

FOURTH ROUND

HOUSING ELEMENT AND FAIR SHARE PLAN

TOWNSHIP OF CHATHAM | MORRIS COUNTY, NEW JERSEY

JUNE 2025

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**FOURTH ROUND HOUSING ELEMENT
AND FAIR SHARE PLAN**

ADOPTED BY THE PLANNING BOARD:

ENDORSED BY THE MAYOR & COUNCIL:

PREPARED BY:

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KENDRA LELIE, PP, AICP, LLA

NEW JERSEY PROFESSIONAL PLANNER LICENSE #5537

KYLE + MCMANUS ASSOCIATES

A SIGNED AND SEALED ORIGINAL IS ON FILE WITH THE TOWNSHIP CLERK

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EXECUTIVE SUMMARY

This Fourth Round Housing Element and Fair Share Plan (HEFSP) has been prepared pursuant to the Amended Fair Housing Act (“FHA”) which was signed into law in March 2024. The Township is required to adopt a Fourth Round HEFSP by June 30, 2025 in accordance with the FHA.

The HEFSP is a plan that addresses the affordable housing obligation as set forth by the FHA. There have been two (2) previous rounds of affordable housing in the State, the Prior Round which covered a time period from 1987 to 1999 and a Third Round which covered a time period from 1999-2025.

Chatham Township received a Judgment of Compliance from Superior Court of the Third Round HEFSP on October 25, 2021. The Third Round obligation totaled 387 units of which 200 units were the Realistic Development Potential (RDP) obligation and the remaining 187 units were the Unmet Need obligation. The Township is currently compliant with the Court approval providing 98 affordable housing units, of which 86 are occupied and 12 are approved for construction which satisfies the prior round RDP obligation. The Township also utilized credits from a Regional Contribution Agreement with the City of Newark (8 units), credits from extension of controls for Vernon Grove (72 units) and 50 bonus credits to satisfy the RDP obligation.

The Fourth Round obligation, as approved by the Superior Court Order dated May 13, 2025, is 141 affordable housing units. The Fourth Round period is a 10-year obligation period running from July 1, 2025 to June 30, 2035. As detailed in the Fourth Round HEFSP, the Township has a four (4) unit RDP with 137 units of Unmet Need. The Township is satisfying the RDP with a 100% family rental project on Township owned property and satisfying the Unmet Need obligation through a new overlay zoning district within the business and professional/institutional zoning districts.

INTRODUCTION & BACKGROUND

Since the 1975 New Jersey Supreme Court decision known as “Mount Laurel I”, New Jersey municipalities have had a constitutional obligation to provide opportunities for the creation of low and moderate housing units. This 1975 decision led to a body of case law, legislative changes, and rulemaking by a state agency that, collectively, is now referred to as the “Mount Laurel doctrine”. Through these actions, New Jersey municipalities have been assigned a specific number of affordable housing units that must be created or planned to “satisfy” their constitutional obligation, commonly referred to as their affordable housing obligation. The purpose of this Fourth Round Housing Element and Fair Share Plan is to present how Chatham Township will address its affordable housing obligation.

Affordable housing in New Jersey is defined as housing units which are reserved for households with incomes not more than 80% of the regional median income. Each affordable unit, with limited exceptions, must remain reserved for very-low-, low- and moderate-income households for a minimum of 30 years and for rental units, 40 years, and it is typically enforced by a deed restriction. Each affordable unit is

eligible for one “credit” against the obligation and certain units are eligible for “bonus credits”. In addition to providing the minimum number of credits, municipalities must ensure diversity in the level of affordability – meaning very-low-, low- and moderate-income units – and diversity in the size of affordable units – meaning one-, two- and three-bedroom units.

Participation in this process, and therefore satisfaction of the affordable housing obligation, can be achieved voluntarily or involuntarily. However, our laws heavily incentivize voluntary compliance. Municipalities that do not voluntarily comply may be vulnerable to “builder’s remedy” litigation. A builder’s remedy is a litigation tool to compel the municipality to include a builder’s site in the Fair Share plan. However, to secure such a remedy, the developer must “succeed in litigation”, provide a “substantial” affordable housing set-aside and the developer’s “proposed project” must not clearly violate “sound land use planning”. The Supreme Court’s desire to ensure that developers who provide affordable housing do so in accordance with sound planning, which is a pillar of the Mount Laurel doctrine.

