three 27-unit growth share obligation.

## Meeting the Third Round COAH Obligation

After applying 52 of the Township’s COAH-recognized units and credits to fully address the recalculated prior round obligation, the Township carries forward the remaining 37 units at Chatham Glen, which were not applied to the recalculated prior round obligation. To this total is added the 6 units of credit from group homes, for a total of 43 units and credits applied to the Third Round, as seen on Table 3.

**Table 3**  
**Chatham Township’s Surplus Units and Credits**

<b>Project Name</b>	<b>Rental Units Carried Forward From Prior Rounds</b>	<b>For Sale Units Carried Forward From Prior Rounds</b>	<b>Total Units Carried Forward From Prior Rounds</b>
Chatham Glen		37	37
Group homes	6		6
<b>Total Units</b>	<b>6</b>	<b>37</b>	<b>43</b>

Applying this 43-unit surplus to the 27-unit growth share obligation in the Third Round, the Township has an estimated surplus of 16 affordable units, as shown on Table 4.

**Table 4**  
**Chatham’s Third Round Affordable Housing Obligation and Prior Round Surplus Units and Credits**

Total Remaining Recalculated Second Round	0
Growth Share	27
Rehabilitation Obligation	0
<b>Total Third Round Obligation</b>	<b>27</b>
Total Surplus Units and Credits To Be Applied To Third Round Obligation (Table III)	43
<b>Remaining Surplus</b>	<b>16</b>

COAH Third Round rules require that municipalities address a rental component equal to 25% of the growth share obligation, which for Chatham Township is 7 units (.25X27). NJAC 5:94-7.1 and NJAC 5:80-26 require that at least 10% of the Third Round rental obligation (7x10% or 1 unit for Chatham Township) shall be affordable to households earning no more than 35% of median income. Chatham Township is host to 6 group home units that may be applied to the rental obligation, and the Township should verify whether one or more of the group home units meet the 35% of median requirement. As a result, Chatham Township will need to provide 1 additional rental unit.

COAH rules permit municipalities to meet Third Round growth share obligations with a combination of techniques, and also specify how the growth share must be satisfied, including:

- up to 50% of total growth share (27/2=13) can be transferred to another municipality via Regional Contribution Agreements (at \$35,000/unit);
- up to 50% of growth share *addressed within the municipality* may be age-restricted units;
- at least 25% of growth share (27/4=7) must be rental units (rental obligation);
- no more than 50% of the 7-unit rental obligation (3 units) may be met with age-restricted units;
- rental bonuses are not available for age-restricted units;
- rental bonuses for non-age restricted units only apply after the rental obligation has been met.
- 2:1 bonus credits for any rental or sale unit affordable to households earning 30% or less of median income.

## **Fair Share Plan**

For the Third Round, Chatham Township's fair share plan is to address its third round growth share obligation by applying credits from past affordable housing production, as indicated above. The current surplus of affordable units/credits allows Chatham Township to plan proactively to meet future housing obligations, which are accruing from ongoing growth.

Most of the developable land has been developed and future growth will be sharply limited by available land. However, several parcels have vacant developable land. The Township will examine these lands for their potential for affordable housing.. Additionally, Chatham Township may explore the opportunity to partner with a non-profit affordable housing developer to construct a 100% affordable community of units available for rent or sale to the general public. Such a new neighborhood could enable some of the local workforce, who currently live elsewhere, either by choice or economic necessity, to find a home in the Township.

The growth share ordinance will be the principal vehicle for securing new affordable housing units or in-lieu contributions to meet the COAH obligation.

- Growth share ordinance – The Planning Board recommends that Chatham Township adopt a growth share ordinance requiring builders whose new development produces a growth share obligation to build affordable units at the required rate (1 affordable unit /8 market units or 25 jobs). It will include provisions to pay an in-lieu fee to cover the pro-rated cost of partial-unit obligations. These fees will be used to provide affordable housing within the municipality, not to fund an RCA.

The Township may also enact a developer fee ordinance for certain development thresholds (i.e., less than 8 new residential units), provided no developer is required to pay more than one type of fee for the same new development.

- Development fee ordinance – Development fees (up to one percent for residential development and up to two percent for non-residential development as limited by COAH) may be charged for certain kinds or classes of development in the future. While the Township previously enacted and later rescinded such an ordinance, due to its effects on local homeowners trying to improve their dwellings, it remains a useful tool that can be used to fund out-of-town construction, including RCA units. If applied in the future, it should not be directed at additions to existing dwellings.

