

TOWNSHIP OF MILLSTONE MASTER PLAN

HOUSING PLAN ELEMENT AND FAIR SHARE PLAN

November 20, 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 Millstone is situated in the southwest corner of Monmouth County and contains approximately 36.76 square miles, or 23,526 acres, of land, and 0.42 square miles, or 268.8 acres, of water.

County Route 527/527A (Smithburg Road) forms the northeastern boundary line between Millstone Township and Manalapan Township. To the southeast, Millstone Township is bordered by the Townships of Jackson and Freehold in Ocean County, and to the northwest, Millstone Township is bordered by the Township of Monroe in Middlesex County and by the Township of East Windsor in Mercer County.

The Borough of Roosevelt is almost entirely surrounded by Millstone Township at the western edge of the Township. The rest of the Millstone Township's western municipal boundary is common with Millstone Township.

The municipality is traversed from east to west by County Route 1 (Perrineville Road and Sweetman's Lane) and by County Route 524 (Stage Coach Road) in the middle of the Township. A small segment of State Highway 33 passes through Millstone Township in its northern portion, and a small segment of Interstate Highway 195 passes through the Township in its southern portion. Additional east-west roads exist throughout the Township but are very circuitous.

Along the northwest Township border, County Route 527/527A runs from northwest to southeast, and along the southeastern Township border, County Route 537 (Monmouth Road) runs northeast to southwest. The municipality is traversed from the south to the north by Millstone Road. The southern section of Millstone Road branches to the west as a continuation of County Route 571 (Rising Sun Tavern Road) which runs through the Borough of Roosevelt.

THE TOWNSHIP'S MASTER PLAN & ZONE PLAN

Similar to many rural municipalities throughout the State of New Jersey, the Township of Millstone had been experiencing significant development pressures, particularly for residential development. Given that no portion of Millstone Township is served by public water or public sewerage facilities, the Township must rely upon the carrying capacity of the natural environment to support the development.

Recognizing the fragile nature of Millstone Township's environment and that public infrastructure, particularly sewerage facilities, is an inducement to growth which would conflict with the Township's goal to maintain the prevailing rural character of the municipality, including the environmental, economic and social benefits of a coordinated system of open space, outdoor recreation and farmland, Millstone Township does not desire to provide either public water or public sewerage facilities.

Millstone Township is environmentally significant because it is situated on a major drainage divide which separates the Raritan River Drainage Basin, the Delaware River Drainage Basin and the Atlantic Coastal Basin. Other environmentally sensitive features include extensive freshwater wetlands, prime agricultural soils and steep slopes. Maintaining a reasonable balance to preserve the environmentally sensitive features of the Township and to permit appropriate residential and nonresidential development is an ongoing challenge for Millstone Township.

In order to curtail the pressures for development and prescribe appropriate types and intensities of development within the Township in consideration of the capacity of the Township's environment to support the development, the Millstone Township Planning Board adopted a comprehensive Master Plan on November 13, 2002.

In addition to promoting the purposes of the Municipal Land Use at N.J.S.A. 40:55D-2, the adopted Master Plan is based upon the following principles and policies, which are quoted from Pages VII-1 to VII-3 of the plan:

Principles

1. The rural character of Millstone Township should be maintained.
2. Open space and farmland are essential to maintaining a healthy environment, controlling urban sprawl, and preserving the rural character of Millstone Township and its natural and cultural resources. The Township is uniquely located and serves as the origin for one-quarter of New Jersey's twenty major watershed areas. A Township network of permanently preserved open spaces and farmland is needed to provide public recreation, to maintain biodiversity, to protect water quality, to control flooding, and to conserve the community's significant scenic, cultural, and natural features.
3. The Township supports the vision of the State Plan for Millstone Township as a rural environmentally sensitive planning area and is

committed to the protection of its natural and cultural resources including steep slopes, stream corridors and their associated wetlands and floodplains, forests, agriculture, and areas valuable as scenic, historical, cultural, or recreational resources.

4. The Township recognizes the regional importance of Millstone Township as the convergence zone for central New Jersey watersheds and the need to protect its exceptional high quality water resources.
5. The Township needs to plan for agricultural, residential, commercial, office, light industrial, recreational, and public and quasi public uses to achieve a balance of conservation and beneficial economic development that maintains the rural character of Millstone.

Policies

1. The Township encourages land use and beneficial economic development that is compatible with the maintenance and enhancement of Millstone as a rural environmentally sensitive community.
2. The Township will provide its active support and encourage local participation in State and County farmland and open space preservation programs to preserve as much of Millstone's open space and farmland as possible.
3. The Township will control the location and expansion of infrastructure to conserve the rural character of the Township and discourage the extension of sewer and water service into the municipality.
4. The Township will provide for its fair share of the regional lower income housing need consistent with the State Plan designation of the Township as rural environmentally sensitive planning area, with municipal responsibilities under the Fair Housing Act, and with the rules and regulations of the Council on Affordable Housing.

In order to help effectuate the principles and policies enumerated in the Master Plan, as well as the purposes of the Municipal Land Use Law, the "Land Use Plan Element" portion of the Millstone Township Master Plan included a "Land Use Plan" map and descriptive text which recommended the delineation of twelve (12) zoning districts.

Implementing the recommendations of the adopted Master Plan, the Millstone Township Committee adopted a "Zoning Map" on May 21, 2003 as part of a comprehensively updated "Land Use And Development Regulations" ordinance.

A copy of the adopted "Zoning Map" appears on the following page of this document. As noted, the "Zoning Map" includes the twelve (12) zoning districts recommended in the Master Plan as well as a "Flood Hazard and Stream Corridor Overlay" zone.