The Housing Element and Fair Share Plan

In accordance with the Fair Housing Act (as amended) this Housing Element and Fair Share Plan includes the following:

- 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 (10) 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 of low- and moderate-income housing and its capacity to accommodate its present and prospective housing needs, including its fair share of low- and moderate-income housing;
- f. A consideration of the lands most appropriate for construction of low- and moderate-income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to providing low and moderate income housing;
- g. An analysis of the extent to which municipal ordinances and other local factors advance

or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c. 273 (C.52:27D-329.20); and

- h. An analysis of consistency with the State Development and Redevelopment Plan, including water, wastewater, stormwater, and multi-modal transportation based on guidance and technical assistance from the State Planning Commission.

Items (a) through (d) are included as an appendix item and items (e) through (h) are included in the body of this Fair Share Plan.

AFFORDABILITY REQUIREMENTS

Affordable housing is defined under New Jersey’s FHA as a dwelling, either for sale or rent, which is within the financial means of households of very-low-, low-, or moderate-income, as is measured within each housing region. Chatham Township is in Region 2, which includes Essex, Morris, Union and Warren counties. Moderate-income households are those with annual incomes greater than 50%, but less than 80% of the regional median income. Low-income households are those with annual incomes that are 50% or less than the regional median income. Very-low-income households are a subset of “low-income” households and are defined as those with incomes 30% or less than the regional median income.

The regional median income uses the federal income limits established by Department of Housing and Urban Development (hereinafter “HUD”) on an annual basis. In the spring of each year, HUD releases updated regional income limits. It is from these income limits that the rents and sale prices for affordable units are derived.

For 2025, New Jersey Housing and Mortgage Finance Agency (NJHMFA) updated income limits for all housing regions in New Jersey. These income limits for Region 2 will be utilized for Chatham. See Table 1 for 2025 income limits for Region 2.

Table 1: 2025 Income Limits for Region 2					
Household Income Levels	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household
Median	\$94,800	\$108,300	\$121,800	\$135,300	\$146,200
Moderate	\$75,840	\$86,640	\$97,440	\$108,240	\$116,960
Low	\$47,400	\$54,150	\$60,900	\$67,650	\$73,100

Table 1: 2025 Income Limits for Region 2					
Household Income Levels	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household
Very Low	\$28,440	\$32,490	\$36,540	\$40,590	\$43,860
Source: New Jersey Housing and Mortgage Finance Agency					

PRESENT AND PROSPECTIVE NEED OBLIGATION

The fair share affordable housing obligation consists of a rehabilitation component (present need) and a new construction component (prospective need). Pursuant to the Amended Fair Housing Act (FHA), the NJ State Department of Community Affairs (DCA) was required to calculate the present need and prospective need obligations for municipalities within the State. The methodology to calculate the municipality's obligation was based on three main factors including the median household income as compared to the Region 2 median household income, the total municipal nonresidential property valuation as compared to the total Region 2 nonresidential property valuation and municipality's total developable land as compared to the developable land in Region 2.

The FHA entitled municipalities to adjust the obligation if the information used in the DCA calculation was outdated or in error. After reviewing the DCA methodology for the present and prospective need obligations, the Township determined that the DCA calculation for prospective need (156 units) was incorrect and adopted a recalculated obligation (141 units) by the Township Committee (Resolution 2025-062) on January 28, 2025. The resolution and supporting report were submitted to Superior Court on January 30, 2025.

The New Jersey Builder's Association filed an objection to the Township's adoption of the recalculated obligation. In accordance with the Amended FHA, the Affordable Housing Dispute Resolution Program ("Program") after holding a settlement conference and mediation session on March 27, 2025 between the parties recommended the Superior Court establish a prospective need obligation of 141 units. A Superior Court Order was issued on May 13, 2025 to accept and adopt the recommendation of the Program to establish the Township's present need of 30 units and prospective need of 141 units.

The Township's obligation for the Fourth Round is as follows

- **Present Need (Rehabilitation): 30 units.** The rehabilitation obligation can be defined as an estimate of the number of deteriorated housing units, based on 2020 US Census data, existing in Chatham Township occupied by low- and moderate-income households.
- **Prospective Need: 141 units.** The prospective need obligation can be defined as the cumulative July 1, 2025, through June 30, 2035, new construction affordable housing obligation.

Rehabilitation (Present Need) Obligation: 30 units adjusted to 16

Chatham Township's rehabilitation obligation (present need) is 30 units. The rehabilitation obligation is not cumulative but is a recalculation based on the most recent census data. However, the Township may adjust the rehabilitation obligation based upon the findings of a Structural Conditions Survey in accordance with N.J.A.C. 5:93-5.2(a) and Appendix C. The Township Construction Official performed a visual inspection of homes within the municipality based on tax assessor records and knowledge of the Township residential structures and found that sixteen (16) homes were in fair or poor condition.