Other components of Chatham Township’s Fair Share Plan may include the following:

- (1) Regional Contribution Agreement – the Township may utilize a portion of the proceeds from development fee collections to enter into a regional contribution agreement with a receiving municipality within the region, in accordance with N.J.A.C. 5:94-4.7 (maximum of 13 units).
- (2) Accessory apartment program – the Township may enable the creation of accessory apartments in accordance with N.J.A.C. 5:94-4.9 (maximum of 10 units);
- (3) Buy-down program – the Township may utilize proceeds from development fee collections and/or in-lieu contributions to subsidize the cost of for-sale units that will be purchased by a low- or moderate income buyer at an affordable sales prices in accordance with N.J.A.C. 5:94-4.10; and
- (4) Municipally-sponsored rental program – the Township may utilize a portion of development fee collections and/or in-lieu contributions for a municipally-sponsored rental program conducted in partnership with a private or non-profit developer.

The fair share plan is intended to be flexible, in order to meet emerging needs and opportunities. While Chatham Township has met and exceeded its prior round obligation and the nominal 27-unit third round growth share obligation, one additional rental unit is required to meet the full rental obligation for the third round. This rental obligation maybe met by one of the techniques above (RCA, Accessory Apartment, Buy-down or local rental project).

## APPENDIX A HOUSING AND DEMOGRAPHIC CHARACTERISTICS

### Inventory of Municipal Housing Conditions

The primary source of information for the inventory of Chatham Township's housing stock is the 2000 U.S. Census, with the data reflecting conditions in 2000. In 2000, the Township had 4,019 housing units, of which 3,920 (98%) were occupied. Table 1 identifies the units in a structure by tenure; as used throughout this Plan Element, "tenure" refers to whether a unit was owner-occupied or renter-occupied. While the Township largely consisted of one-family, detached dwellings (67% of the total, compared to 69% in the County), there were 1,336 units in attached or multi-family structures. The Township had a lower percentage of renter-occupied units, 16%, compared to 24% in Morris County and 32% in the State.

**TABLE A-1: Units in Structure by Tenure**

Units in Structure	Vacant Units	Occupied Units		
		Total	Owner	Renter
1, detached	22	2,661	2,572	89
1, attached	10	170	162	8
2	0	24	12	12
3 or 4	10	120	62	58
5+	57	945	466	479
Other	0	0	0	0
Mobile home or trailer	0	0	0	0
<b>Total</b>	<b>99</b>	<b>3,920</b>	<b>3,274</b>	<b>646</b>

*Source: 2000 U.S. Census, Summary Tape File 3 (STF-3) for Township, QT-H10 and DP-4.*

Table A-2 indicates the year housing units were built by tenure, while Table A-3 compares the Township to Morris County and the State. Approximately 58% of the owner-occupied units in the Township were built before 1970. Conversely, most renter-occupied units (47%) were also built after 1970.

**TABLE A-2: Year Structure Built by Tenure**

Year Built	Vacant Units	Occupied Units		
		Total	Owner	Renter
1990-2000	10	438	369	39
1980-1989	53	705	565	140
1970-1979	0	578	453	125
1960-1969	14	597	499	98
1950-1959	0	920	792	128
1940-1949	7	288	247	41
Pre-1940	15	424	349	75

*Source: 2000 U.S. Census, STF-3 for Township, QT-H7.*

Table A-3 identifies the year of construction for all dwelling units in the Township, Morris County and the State. The Township had a much larger percentage of units built between 1940 and 1959 than the County or State, and a smaller percentage of units built before 1940 and between 1990 and 2000. This is clearly seen in the median year built between the State, County and Township.

**TABLE A-3: Comparison of Year of Construction for Township, County, and State**

Year Built	%		
	Chatham Township	Morris County	New Jersey
1990 – 2000	10.4	13.5	10.5
1980 – 1989	18.9	12.6	12.4
1970 – 1979	14.4	15.3	14.0
1960 – 1969	15.2	18.6	15.9
1940 – 1959	30.2	24.8	27.1
Pre-1940	10.9	15.3	20.1
<b>Median Year</b>	<b>1966</b>	<b>1965</b>	<b>1962</b>

Source: 2000 U.S. Census, SF-3 for Township, County, and State, DP-4.