Regarding the twelve (12) zoning districts within Millstone Township, the following "Zoning District Table" includes the names of the zoning districts, the approximate percentages and acreages of the lands zoned within the districts, and the required minimum lot sizes for development within the districts:

| ZONING DISTRICT TABLE | | | |
|--|--|---|--------------------------------------|
| NAME OF ZONING DISTRICT | PERCENTAGE OF LAND IN ZONING DISTRICT [1] | ACREAGE OF LAND IN ZONING DISTRICT [1] | REQUIRED MINIMUM LOT SIZE [2] |
| RU-P Rural Preservation | 47.0% | 11,057.22 ac | 10 ac |
| RU-C Rural Conservation | 2.0% | 470.52 ac | 6 ac |
| R-170 Rural Environmental | 3.3% | 776.36 ac | 4 ac |
| R-130 Rural Residential | 16.0% | 3,764.16 ac | 3 ac |
| R-80 Rural Residential | 11.0% | 2,587.86 ac | 2 ac |
| R-20 Residential | 0.1% | 23.53 ac | 20,000 sf |
| NC Neighborhood Commercial | 0.9% | 211.73 ac | 40,000 sf |
| HC Highway Commercial | 1.3% | 305.84 ac | 3 ac |
| HC-1 Highway Commercial | 0.4% | 94.10 ac | 3 ac |
| PCD Planned Commercial Development | 2.7% | 635.20 ac | 130,000 sf |
| BP Business Park | 2.8% | 658.73 ac | 20 ac |
| RC Recreation Camp | 0.8% | 188.21 ac | 10 ac |
| Totals: | 88.3% | 20,773.46 ac | |
| <p>[1] These are approximate percentages and acreages amounts, and exclude roadways, which account for approximately 11.7% of the Township's total area, or 2,752.54 acres.</p> <p>[2] See text of "Land Use And Development Regulations" ordinance for additional provisions.</p> | | | |

As is evident by the "Zoning Map" and the information in the "Zoning District Table", the zoning ordinance provisions of Millstone Township are consistent with the principles and polices enumerated in the Township's Master Plan.

ZONING MAP

THE PREVAILING LAND USE CHARACTER OF MILLSTONE TOWNSHIP

The following maps provide additional information that Millstone Township has taken actions to appropriately manage land development and preserve farmland and open space in order to

maintain the Township's rural character consistent with the principles and polices enumerated in the Township's Master Plan.

Existing Land Use Pattern

As indicated on the NJDEP "Land Use/Land Cover Map", which appears on the following page of this document, the Township of Millstone has been successful protecting its fragile environment and maintaining its rural, agricultural character.

Farmland

Additionally, the "Farmland Parcel Map", which follows the "Land Use/Land Cover Map", clearly indicates that farms are the single largest land use in Millstone Township.

Preserved Farmland & Open Space

Finally, the ""Agricultural Land Map With Open Space And Trail Easements Overlay" map, which follows the "Farmland Parcel Map", indicates the proactive program of farmland and open space preservation being pursued by Millstone Township.

NJDEP LAND USE/LAND COVER MAP

FARMLAND PARCEL MAP

**AGRICULTURAL LAND MAP
WITH OPEN SPACE AND TRAIL OVERLAY EASEMENTS OVERLAY MAP**

CRITICAL ENVIRONMENTAL CONTSTRAINTS

A significant portion of Millstone Township is environmentally constrained, as shown on the "Critical Areas Map" which appears on the following page of this document. The map shows the location of three (3) fundamental environmental features which deserve particular mention because they are noted within both the "New Jersey State Development And Redevelopment Plan" (SDRP) and the "Substantive Rules" of the New Jersey Council On Affordable Housing

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

The presence of one (1) or more of these physical characteristics clearly justify the limitation of development densities and intensities.

Freshwater Wetlands:

Freshwater wetlands are physical characteristics which present severe constraints for land development. As indicated on the "Critical Areas Map", significant portions of Millstone Township have been classified as "wetlands", with most of these land areas are associated with the extensive stream tributary system throughout the Township.

100-Year Floodplains:

The "flood hazard areas" shown on the "Critical Areas Map" include the floodway and the flood fringe area of a delineated stream. Included within the flood hazard area is the 100-year flood boundary have a 1.0% chance of flooding in any given year.

Slopes 15% Or Greater:

Slope is indicated as a percentage; the change in vertical elevation (in feet) per 100 feet of horizontal distance. 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.

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.

Preserving the steep slopes is particularly important in Millstone Township, since several regional streams have their headwaters in the central, hilly portion of the Township.

CRITICAL AREAS MAP

THE STATE PLAN & MILLSTONE 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, with input 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.

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". There is no "Center" designated or indicated within Millstone Township, although Roosevelt Borough was identified as a potential "Center".

As indicated on the "Policy Map Of The New Jersey State Development And Redevelopment Plan" for Monmouth County, which appears on the following page of this document, the New Jersey State Planning Commission has included almost all of Millstone Township's land area within "Planning Area 4B" (the "Rural/Environmentally Sensitive Planning Area"). The remaining lands in the Township have been included within the "Parks and Natural Areas" classification.

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 "Planning Area 4B", which refers to the "Policy Objectives" of "Planning Area 5", the Environmentally Sensitive Planning Area. Again, it should be noted that there are no designated "Centers" in or adjacent to Millstone Township.

The "Rural/Environmentally Sensitive Planning Area" (PA4B)

"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."

POLICY MAP OF THE NEW JERSEY STATE DEVELOPMENT AND REDEVELOPMENT PLAN

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."

The State Planning Commission is in the process of reexamining the SDRP once again, and the third round "Cross Acceptance III" process has been completed with the municipalities. The SDRP's "N.J. Prelim. Plan: Update Delta Map – Cross-Acc. III" for Monmouth County, last dated January 29, 2007 and shown on the following page of this document, recommends that a number of additional land areas within Millstone Township be included within the "Parks & Nature Areas" classification.

Additionally, the "N.J. Prelim. Plan: Update Delta Map – Cross-Acc. III" shows that there are no areas of inconsistency in the Planning Area designations for the Township of Millstone and any sewer areas, since there are no public sewerage facilities in the Township.

In accordance with N.J.A.C. 5:97-3.16(a), a municipality that petitions COAH for "Substantive Certification" after submission of an adopted "Housing Plan Element & Fair Share Plan" addressing its third round affordable housing obligation is encouraged to seek plan endorsement from the State Planning Commission and is required to include a status of the application with its petition if it is participating in the plan endorsement process.

"N.J. Prelim. Plan: Update Delta Map – Cross-Acc. III"

EXISTING HOUSING, POPULATION AND ECONOMIC CHARACTERISTICS

The following is a summary of the outstanding characteristics of the Township of Millstone'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 Millstone, as published by the Census Bureau, are respectively included as Addendums I and II to this document.

Inventory Of Municipal Housing Stock

The "Selected Housing Characteristics, 2000" table includes selected data regarding Millstone Township's housing stock as reported in the 2000 Census. In 2000, Millstone had a total of

2,797 housing units (Summary File 1 and Table DP-1).

Of these 2,797 units, single-family units (detached and attached) accounted for 2,778 units or approximately 99.3% of the total units. Two-family units accounted for an additional 7 units or approximately 0.3% of the total. Therefore, approximately 99.6% or 2,785 of the total 2,797 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 12 units or 0.4% of the total.

Regarding housing tenure, 2,708 units, or approximately 96.8% of the total 2,797 units, were occupied at the time the 2000 Census was taken in the Township. Of the 2,708 occupied housing units, approximately 4.47%, or 121 units, were renter occupied.

Therefore, in terms of housing vacancy, 3.2% or 89 of the total 2,797 units in the Township were vacant in 2000. Of the 89 vacant housing units, 22.5% (20 units) were for sale, 7.8% (7 units) were for rent, and 30.3% (27 units) already were rented or sold, but not yet occupied. The remaining 39.3% (35 units) were for "seasonal, recreational or occasional use", for migrant farm workers, or for "other" use.

The median value of owner-occupied homes in the Township of Millstone in 2000 was \$319,500 and the median monthly contract rent was \$941. Throughout Monmouth County, the 2000 median value for owner-occupied homes was \$203,100 and the median monthly contract rent was \$759.

Regarding the age of housing units in the Township of Millstone, slightly less than one-half (46.6%), or 1,303 units of the total 2,797 housing units existing in the Township in March of 2000, were constructed after 1990, and 78.5%, or 2,197 units, were constructed after 1970. Only 7.8%, or 218 units, of the total 2,797 housing units were constructed prior to 1940, which indicates that there are relatively few historic structures existing in the Township compared to the total number of housing units.

SELECTED HOUSING CHARACTERISTICS, 2000 TOWNSHIP OF MILLSTONE

| | |
|---|-------------|
| <u>Total Housing Units, 2000</u> | 2,797 units |
| <u>Housing Type, 2000</u> | |
| Single-family detached | 2,736 units |
| Single-family attached | 42 |
| Multi-family (two units at address) | 7 |
| Multi-family (three or more units at address) | 12 |
| Mobile home or trailer | 0 |
| Other | 0 |

Housing Tenure, 2000

| | |
|--|-------------|
| Occupied housing units | 2,708 units |
| Owner occupied | 2,587 |
| Renter occupied | 121 |
| Renter occupied as percent of occupied units = 4.47% | |

Housing Vacancy, 2000

| | |
|--|----------|
| Vacant housing units | 89 units |
| For rent | 7 |
| For sale only | 20 |
| Rented or sold, not occupied | 27 |
| For seasonal, recreational or occasional use | 2 |
| For migrant workers | 3 |
| Other | 30 |

Housing Value, 2000

Median value, specified owner-occupied housing units = \$319,500
Median contract rent, specified renter-occupied units = \$ 941

Age Of Housing Units, 2000

| <u>Year Constructed</u> | <u>No. of Units</u> | <u>Percentage of Total</u> |
|-------------------------|---------------------|----------------------------|
| 1990 - March 2000 | 1,303 | 46.6% |
| 1980 - 1989 | 527 | 18.8% |
| 1970 - 1979 | 367 | 13.1% |
| 1960 - 1969 | 181 | 6.5% |
| 1940 - 1959 | 201 | 7.2% |
| 1939 or earlier | 218 | 7.8% |
| Totals: | 2,797 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 Millstone as of March 2000 were broken down by the decade in which they were constructed as follows:

- # 218 units or 7.8% constructed 1939 or earlier;
- # 201 units or 7.2% constructed between 1940 and 1959;
- # 181 units or 6.5% constructed between 1960 and 1969;
- # 367 units or 13.1% constructed between 1970 and 1979;
- # 527 units or 18.8% constructed between 1980 and 1989; and

1,303 units or 46.6% constructed between 1990 and March 2000.

Regarding construction activity in the Township of Millstone, the "Residential Building Permits Issued" table indicates the number of residential units for which building permits were issued for each year between 1995 and 2007. Additionally, the table indicates the number of demolitions for the years for which such data is available.

As indicated on the "Residential Building Permits Issued" chart, during the thirteen (13) year time period between 1995 and 2007, a total of 881 building permits were issued for new residential construction in the Township of Millstone.

The annual average of building permits issued during the thirteen (13) year time period was 67.8 permits. Slightly more than one-third of the total building permits (320 or 36.3%) were issued between 1997 and 1999, with the highest number of permits (128) issued in 1999.

Only 16 building permits were issued in 2007, and only two (2) buildings permits have been issued through the first half of 2008 (through June). Therefore, it is evident that there is a slow down in the construction of new dwelling units in Millstone Township compared with the rate of construction prior to 2008.

Adding the 2,797 total housing units existing in the early part of 2000 to the 473 dwelling units for which building permits were issued between the beginning of 2000 through June of 2008, and subtracting the 44 dwelling units for which demolition permits were issued between 2000 through June of 2008, would mean that the Township of Millstone had approximately 3,226 housing units built or under construction by the end of June of 2008.

**RESIDENTIAL BUILDING PERMITS ISSUED, 1995-2007
TOWNSHIP OF MILLSTONE**

| <u>Year</u> | <u>Total Permits</u> | <u>Demolitions</u> |
|-------------|----------------------|--------------------|
| 1995 | 28 | * |
| 1996 | 62 | 3 |
| 1997 | 124 | 3 |
| 1998 | 68 | 3 |

| | | |
|------|-----|----|
| 1999 | 128 | 8 |
| 2000 | 81 | 7 |
| 2001 | 70 | 4 |
| 2002 | 76 | 3 |
| 2003 | 96 | 5 |
| 2004 | 64 | 6 |
| 2005 | 44 | 5 |
| 2006 | 24 | 10 |
| 2007 | 16 | 4 |

Totals: 881 61

Annual Average Building Permits Issued = 67.8 permits/year

* No information on demolitions is available from the "Residential Housing Units Authorized By Building Permits" data provided by the U.S. Bureau of the Census.

SOURCES: 1995 data from N.J. Department of Labor, Annual Building Permit Summaries & U.S. Bureau of the Census, "Residential Housing Units Authorized By Building Permits" and 1996-2007 data from "The New Jersey Construction Reporter", N.J. Department of Community Affairs, Division of Codes and Standards.