The 2000 Census documented household size in occupied housing units by tenure, and the number of bedrooms per unit by tenure; these data are reported in Tables 4 and 5, respectively. Table A-4 indicates that renter-occupied units generally housed smaller households, with 79% of renter-occupied units having 2 persons or fewer compared to 55% of owner-occupied units. Table A-5 indicates that renter-occupied units generally had fewer bedrooms, with 83% having two bedrooms or fewer, compared to 24% of owner-occupied units.

**TABLE A-4: Household Size in Occupied Housing Units by Tenure**

Household Size	Total Units	Owner-occupied Units	Renter-occupied Units
1 person	1,028	725	303
2 persons	1,294	1,089	205
3 persons	536	475	61
4 persons	658	610	48
5 persons	365	347	18
6 persons	33	22	11
7+ persons	6	6	0
<b>Total</b>	<b>3,920</b>	<b>3,274</b>	<b>646</b>

Source: 2000 U.S. Census, SF-3 for Township, H-17.

**TABLE A-5: Number of Bedrooms per Unit by Tenure**

Number of Bedrooms	Total Units	(%)	Vacant Units	Occupied Units		
				Total	Owner	Renter
No bedroom	18	.4	0	18	6	12
1 bedroom	658	16.4	38	620	226	394
2 bedrooms	730	18.2	39	691	562	129
3 bedrooms	1,014	25.2	7	1,007	935	72
4 bedrooms	1,196	29.8	8	1,188	1,159	29
5+ bedrooms	403	10	7	396	386	10

Source: 2000 U.S. Census, SF-3 for Township, QT-H8 and QT-H5.

Table A-6 compares the Township's average household size for all occupied units, owner-occupied units, and renter-occupied units in 2000 to those of the County and State. The Township's average household size for owner-occupied and renter-occupied units was lower in 2000 than the County and the State.

**TABLE A-6: Average Household Size for Occupied Units for Township, County, and State**

Jurisdiction	All Occupied Units	Owner-occupied units	Renter-occupied units
Chatham Township	2.54	2.70	1.76
Morris County	2.72	2.88	2.21
New Jersey	2.68	2.81	2.43

Source: 2000 U.S. Census, SF-1 for Township, County, and State, DP-1.

The distribution of bedrooms per unit, shown in Table A-7, indicates that the Township contained fewer small units (2-3 bedroom) than the County or State and a greater proportion of larger units (4 or more bedroom) than either the County or State.

**TABLE A-7: Percentage of All Units by Number of Bedrooms**

Jurisdiction	None or one	Two or Three	Four or More
Chatham Township	16.8	43.4	39.8
Morris County	15.2	49.8	35
New Jersey	18.3	59.2	22.6

Source: 2000 U.S. Census, SF-3 for Township, County, and State, QT-H4.

In addition to data concerning occupancy characteristics, the 2000 Census includes a number of indicators, or surrogates, which relate to the condition of the housing stock. These indicators are used by the Council on Affordable Housing (COAH) in calculating a municipality's deteriorated units and indigenous need. In the first Two Rounds of COAH's fair share allocations (1987-1999), COAH used seven indicators to calculate indigenous need: age of dwelling; plumbing facilities;

kitchen facilities; persons per room; heating fuel; sewer; and, water. In the Round Three rules, COAH has reduced this to three indicators, which in addition to age of unit with more than 1 person per room (Pre-1940 units in Table A-2), are the following, as described in COAH's rules.

*Plumbing Facilities* Inadequate plumbing is indicated by either a lack of exclusive use of plumbing or incomplete plumbing facilities.

*Kitchen Facilities* Inadequate kitchen facilities are indicated by shared use of a kitchen or the non-presence of a sink with piped water, a stove, or a refrigerator.

Table A-8 compares the Township, County, and State for the above indicators of housing quality. In 2000, the Township had fewer units with inadequate plumbing and kitchen facilities than the County and State.

**TABLE A-8: Housing Quality for Township, County, and State**

Condition	------%-----		
	Chatham Township	Morris County	New Jersey
Inadequate plumbing <sup>1</sup>	.3	0.4	0.7
Inadequate kitchen <sup>1</sup>	.2	0.3	0.8
Overcrowding	.6	2.6	5

Notes: <sup>1</sup>The universe for these factors is all housing units.

Source: 2000 U.S. Census, SF-3 for Township, County, and State QT-H4.