The so-called "Housing Quality Surrogates" used to indicate inferior or deficient housing are:

- # Constructed Prior To 1940;
- # Overcrowded (more than one person per room);
- # Inadequate Plumbing Facilities (incomplete plumbing facilities or the lack of exclusive use of plumbing facilities);
- # Inadequate Kitchen Facilities (either the shared use of a kitchen or the lack of a stove, a refrigerator or a sink with piped water);
- # Inadequate Heating (where no fuel or coal, coke or wood is used for

heating);

Inadequate Sewer Services (no public sewer, septic tank or cesspool); or

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 300 housing units in the Township of Millstone 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 does not account for overlapping data.

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 | 218 units |
| Overcrowded | 15 |
| Inadequate Plumbing Facilities | 22 |
| Inadequate Kitchen Facilities | 0 |
| Inadequate Heating | <u>45</u> |
| Total: | 300 units |

Existing Units In Millstone Township

Theoretically Affordable To Low And Moderate Income Households

The actual number of housing units in the Township of Millstone 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 4, which includes Monmouth County, for a one and one-half person household were \$31,712 and \$50,740, respectively, for a three (3) person household were \$38,055 and \$60,888, respectively, and for a four and one-half (4.5) person household were \$43,974 and \$70,359, respectively.

To estimate the number of owner-occupied housing units existing in Millstone Township which theoretically are affordable to "low" and "moderate" income households, the COAH chart for

Region 4 on the following page, entitled "Illustrative 2008 Low and Moderate Income Sales Prices for New Construction", reflects the approximate cost of a dwelling in Millstone'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 | \$71,353 | \$99,894 |
| Three (3) persons | \$85,623 | \$119,872 |
| Four and one-half (4.5) persons | \$98,943 | \$138,520 |

For a "low" income household, 8 (0.3%) of the 2,317 owner occupied units in Millstone Township on Table DP-4 of the 2000 Census are indicated to be valued less than \$50,000, and 37 (1.6%) are indicated to be valued less than \$100,000.

For a "moderate" income household, 37 (1.6%) of the 2,317 owner occupied units in Millstone Township on Table DP-4 of the 2000 Census are indicated to be valued less than \$100,000, and 176 (7.6%) are indicated to be valued less than \$150,000.

ILLUSTRATIVE COAH SALE PRICES

To estimate the number of rental housing units existing in Millstone Township which theoretically are affordable to "low" and "moderate" income households, the COAH chart for Region 4 on the following page, entitled "Illustrative 2008 Low and Moderate Income Rents for New Construction and/or Reconstruction", reflects the approximate cost of renting a dwelling in Millstone'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 | \$729 | \$951 |
| Three (3) persons | \$875 | \$1,142 |
| Four and one-half (4.5) persons | \$1,011 | \$1,319 |

For a "low" income household, 12 (14.3%) of the 84 renter occupied units specified for Millstone Township on Table DP-4 of the 2000 Census are indicated to be rented at less than \$500 and at less than \$750, and 32 (38.1%) are indicated to be rented at less than \$1,000.

For a "moderate" income household, 32 (38.1%) of the 84 renter occupied units specified for Millstone Township on Table DP-4 of the 2000 Census are indicated to be rented at less than \$1,000, and 51 (60.7%) are indicated to be rented at less than \$1,500.

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

ILLUSTRATIVE COAH RENTS

HOUSING PLAN ELEMENT AND FAIR SHARE PLAN

Existing Population, Households And Income

In 2000, the total population of the Township of Millstone was 8,970 persons, of whom 8,870 resided in households. The 8,870 people residing in households were distributed among 2,708 households, resulting in an average of 3.28 persons per household.

Millstone Township's population increased 327.1% from 1950 to 2000, while the population of Monmouth County increased by 173.1% during the same period. As shown on the "Population Trends, 1950-2000" table, the rate of population growth in Millstone Township was 21.4% in the 1950s with a decrease in the 1960s (-0.6%). The growth in population greatly increased during the 1970s (54.9%), with a slight increase in the growth rate in the 1980s (29.1%), and then a significant increase in the 1990s (76.9%).

In comparison, the population of Monmouth County increased the most during the 1950s (48.4%), then declined to a 38.1% growth rate during the 1960s, which continued to decline

during the 1970s (8.9%). The County then experienced a slight increase in the population growth rate during the 1980s (9.9%) and the 1990s (11.2%).

Between 1950 and 2000, the population of Millstone Township as a percentage of the population of Monmouth County was 0.9% in 1950. In 1960, it decreased slightly to 0.8%, and further decreased in 1970 to 0.5%, followed by an increase in 1980, 1990 and 2000 to 0.8%, 0.9% and 1.5%, respectively.

In 2000, the median age of the Township's population was 37.1 years; 37.3 years for males and 36.9 for females. As shown on the "Population By Sex And Age Cohort, 2000" table, the population of Millstone Township in 2000, both male and female, was normally distributed among the age cohorts. The total number of males in 2000 was 4,472 (49.9%) and the total number of females was slightly more at 4,498 (50.1%), for a total population of 8,970.

Regarding income, the "Household Income In 1999" table indicates that the median household income in 1999 in the Township of Millstone was \$94,561. The largest income group, 618 households, or 22.5% of the total, earned between \$100,000 and \$149,999.

Of the 2,746 households shown on Table DP-3 of the 2000 U.S. Census, 250 households, or 9.1% of the total, earned less than \$25,000, and only 90 households, or 3.3% of the total, had incomes of less than \$10,000. Slightly less than one-half of the total households in the Township (1,246 or 45.4%) earned \$100,000 or more annually.

**POPULATION TRENDS, 1950 - 2000
TOWNSHIP OF MILLSTONE AND MONMOUTH COUNTY**

| | <u>Township Of Millstone</u> | <u>Monmouth County</u> | <u>Millstone's Total Population As A Percentage Of Monmouth County</u> |
|--------------------|---|-----------------------------------|---|
| 1950 | 2,100 | 225,327 | 0.9% |
| 1950-1960 Increase | 450 (21.4 %) | 109,074 (48.4 %) | |
| 1960 | 2,550 | 334,401 | 0.8% |

| | | | |
|--|----------------|-----------------|------|
| 1960-1970 Increase | -15 (- 0.6%) | 127,448 (38.1%) | |
| 1970 | 2,535 | 461,849 | 0.5% |
| 1970-1980 Increase | 1,391 (54.9 %) | 41,324 (8.9%) | |
| 1980 | 3,926 | 503,173 | 0.8% |
| 1980-1990 Increase | 1,143 (29.1%) | 49,951 (9.9%) | |
| 1990 | 5,069 | 553,124 | 0.9% |
| 1990-2000 Increase | 3,901 (76.9 %) | 62,177 (11.2 %) | |
| 2000 | 8,970 | 615,301 | 1.5% |
| Percentage Growth 1950-2000 | 327.1% | 173.1% | |

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 MILLSTONE**

| <u>Age</u> | <u>Total</u> | <u>Male</u> | <u>Female</u> | <u>Percentage Of Total</u> |
|------------|--------------|-------------|---------------|----------------------------|
| 0 - 4 | 758 | 385 | 373 | 8.5% |
| 5 - 14 | 1,817 | 948 | 869 | 20.3% |
| 15 - 24 | 774 | 393 | 381 | 8.6% |
| 25 - 34 | 766 | 326 | 440 | 8.5% |

| | | | | |
|---------------|--------------|--------------|--------------|---------------|
| 35 - 44 | 2,076 | 1,005 | 1,071 | 23.1% |
| 45 - 54 | 1,506 | 763 | 743 | 16.8% |
| 55 - 64 | 735 | 425 | 310 | 8.2% |
| 65 - 74 | 302 | 142 | 160 | 3.4% |
| 75 + | <u>236</u> | <u>85</u> | <u>151</u> | <u>2.6%</u> |
| Total: | 8,970 | 4,472 | 4,498 | 100.0% |

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

**HOUSEHOLD INCOME IN 1999
TOWNSHIP OF MILLSTONE**

| | <u>Number</u> | <u>Households Percent</u> |
|-------------------|---------------|-------------------------------|
| Under \$10,000 | 90 | 3.3% |
| \$10,000 - 14,999 | 64 | 2.3% |
| \$15,000 - 24,999 | 96 | 3.5% |
| \$25,000 - 34,999 | 106 | 3.9% |
| \$35,000 - 49,999 | 189 | 6.9% |

| | | |
|---------------------|--------------|---------------|
| \$50,000 - 74,999 | 409 | 14.9% |
| \$75,000 - 99,999 | 546 | 19.9% |
| \$100,000 - 149,999 | 618 | 22.5% |
| \$150,000 – 199,999 | 286 | 10.4% |
| \$200,000 + | <u>342</u> | <u>12.4%</u> |
| Total: | 2,746 | 100.0% |

Median Household Income: \$94,561

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

Between 1989 and 1999, the per capita money income of the Township of Millstone increased from \$19,812 in 1989 to \$37,285 in 1999, an increase of 88.2%. The per capita money income average of all Monmouth County municipalities increased from \$20,565 in 1989 to \$31,149 in 1999, an increase of 51.5%.

| | <u>1989</u> | <u>1999</u> | <u>Percent of Change</u> |
|--------------------|-------------|-------------|--------------------------|
| Millstone Township | \$ 19,812 | \$37,285 | 88.2% |
| Monmouth County* | \$ 20,565 | \$31,149 | 51.5% |

*Average of all municipalities in Monmouth County.

The poverty rate for all persons in Millstone Township was 4.9%, or a total of 1,312 persons, in 1999. The poverty rate for Monmouth County was 6.3%, or a total of 38,242 persons, in 1999.

Existing Employment

The New Jersey Department of Labor indicates that the Township of Millstone had 1,358 covered jobs in the private sector during 2006 and that Monmouth County had 216,827 covered jobs in the private sector. 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 Millstone Township increased from 900 covered jobs in 1995 to 1,358 covered jobs in 2006, while employment in Monmouth County increased from 179,137 covered jobs in 1995 to 216,827 jobs in 2006.

The overall change in the number of private sector covered jobs between 1995 and 2006 was +458, or +50.9%, for the Township of Millstone and +37,690, or +21.0%, for Monmouth County, indicating that employment growth in Millstone Township was faster than that of Monmouth County during the 12-year period. Covered jobs in Millstone Township as a percentage of covered jobs in Monmouth County ranged over the 12-year period from a low of 0.5% during 1995, 1996, 2003 and 2004 to a high of 0.6% during 1997 through 2002 and 2005 through 2006.

**COVERED EMPLOYMENT, 1995 - 2006
TOWNSHIP OF MILLSTONE AND MONMOUTH COUNTY**

| <u>Year</u> | <u>Covered Jobs</u> | | <u>Millstone Township As Percent Of County</u> |
|-------------|---------------------------|------------------------|--|
| | <u>Millstone Township</u> | <u>Monmouth County</u> | |
| 1995 | 900 | 179,137 | 0.5% |
| 1996 | 911 | 181,804 | 0.5% |
| 1997 | 1,048 | 184,804 | 0.6% |
| 1998 | 1,154 | 188,836 | 0.6% |
| 1999 | 1,138 | 191,804 | 0.6% |
| 2000 | 1,174 | 197,825 | 0.6% |
| 2001 | 1,284 | 204,103 | 0.6% |

| | | | |
|---------------------------------------|----------------------|-------------------------|------|
| 2002 | 1,141 | 204,340 | 0.6% |
| 2003 | 1,058 | 209,161 | 0.5% |
| 2004 | 1,053 | 212,879 | 0.5% |
| 2005 | 1,255 | 215,861 | 0.6% |
| 2006 | 1,358 | 216,827 | 0.6% |
| Increase 1995 Through 2006 | +458 (+50.9%) | +37,690 (+21.0%) | |

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.

MILLSTONE 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.

For the purposes of this "Housing Plan Element And Fair Share Plan" document, Millstone Township has formulated a plan to satisfy COAH's calculated "fair share" affordable housing obligation for each of the three (3) components as mandated by COAH's current rules; however, the Township reserves the right to amend the plan in the future should different options become available and/or should rule changes be adopted by COAH or decisions are made by the courts affecting the rules.

Rehabilitation Component

Millstone Township has been assigned a 15 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 Borough's "Housing Trust Fund" which, as of October 31, 2008, had a balance of \$227,665.29; any shortfall will be paid from general funds or via bonding.

Prior Round Obligation

Millstone Township's prior round (1987-1999) affordable housing obligation was 81 units.