Other factors used to characterize the municipal housing stock are the housing values and gross rents for residential units. With regard to values, the 2000 Census offers a summary of housing values, seen in Table A-9, which indicate that 81% of all residential properties in the Township were valued over \$300,000 with 40% valued between \$300,000 and 499,999. The median housing value for the Township in was \$449,000.

**TABLE A-9: Value of Owner Occupied Residential Units**

Value	Number of Units	%
\$0 – 50,000	0	0
\$50,000 – 99,999	0	0
\$100,000 – 149,999	11	.4
\$150,000 – 199,999	78	3
\$200,000 – 299,999	403	15.3
\$300,000 – 499,999	1053	40
\$500,000 – 999,999	980	37.2
\$1,000,000 +	107	4.1

Source: 2000 U.S. Census, SF-3 for Township, County, and State, DP-4.

The data in Table A-10 indicate that in 2000 most housing units rented for more than \$1,000/month (93%) with the largest percentage, 61.1%, found between \$1,000 and \$1,499 per month, and 30.8% of the units renting for over \$1,500/ month.

**TABLE A-10: Gross Rents for Specified Renter-Occupied Housing Units<sup>1</sup>**

Monthly Rent	Number of Units	%
Under \$200	12	1.9
\$200 – 299	0	0
\$300 – 499	8	1.2
\$500 – 749	0	0
\$750 – 999	26	4
\$1,000 – 1,499	395	61.1
\$1,500 or more	199	30.8
No Cash Rent	6	.9

Note: Median gross rent for Chatham Township is \$1,371.

Source: 2000 U.S. Census, SF-3 for Township, QT-H12.

The data in Table A-11 indicate that in 2000 there were 151 renter households earning less than \$35,000 annually. At least 131 of these households were paying more than 30% of their income for rent; a figure of 30% is considered the limit of affordability for rental housing costs.

**TABLE A-11: Household Income in 1999 by Gross Rent as a Percentage of Household Income in 1999<sup>1</sup>**

Income	Number of Households	Percentage of Household Income					
		0 – 19%	20 – 24%	25 – 29%	30 – 34%	35% +	Not computed
< \$10,000	37	0	0	0	0	17	20
\$10,000 – 19,999	12	0	0	0	0	12	0
\$20,000 – 34,999	102	0	0	0	0	102	0
\$35,000 +	495	251	84	41	18	95	6

Note: <sup>1</sup>The universe for this Table is specified renter-occupied housing units.

Source: 2000 U.S. Census, SF-3 for Township, QT-H13.

## Analysis of Demographic Characteristics

As with the inventory of the municipal housing stock, the primary source of information for the analysis of the demographic characteristics of the Township's residents is the 2000 U.S. Census. The Census data provide a wealth of information concerning the characteristics of the Township's population in 2000.

The 2000 Census indicates that the Township had 10,086 residents, or 725 more residents than in 1990. The Township's 8% increase during the 1990's compares to a 12% increase in Morris County and an 8% increase in New Jersey.

The age distribution of the Township's residents is shown in Table A-12. The age cohorts remained relatively evenly split between males and females with a predominance of males in the age range of 5-19 and a female predominance in the 19+ age groups.

**TABLE A-12: Population by Age and Sex**

Age	Total Persons	Male	Female
0-4	768	403	365
5 – 19	2,057	1,057	1,000
20 – 34	1,251	584	667
35 – 54	3,536	1,668	1,868
55 – 69	1,487	701	786
70 +	987	390	597
<b>Total</b>	<b>10,086</b>	<b>4,803</b>	<b>5,283</b>

*Source: 2000 U.S. Census, SF-1 for Township, QT-P1.*

Table A-13 compares the Township to the County and State for the same age categories. The principal differences among the Township, County, and State occurs in the age categories 20-34 where the Township had fewer residents and 35+ age groups where the Township had a higher percentage of population located in those cohorts. The average age of Chatham Township residents (41 years) reflects this more mature local population, compared to the County (37.8) and the State (36.7).

**TABLE A-13: Comparison of Age Distribution for Township, County, and State (% of persons)**

Age	Chatham Township	Morris County	New Jersey
0 – 4	7.6	7	6.7
5 – 19	20.5	19.9	20.4
20 – 34	12.4	17.9	19.9
35 – 54	35	33.6	30.9
55 – 69	14.8	13.3	12.4
70 +	9.7	8.3	9.7
<b>Median</b>	<b>40.1</b>	<b>37.8</b>	<b>36.7</b>

Source: 2000 U.S. Census, SF-1 for Township, County, and State. QT-P1.