On October 1, 2003, Millstone Township received "Substantive Certification" from the New Jersey Council On Affordable Housing (COAH) for its "Housing Plan Element" which was adopted on December 11, 2002.

As indicated on the following table, Millstone Township has more than satisfied its 81 unit prior round affordable housing obligation and has a credit of three (3) units that can be applied against the Township's third round "growth share" obligation.

| MILLSTONE TOWNSHIP'S COAH APPROVED PLAN TO SATISFY ITS SECOND ROUND "NEW CONSTRUCTION COMPONENT" OF EIGHTY-ONE (81) UNITS | | |
|---|---|---|
| SOURCE OF UNIT CREDITS | NUMBER OF UNIT CREDITS | COMMENTS |
| "Millstone Road" Group Home | 3 du [3 beds] | Prior Cycle Credits Division of Development Disabilities |
| "Red Valley Road" Group Home | 3 du [3 beds] | Prior Cycle Credits Division of Development Disabilities |
| "Indian Path" Inclusionary Development | 12 du [6 rental du + 6 rental bonus credits] | Credits Subsequent To 12/15/86 Units Administered By The Housing Affordability Service (HAS) |
| "Canwright House" Group Home 25 Burnt Tavern Road | 18 du [9 rental bedrooms + 9 rental bonus credits] | Group Home Renovated & Managed By The Affordable (Monmouth) Housing Alliance |
| "Novad House" | 2 du | Single-Family Home |

| | | |
|--|--|--|
| Single-Family Home 6 Novad Place | [1 rental du + 1 rental bonus credit] | Managed By The Affordable (Monmouth) Housing Alliance |
| "RCA" Agreement With Asbury Park City | 46 du [At \$20,000 Per Unit] | Total Cost = \$920,000 [Fully Paid] |
| Total: | 84 Units [3 Surplus Units] | Three (3) Surplus Units To Be Credited Against Third Round Obligation |

Growth Share Obligation

Millstone Township's presumptive "growth share" affordable housing obligation totals 172 affordable units, including 97.6 units calculated from projected residential unit growth and 74.31 units calculated from projected nonresidential job growth.

Subtracting the 3 surplus units credited from the prior round results in a net growth share obligation of 169 affordable units (i.e., 172 du - 3 du = 169 du).

**COAH'S PRESCRIBED MINIMUMS & MAXIMUMS
FOR MILLSTONE TOWNSHIP**

Based upon the 169 unit "growth share" affordable housing obligation for Millstone 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 169 unit "growth share" housing 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 169 unit total affordable housing obligation, or 43 units (i.e., 42.25 du), must be rental housing units [N.J.A.C. 5:97-3.10(b)], and at least 50% of its 43 unit rental obligation, or 22 units (i.e., 21.5 du), must be family rental housing units [N.J.A.C. 5:97-3.4(b)].

- No more than 25% of its 169 unit affordable housing obligation, or 42 units (i.e., 42.25 du), can be age-restricted units [N.J.A.C. 5:97-3.101(c) 1. & 2.].
- At least 13% of its 169 unit "growth share" housing obligation, or 22 units (i.e., 121.97 du), must be provided for "very low" income households, and at least 50% or 11 of the "very low" income units must be family units [no citation at this time].
- No more than 10% of its 169 unit total affordable housing obligation, or 16 units (i.e., 16.9 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 42 (i.e., 42.25) of the 169 unit affordable housing obligation.

GOALS OF MILLSTONE TOWNSHIP'S COAH WORK GROUP

Millstone Township formed a COAH Work Group comprised of municipal officials and staff during 2007 in order to formulate and submit a "Housing Plan Element And Fair Share Plan" to COAH by May 15, 2007 as mandated by COAH even though the COAH rules previously had been found to be defective by the Appellate Division of the New Jersey Superior Court on January 25, 2007.

The COAH Work Group resumed work during 2008 after new rules were adopted in response to the court's decision and has continually worked to formulate a new "Fair Share Plan" in reaction to numerous changes to the rules which have been continuously adopted and proposed by COAH, 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 Millstone Township against a "builder's remedy" lawsuit which will negate the ability of the Township to determine what is in its best interests.
- Provide affordable housing development in a manner that is compatible with the existing development pattern and zone plan of the Township.
- Be a plan that promotes smart growth and context sensitive design while providing the required affordable housing units.
- Be a plan which, to the extent possible, safeguards the quality of life and other interests of the citizens of Millstone Township.
- Be a plan, to the extent possible, 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"

The following are the currently proposed components of Millstone Township's "Fair Share Plan"; however, as previously stated, the Township reserves the right to amend the plan in the future should different options become available and/or should rule changes be adopted by COAH or decisions are made by the courts affecting the rules.

Existing "Canwright House" Group Home Additional Credits

As indicated in the monitoring form for the "Canwright House" group home (a/k/a "Millstone House 1), which previously was submitted to COAH and which is attached to this document in Addendum III, while 9 units were credited to Millstone Township's second round "fair share" compliance plan, a total of eleven (11) bedrooms actually were constructed in the group home. Therefore, Millstone Township seeks credit for the two (2) additional bedrooms.

The subject property, 25 Burnt Tavern Road (Block 57/Lot 16.01), contains approximately 1.98 acres of land and is owned by Millstone Township. The "Canwright House" group home is administered by the Affordable Housing Alliance (formerly the Monmouth Housing Alliance).

Proposed "Millstone House II" Group Home

The subject property along Burnt Tavern Road (Block 57/Lot 16.01) contains approximately 1.98 acres of land and is owned by Millstone Township. Currently, the "Canwright House" is situated on the property. Millstone Township has subdivided the property to make available

sufficient acreage to the Affordable Housing Alliance for the construction of a six (6) bedroom group home.

More specifically, LADACIN Network intends to construct the group home on the land which will be leased from the Affordable Housing Alliance. The home will be a 1-story, fully accessible slab on-grade building which will house six (6) individuals with multiple and physical disabilities.

Staffing will be provided in the form of personal assistants who will help the residents with daily living activities including dressing, personal hygiene, shopping, meal preparation, identification and utilization of adaptive equipment, and transportation. Staffing will be provided on a 24 hour basis, 7 days per week, but there will be no live-in staff.

State support is from the Division of Disability Services. Referral to the group home will come from the Division and from the waiting list developed by the LADACIN Network. Additional referrals may be made through the State Department of Developmental Disabilities and other social service agencies.

The LADACIN Network group home is expected to be occupied and fully operational during 2010.

Proposed Novad Court Group Home

The subject property (Block 57.01/Lots 20 & 19.04) contains approximately 1.17± acres and is located along the Route 537 corridor on Novad Court near an I-195 interchange. This property, as well as the "Dickert & Shu Lee" property (Block 57.01/Lots 22 & 21.02) discussed hereinbelow, is being acquired by Millstone Township for the construction of affordable housing. All four (4) of the lots are identified on the aerial photograph which appears on the following page of this document.

An existing single-family affordable dwelling is on the property and was credited against Millstone Township's second round "fair share" housing obligation. The existing dwelling is operated and administered by the Affordable Housing Alliance.

At this time, it is proposed that the Affordable Housing Alliance will construct, operate and administer a group home on the subject property to contain six (6) bedrooms. It is expected that the new group home will be occupied and fully operational during 2013.

Proposed Novad Court Duplex Family Units For Sale

The subject "Dickert & Shu Lee" property consists of two (2) lots with access from Novad Court. One lot (Block 57.01/Lot 21.02) contains approximately 7.3 acres of land and the other lot (Block 57.01/Lot 22) contains approximately 12.5 acres of land, for a total acreage of approximately 19.8 acres. The subject lots are identified on the aerial photograph which appears on the following page of this document.

Millstone Township is in the process of purchasing the subject lots and will make the land available to the Affordable Housing Alliance for a seven (7) lot subdivision. The Affordable Housing Alliance will then have a duplex building constructed on each of the lots, and will operate and administer the development. Each duplex building will contain two (2) affordable non age-restricted family dwelling units for sale, resulting in a total of fourteen (14) affordable units.

It is expected that the fourteen (14) affordable units will be occupied during 2014.

Proposed "Allen House" Age-Restricted Units For Rent

The "Allen House" property (Block 35/Lot 13.03) contains approximately 4.344 acres of land and is owned by Millstone Township. While a major portion of the property is encumbered by freshwater wetlands, approximately one (1) acre of the property is uplands and is developable.

As shown on the sketch plan, which appears on the page of this document following the aerial photograph, it is proposed that two (2) new 2-story frame buildings be constructed on the site for occupancy by COAH qualified age-restricted households. The development will include a total of ten (10) age-restricted apartments.

The construction, operation and administration of the units will be undertaken by the Affordable Housing Alliance. It is expected that the ten (10) age-restricted apartment units will be occupied during 2013.

AERIAL PHOTOGRAPH
OF
NOVAD COURT GROUP HOME
&
DICKERT/SHU LEE
PROPERTIES

SKETCH PLAN FOR "ALLEN HOUSE" PROPERTY
AGE-RESTRICTED DEVELOPMENT

Proposed Route 33 Family Units For Rent

American Properties Realty, Inc. has proposed the construction of eighty-five (85) family rental units on an approximately 32.8 acre property (Block 20/Lot 5) along Route 33 at its intersection with Bergen Mills Road. An aerial photo of the subject property and the abutting "Indian Point" residential development to the north appears on the following page of this document.

The subject property currently is zoned within the "PCD" Planned Commercial Development zoning district which permits the following principal uses:

1. Business and professional offices.
2. Banks and other financial institutions.
3. Corporate offices.
4. Scientific and research laboratories.
5. Restaurants.
6. Commercial recreation uses.
7. Health spas.
8. Retail sales of goods and services.
9. Child care centers.
10. Storage warehouses and distribution centers.

American Properties prepared a concept plan indicating how the subject land area could be

development under the current zoning provisions governing development within the "PCD" zoning district. As indicated on the concept plan, which was prepared by Menlo Engineering Associates, Inc. and is dated September 29, 2008, the property could be developed with a total of 150,400 square feet of non-residential space, including 60,000 square feet of flex/warehouse space and 90,400 square feet of office/business space.

A plan to accommodate the eighty-five (85) family rental units would locate the non-residential uses on the property towards Route 33 and would locate the residential buildings between the non-residential development and the rear property line which abuts the "Indian Point" residential development.

A copy of a conceptual site plan for such a development appears on the page of this document following the aerial photo; the conceptual site plan was prepared by Menlo Engineering Associates, Inc. and is dated September 10, 2008.

A total of 138,150 square feet of non-residential space is indicated on the conceptual site plan, including a 75,000 square foot anchor store, 29,150 square feet for the retail sales of goods and services, 18,000 square feet of offices and 16,000 square feet for two (2) restaurants, each 8,000 square feet in area.

The eighty-five (85) affordable family units for rent are shown on the conceptual site plan to be located in four (4) apartment buildings, three (3) with twenty (20) units each and one (1) with twenty-five (25) units.

AERIAL PHOTOGRAPH OF ROUTE 33 PROPERTY AND SURROUNDING LAND USES

CONCEPTUAL SITE PLAN FOR ROUTE 33 PROPERTY

The limited purpose of the conceptual site plan is to indicate that the site could accommodate both the eighty-five (85) affordable housing units and non-residential buildings totaling no more than the 150,400 square feet of space that could be accommodated on the site under the current zoning. Any actual site plan for the development of the property would require site plan review and approval by the Township as is the case with any application for development.

However, other approvals will be necessary prior to the applicant being able to submit a site plan for review and approval by Millstone Township; more specifically, two (2) prior approvals will be necessary, as follows:

1. First, the site can only be developed as conceptually proposed if a wastewater treatment facility is approved by the New Jersey Department of Environmental (NJDEP). And, in order for the NJDEP to approve such a wastewater treatment facility, the Office of Smart Growth must designate the site as a "center" or otherwise determine that the development of the site as conceptually proposed at this time is consistent with the State Development And Redevelopment Plan. At this time, any development of the site with other than a conventional septic system is inconsistent with the State plan as currently adopted.
2. Second, the proposed conceptual plan must be approved by COAH as part of Millstone Township's "Fair Share Plan".

Given the prior approvals needed from NJDEP and COAH and the eventual site plan review and approval needed from Millstone Township, it is not expected that the eighty-five (85) affordable

units will be occupied until 2016.

Proposed Accessory Apartments

Millstone Township proposes four (4) "Accessory Apartments" in accordance with COAH's definition which reads as follows"

"Accessory Apartments: 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."