Table A-14 provides the Census data on household size for the Township, while Table A-15 compares household sizes in the Township to those in Morris County and the State. The Township had a higher percentage of households with 1 or 2 persons and a lower percentage of households with 3 to 4 persons than the County or State.

**TABLE A-14: Persons in Household**

Household Size	Number of Households
1 person	1,030
2 persons	1,293
3 persons	539
4 persons	653
5 persons	321
6 persons	73
7 or more persons	11

Source: 2000 U.S. Census, STF-1 for Township, QT-P10.

**TABLE A-15: Comparison of Persons in Household for Township, County, and State (% of households)**

Household Size	Chatham Township	Morris County	New Jersey
1 person	26.3	21.5	24.5
2 persons	33	31.8	30.3
3 persons	13.8	17.6	17.3
4 persons	16.7	17.7	16.0
5 persons	8.2	7.8	7.5
6 persons	1.9	2.3	2.7
7 or more persons	.3	1.3	1.7
<b>Persons per household</b>	<b>2.54</b>	<b>2.72</b>	<b>2.68</b>

Source: 2000 U.S. Census, SF-1 for Township, County, and State, QT-P10.

Table A-16 presents a detailed breakdown of the Township's population by household type and relationship in 2000. There were 8,646 people living in family households in the Township and 1,321 people living in non-family households; a family household includes a householder living with one or more persons related to him or her by birth, marriage, or adoption, while a non-family household includes a householder living alone or with non-relatives only. In terms of the proportion of family and non-family households, the Township had more persons in family households than the County or State (86% for the Township, 73.6% for the County, and 70.3% for the State).

**TABLE A-16: Persons by Household Type and Relationship**

	<b>Total</b>
<b>In family Households:</b>	<b>8,646</b>
Married	2,753
Child	3,198
<b>In Non-Family Households:</b>	<b>1,321</b>
Male householder:	392
Living alone	329
Not living alone	63
Female householder:	766
Living alone	700
Not living alone	66
Non-relative	163
<b>In group quarters:</b>	<b>119</b>
Institutionalized	103
Non-institutionalized	16

Source: 2000 U.S. Census, SF-3 for Township, QT-P11 and QT-P12.

Table A-17 provides 1999 income data for the Township, County, and State, when the Township's per capita and median incomes were higher than those of the County and State. The definitions used for households and families in Table A-17 are similar to those identified in the description of Table A-16, so that the households figure in Table A-17 includes families.

**TABLE A-17: 1999 Income for Township, County, and State**

<b>Jurisdiction</b>	<b>Per Capita Income (\$)</b>	<b>Median Income (\$)</b>	
		<b>Households</b>	<b>Families</b>
Chatham Township	65,497	106,208	131,609
Morris County	36,964	77,340	89,773
New Jersey	27,006	55,146	65,370

Source: 2000 U.S. Census, SF-3 for Township, County, and State, DP-3.

Table A-18 addresses the lower end of the income spectrum by providing data on poverty levels for persons and families. The determination of poverty status and the associated income levels are based on the cost of an economy food plan and ranges from an annual income of \$8,501 for a one-person household to \$28,967 for an eight-person family for the year 1999. According to the data in Table A-18, the Township had proportionately fewer persons and families qualifying for poverty status than the County and State. The percentages in Table A-18 translate to 271 persons and 54 families in poverty status. Thus, the non-family households had a larger share of the population in poverty status.

**TABLE A-18: Poverty Status for Persons and Families for Township, County, and State  
(% with 1999 income below poverty)**

Jurisdiction	Persons (%)	Families (%)
Chatham Township	2.7	1.9
Morris County	3.9	2.4
New Jersey	8.5	6.3

Source: 2000 U.S. Census, SF-3 for Township, County, and State, DP-3.

The U.S. Census includes a vast array of additional demographic data that provide interesting insights into an area's population. For example, Table A-19 provides a comparison of the percent of persons who moved into their homes between the years 1995-1998; this is a surrogate measure of the mobility/stability of a population. The data indicate that the percentage of year 2000 Township residents residing in the same house in 1995 was roughly the same as that of the State and less than the County.

**TABLE A-19: Comparison of 1995-1998 Place of Residence for Township, County, and State**

Jurisdiction	Percent living in same house in 1995-1998
Chatham Township	28.1
Morris County	28.2
New Jersey	27.7

Source: 2000 U.S. Census, SF-3 for Township, County, and State, QT-H7.

Table A-20 compares the educational attainment for Township, County, and State residents. The data indicate that more Township residents achieved a high school diploma or higher or a bachelor's degree or higher than the County and State.

**TABLE A-20: Educational Attainment for Township, County, and State Residents  
(Persons 25 years and over)**

Jurisdiction	Percent (%) high school graduates or higher	Percent (%) with bachelor's degree or higher
Chatham Township	96.6	65.7
Morris County	90.6	44.1
New Jersey	82.1	29.8

Source: 2000 U.S. Census, SF-3 for Township, County, and State, DP-2.

The 2000 Census also provides data on the means of transportation which people use to reach their place of work. Table A-21 compares the Census data for the Township, County, and State relative to driving alone, carpooling, using public transit, and using other means of transportation. The Township had a relatively high percentage of those who drive alone, and a relatively low percentage of workers who carpool or used public transit. Of the 7% of workers who resided in the Township and used other means of transportation to reach work, 274 workers worked at home and 45 workers walked to work.

**TABLE A-21: Means of Transportation to Work for Township, County and State Residents  
(Workers 16 years old and over)**

<b>Jurisdiction</b>	<b>Percent who drive alone</b>	<b>Percent in carpools</b>	<b>Percent using public transit</b>	<b>Percent using other means</b>
Chatham Township	73.9	4.4	14.8	7
Morris County	81.2	8.2	4.2	6.4
New Jersey	73	10.6	9.6	0.9

Source: 2000 U.S. Census, SF-3 for Township, County, and State, DP-3.

## APPENDIX B GROWTH SHARE FORECAST

COAH rules require the calculation of local growth share using forecasts prepared by the Metropolitan Planning Organizations, and require municipalities to compare these numbers to locally-derived estimates based on approved or expected growth. The following tables provide the locally-derived growth share estimate, and compare it with the MPO forecast.

### RESIDENTIAL GROWTH SHARE

**Table R1: NJTPA Residential Growth Projection**

<b>2015 NJTPA Households</b>	<b>-</b>	<b>2005 NJTPA Households</b>	<b>=</b>	<b>Household Growth</b>	<b>=</b>	<b>Affordable Units</b>
<b>4,070</b>	<b>-</b>	<b>3,970</b>	<b>=</b>	<b>100</b>	<b>=</b>	<b>12.5</b>

**Table R2:  
Ten-year Historic Trend of Residential Certificates of Occupancy and Demolition Permits**

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>CO's Issued</b>	6	19	16	14	14	12	102	15	13	28
<b>Demolitions</b>	1	4	2	3	2	8	6	5	10	3
<b>Net</b>	5	15	14	11	12	4	96	10	3	25

**Table R3: Net Actual Residential Growth**

	2004 Actual
<b>CO's Issued</b>	28
<b>Demolitions</b>	3
<b>Net Actual Growth</b>	25

**Table R4:  
Anticipated Developments & Number of Residential Units  
Based on CO's Minus Demolitions (2005 – 2013)**

	<b>Total COs 2005 - 2013</b>
<b>Approved Development Applications</b>	
Rolling Hills	4
Gunn	2
Novick/Hagner	1
Sterling Property	54
Parisi	1
Karlin Estates	1
McManus	1
Gentile	1
DeMarzo	2
Sycamore Dr	1
Parisi	1
Bernado	1
231 Longwood	1
372 Shunpike Rd	1
614 Fairmount	1
Miscellaneous residential development	15
<b>Pending Development Applications</b>	<b>0</b>
<b>Anticipated Development Applications</b>	<b>0</b>
<b>Other Projected Development (e.g., single lot dev)</b>	<b>20</b>
<b>Development Sub Total</b>	<b>108</b>
<b>Anticipated Demolitions</b>	<b>0</b>
<b>Net Projected Development TOTAL</b>	<b>108</b>

**Table R5:  
Total Net Residential Growth (Sum of Actual and Projected Growth)  
January 1, 2004 to January 1, 2014**

<b>Net ACTUAL Residential Growth (Table R3)</b>	<b>+</b>	<b>Net PROJECTED Residential Growth (Table R4)</b>	<b>=</b>	<b>Total Net Residential Growth</b>
25	+	108	=	133