The accessory apartments will be located on farm properties or along the network of collector through streets within the Township.

Millstone Township recognizes that the accessory apartments are not considered family units by COAH because property owners interested in having an accessory apartment on their property can decline households on a list of interested tenants and choose a specific household.

Millstone Township also acknowledges its intention to conform to the following in accordance with N.J.A.C. 5:97-6.8 of COAH's "Substantive Rules";

1. The Township will provide a minimum of \$20,000 per unit to subsidize a moderate income accessory apartment or \$25,000 per unit for low income apartments. The subsidy will be used to fund actual construction costs and/or to provide compensation for reduced rental rates.
2. There must be water and sewer infrastructure with sufficient capacity to serve the proposed accessory apartments, which includes adequate septic systems.
3. While need not meet the bedroom size distribution otherwise applicable to family units (i.e., max 20% efficiencies & 1-BR, min 30% 2-BR & min 20% 3-BR), the municipal ordinance will not restrict the number of bedrooms.
4. The accessory apartments will be deed restricted with 10-year controls on affordability.

Millstone Township will pay for the accessory apartment program from moneys within its

"Housing Trust Fund" which, as of October 31, 2008, had a balance of \$227,665.29; any shortfall will be paid from general funds or via bonding.

SUMMARY OF PROPOSED "FAIR SHARE PLAN"

The currently proposed "Fair Share Plan" to satisfy Millstone Township's COAH mandated affordable "growth share" housing obligation of 169 units is summarized on the chart on the following page of this report.

| SUMMARY OF PROPOSED "FAIR SHARE PLAN" TO SATISFY MILLSTONE TOWNSHIP'S COAH MANDATED 169 UNIT AFFORDABLE HOUSING OBLIGATION | | | | | |
|---|--|-------------------|----------------------|------------|-----------------|
| | | | Income Limits | | |
| | <u>Location</u> | <u>Beds/Units</u> | <u>Very Low</u> | <u>Low</u> | <u>Moderate</u> |
| EXISTING GROUP HOME | | | | | |
| Millstone House 1 (Canwright House) Block 57/Lot 16.01 | 25 Burnt Tavern Rd Portion of 1.98 ac | 2 bedrooms | 2 | - | - |
| PROPOSED GROUP HOMES | | | | | |
| Millstone House 2 Block 57/Lot 16.01 | Burnt Tavern Rd Portion of 1.98 ac | 6 bedrooms | 3 | 3 | - |
| Novad Court Group Home Block 57.01/Lots 20 & 19.04 | Novad Court 1.17± ac | 6 bedrooms | 3 | 3 | - |
| PROPOSED AGE-RESTRICTED UNITS FOR RENT | | | | | |
| Allen House Apartments For Rent Block 35/Lot 13.03 | Stage Coach Rd 4.344 ac | 10 units | 3 | 2 | 5 |

| | | | | | |
|--|---------------------------|------------------|-----------|-----------|-----------|
| PROPOSED NOVAD COURT FAMILY UNITS FOR SALE | | | | | |
| Dickert & Shu Lee Properties Block 57.01/Lots 22 & 21.02 | Novad Court 19.8 acres | 14 units | 2 | 5 | 7 |
| | | | | | |
| PROPOSED ROUTE 33 FAMILY UNITS FOR RENT | | | | | |
| PCD Zone Commercial Center Block 20/Lot 5 | Route 33 32.8 ac | 85 units | 9 | 28 | 48 |
| | | | | | |
| ACCESSORY APARTMENTS | | | | | |
| On Lots At Least 6 Acres In Area | First Come | 4 units | - | - | 3 |
| | TOTALS: | 126 Units | 22 | 41 | 63 |
| | | | | | |
| RENTAL BONUS CREDITS | | | | | |
| 43 Family Rental Units @ 1:1 | | 42 | - | - | - |
| | | | | | |
| | TOTAL CREDITS: | 169 Units | | | |

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

1. Family Units: At least 63 family units are required (i.e., 169 du "growth share" - 43 du bonus rental credits = 126 du x 50% = 63 du), and 99 family units are provided.
2. Rental Units: At least 43 rental units are required and 109 rental units are provided, including 14 group home bedrooms, 10 age-restricted rental units and 85 family rental units.
3. Family Rental Units: At least 22 family rental units are required and 85 family rental units are provided.
4. Age-Restricted Units: No more than 42 age-restricted units are permitted and 10 age-restricted units are provided.
5. Very Low Income Units: At least 22 "very low" income units are required and 22 "very low" income units are provided, and, also as required, 11 of the "very low" income units are family units.
6. Accessory Apartments: No more than 16 accessory apartment units are permitted and 3 units are provided.

MUNICIPAL HOUSING LIAISON

On September 20, 2006, Millstone Township adopted Ordinance No. 06-31 creating the position of "Municipal Housing Liaison" to oversee the administration of the Township's affordable housing program pursuant to the "Fair Housing Act". Also on September 20, 2006, the Millstone Township Committee adopted Resolution No. 06-198 appointing James V. Pickering, Township Administrator, as the "Municipal Housing Liaison".

Copies of both Ordinance No. 06-31 and Resolution No. 06-198 are contained in Addendum IV to this document.

ADMINISTRATIVE AGENT TO ADMINISTER MILLSTONE TOWNSHIP'S AFFORDABLE HOUSING PROGRAM

On February 7, 2007, Millstone Township entered into an agreement with the Affordable Housing Alliance (formerly Monmouth Housing Alliance), with offices at 59 Broad Street, Eatontown, NJ, to be the "Administrative Agent" to administer Millstone Township's affordable housing program. A copy of the Agreement is contained in Addendum V to this document.

Donna Rose Blaze is the CEO of the Affordable Housing Alliance and has been working with Millstone Township to construct, operate and administer the following components of the Township's third round "Growth Share" compliance plan:

- The 2 additional bedrooms in the existing "Millstone House 1" (Canwright House) group home on Millstone Township property;
- The 6 bedrooms in the proposed "Millstone House 2" group home on Millstone Township property;
- The 6 bedrooms in the proposed Novad Court group home on property being acquired by Millstone Township;
- The 10 age-restricted units for rent on the "Allen House" property owned by Millstone Township; and
- The 14 duplex family units for sale on the "Dickert/Shu Lee" property being acquired by Millstone Township.