**Table R6:  
Second Round Affordable and Market-Rate Units in Inclusionary Developments  
To Be Excluded from Growth Projection**

<b>Development Name</b>	<b>Total Units in Development</b>	<b>Total Affordable Units Excluded</b>	<b>Total Market Rate Units Excluded</b>	<b>TOTAL UNITS EXCLUDED</b>
				0
<b>TOTAL</b>				<b>0</b>

**Table R7:  
Net Residential Growth Projections After Subtracting  
Second Round Affordable and Inclusionary Market-Rate Units**

	<b>Total</b>
<b>Net Residential Growth (Table R5)</b>	133
<b>Minus Second Round Units (Table R6)</b>	0
<b>Final Net Residential Growth</b>	<b>133</b>

**Table R8:  
Residential Growth Share Projection**

	<b>Total</b>
<b>Table R7 Total</b>	133
<b>Residential Growth Share Obligation</b>	<b>16.6</b>

**NON-RESIDENTIAL GROWTH SHARE OBLIGATION**

**Table NR1: NJTPA Non-Residential Growth Projection**

<b>2015 Employment</b>	-	<b>2005 Employment</b>	=	<b>Employment Change</b>	=	<b>Affordable units</b>
3,510	-	3,330	=	180	=	7.2

**Table NR2:  
Ten-year Historic Trend of Certificates of Occupancy  
and Demolition Permits by Square Feet**

	<b>1995 Sq Ft</b>	<b>1996 Sq Ft.</b>	<b>1997 Sq Ft</b>	<b>1998 Sq Ft</b>	<b>1999 Sq Ft</b>	<b>2000 Sq Ft</b>	<b>2001 Sq Ft</b>	<b>2002 Sq Ft</b>	<b>2003 Sq Ft</b>	<b>2004 Sq Ft</b>
<b>COs Issued B - Office</b>	0	498	0	0	1,679	0	422	0	0	0
<b>COs Issued A-2 - Assembly</b>	0	0	0	0	0	0	0	0	0	8,781
<b>COs Issued A-3 - Assembly</b>	0	0	0	0	0	0	1,740	0	0	0
<b>COs Issued A-4 - Assembly</b>	0	0	111	0	0	0	0	0	9,455	0
<b>COs Issued S - Storage</b>	0	0	0	0	0	0	0	6,000	2,772	1,598
<b>COs Issued Educational</b>	0	11,881	0	0	160	0	22,180	83,649	0	0
<b>COs Issued Hotel/Motel</b>	0	0	0	0	0	0	0	0	0	32,750
<b>COs Issued Industrial</b>	0	0	3,291	0	0	0	0	0	0	0
<b>COs Issued Institutional</b>	0	0	0	0	0	0	68,793	0	0	0
<b>Demolitions B - Office</b>	0	0	0	0	1	0	0	0	1	1

**Table NR3:  
 “R-1” USE GROUP: Actual Developments  
 by Year that CO’s Were Issued (.8 jobs/1,000 sq ft)**

	<b>2004 Total (Sq Ft)</b>	<b>Jobs</b>
<b>Total New Development</b>	32,750	26.20
<b>Total Demolitions</b>	0	0
<b>NET GROWTH (Office)</b>	32,750	26.20

**Table NR4:  
 “A-2” USE GROUP: Actual Developments  
 by Year that CO’s Were Issued (3 jobs/1,000 sq ft)**

	<b>2004 Total (Sq Ft)</b>	<b>Jobs</b>
<b>Total New Development</b>	8,781	26.34
<b>Total Demolitions</b>	0	0
<b>NET GROWTH (Office)</b>	8,781	26.34

**Table NR5:  
 “S” USE GROUP: Actual Developments  
 by Year that CO’s Were Issued (.2 jobs/1,000 sq ft)**

	<b>2004 Total (Sq Ft)</b>	<b>Jobs</b>
<b>Total New Development</b>	1,598	.32
<b>Total Demolitions</b>	0	0
<b>NET GROWTH (Office)</b>	1,598	.32

**Table NR6: Summary Table  
 Total Actual Growth (in jobs), 2004**

	<b>Jobs</b>
<b>Net Jobs – Hotel/Motel/Dorm (Table NR3)</b>	26.20
<b>Net Jobs – Assembly (Table NR4)</b>	26.34
<b>Net Jobs – Storage (Table NR5)</b>	.32
<b>TOTAL NET GROWTH for 2004</b>	52.86

**Table NR7: “B” USE GROUP: Developments and Anticipated Developments  
based on CO’s Anticipated to be Issued  
January 1, 2005 to January 1, 2014 (3 jobs/1,000 square feet)**

	<b>Total (Sq. Ft.)</b>	<b>Jobs</b>
<b>Approved Development Applications (Year CO to be issued)</b>		
Peapack Gladstone Bank (2007)	2,558	7.7
St. Hubert’s Animal Care (2008)	41,000	123
<b>Pending Development Applications</b>	0	0
<b>Anticipated Development Applications</b>	0	0
<b>Other Projected Development</b>	0	0
<b>TOTAL NEW DEVELOPMENT</b>	<b>43,558</b>	<b>130.7</b>
<b>TOTAL DEMOLITIONS*</b>	<b>2,842</b>	<b>8.5</b>
<b>NET GROWTH (Office)</b>	<b>40,716</b>	<b>122.2</b>

*\*Peapack Gladstone Bank is razing current 5,400 sq. ft building  
and replacing it with the proposed 2,558 sq. ft. building.*

**Table NR89: “T” USE GROUP: Developments and Anticipated Developments  
Based on CO’s Anticipated to be Issued  
January 1, 2005 to January 1, 2014 (2 job/1,000 sq ft)**

	<b>Total (Sq. Ft.)</b>	<b>Jobs</b>
<b>Approved Development Applications (Year CO to be issued)</b>		
King James Nursing Home (2007)	5,547	11.1
<b>Anticipated Development Applications</b>	0	0
<b>Other Projected Development</b>	0	0
<b>TOTAL NEW DEVELOPMENT</b>	<b>5,547</b>	<b>11.1</b>
<b>TOTAL DEMOLITIONS</b>	<b>0</b>	<b>0</b>
<b>NET GROWTH (Retail)</b>	<b>5,547</b>	<b>11.1</b>

**Table NR9:  
 “A3” USE GROUP: Developments and Anticipated Developments  
 Based on CO’s Anticipated to be Issued  
 January 1, 2005 to January 1, 2014 (3 jobs/1,000 sq ft)**

	<b>Total (Sq. Ft.)</b>	<b>Jobs</b>
<b>Approved Development Applications (Year CO to be issued)</b>		
St. Hubert’s Animal Care (2008)	19,850	59.6
<b>Pending Development Applications</b>	0	0
<b>Anticipated Development Applications</b>	0	0
<b>TOTAL NEW DEVELOPMENT</b>	<b>19,850</b>	<b>59.6</b>
<b>TOTAL DEMOLITIONS</b>	0	0
<b>NET GROWTH (Assembly)</b>	<b>19,850</b>	<b>59.6</b>

**Table NR10: Summary Table  
 Total Projected Growth (in jobs), January 1, 2005 to January 1, 2014**

	<b>Jobs</b>
<b>Net Jobs – Office (Table NR7)</b>	122.2
<b>Net Jobs – Institutional (Table NR8)</b>	11.1
<b>Net Jobs – Assembly (Table NR9)</b>	59.6
<b>TOTAL PROJECTED NET JOB GROWTH</b>	<b>193</b>

**Table NR11: Total Net Non-Residential Growth in Jobs  
 (Sum of Actual and Projected Growth)  
 January 1, 2004 to January 1, 2014**

<b>Net ACTUAL Non-Residential Growth (Table NR7)</b>	<b>+</b>	<b>Net PROJECTED Non-Residential Growth (Table NR10)</b>	<b>=</b>	<b>Total Net Non-Residential Growth (in jobs)</b>
52.9	+	192.9	=	245.8

**Table NR12:  
 Non- Residential Growth Share Projection**

	<b>Total</b>
<b>Table NR11 Total</b>	245.8
<b>Divided by 25</b>	<b>9.8</b>

**COMPARISON OF MPO AND LOCALLY-DERIVED GROWTH SHARE  
AFFORDABLE HOUSING OBLIGATION**

**Table T1:  
Total Projected Affordable Housing Obligation Generated  
by Residential and Non-residential Development 2004-2014 and NJTPA Projections**

<b>GROWTH SHARE COMPONENT</b>	<b>LOCALLY- DERIVED</b>	<b>MPO</b>
<b>Residential</b>	17	11
<b>Non-Residential</b>	10	7
<b>Total</b>	<b>27</b>	<b>18</b>