The Township continues to address the 16-unit rehabilitation obligation through the Morris County Housing Rehabilitation Program to identify units in need of rehabilitation and assist income qualified homeowners with funding for the repair of their homes.

All rehabilitated units will comply with the definition of a substandard unit in N.J.A.C. 5:93-5.2(b), which states, "a unit with health and safety code violations that require the repair or replacement of a major system." Major systems include weatherization, roofing, plumbing, heating, electricity, sanitary plumbing, lead paint abatement and/or load bearing structural systems. All rehabilitated units shall meet the applicable construction code. Additionally, all rehabilitated units shall be occupied by very-low, low- or moderate-income households and subject to 10-year affordability controls, which shall be placed on the property in the form of a lien or deed restriction. The average hard cost for the rehabilitation of a major system will be at least \$10,000.

Prospective Need Obligation: 141 units

Vacant Land Adjustment and Realistic Development Potential (RDP) Analysis

If there is a lack of sufficient land to meet the new construction obligation, a municipality is entitled to rely on COAH regulations to adjust the new construction obligation downward pursuant to N.J.S.A. 52:27D-311 (m). The adjusted number is known as the realistic development potential (RDP). The RDP represents the portion of the new construction affordable housing obligation that can theoretically be addressed with inclusionary development (defined as a mix of market and affordable units) on lots identified as being suitable in the Vacant Land Analysis ("VLA"). The portion of the new construction obligation for which there is insufficient land is known as the "unmet need". The unmet need is calculated as the difference between the total obligation and the RDP.

The Township undertook a current vacant land analysis which supports an RDP of four (4) units as shown in Table 2.

Table 2: Vacant Land Analysis and RDP determination							
Parcel ID	Address	Block/Lot	Gross Lot Area	Net Lot Area	RDP Density Du/acre	Total Units	20% AH Setaside RDP
1	Shunpike Road	138/1	3.4	3.4	6	20	4
Total RDP							4

Unmet Need Determination

The Township's prospective need obligation is 141 units and with a four (4) unit RDP, the Unmet Need is 137 units (141-4=137). The Amended FHA requires a municipality that receives an adjustment of the prospective need to identify sufficient parcels that are likely to redevelop during the Fourth Round to address 25 percent of the adjusted prospective need with realistic or meaningful zoning. While there are questions related to the interpretation of whether the "adjusted prospective need" refers to RDP or Unmet Need obligations, the Township will provide meaningful zoning on parcels it believes are likely to redevelop over the next ten (10) years to address a minimum of 35 affordable housing units toward the unmet need ($137 \times 0.25 = 34.25$ round up to 35).

FAIR SHARE PLAN

Third Round Compliance Status

Pursuant to the Amended FHA, the Fourth Round Fair Share Plan is required to provide an assessment of the degree to which the prior rounds fair share obligations have been met as established by prior court approval. The municipality is required to determine to what extent the obligation is unfulfilled or whether the municipality has excess credits. If a prior round obligation remains unfulfilled the municipality shall address the prior round unfulfilled obligation in this Fourth Round Fair Share Plan. In addressing the status of the prior round projects, the municipality must demonstrate how any sites that were not built in the prior rounds continue to present a realistic opportunity. The Third Round Obligation totaled 387 units, which was divided between a 200 unit RDP and 187 Unmet Need. The following table provides the status of the projects that addressed the RDP obligation:

Table 3: Status of Prior Round Projects			
Program/Project	Unit Type	Status	Units
Regional Contribution Agreement	RCA	Completed	8
Extension of Expiring Controls Vernon Grove	Family For-sale	Completed	72
Arbor Green	100% Family Rental	Occupied	24
Cornerstone @ Chatham	100% Family Rental	Occupied	62
Group Home	Supportive and Special Needs	Financing in process	12
Total			178
Bonus Credits			50
Total			228
Surplus toward Unmet Need			28

Other than the supportive and special needs units, in which the developer is in the process of securing financing, all of the Third Round units are occupied. The Township believes that the Third Round projects continue to provide a realistic opportunity for the construction of affordable housing. Therefore, there are no unfulfilled units that need to be accounted for from the Third Round in the Fourth Round Fair Share Plan.

The Fourth Round Compliance Process

On March 20, 2024, Governor Murphy signed an amendment to the Fair Housing Act into law (“Amended FHA”) that created new procedures and laws. The municipality must file a Housing Element and Fair Share Plan with the Court and Program by June 30, 2025, and comply with a series of other requirements to continue to have immunity from builder’s remedy lawsuits and remain compliant with the Amended FHA.

The Township took the necessary steps required by the Amended FHA by adopting a binding resolution and filing the declaratory relief action to establish the Fourth Round obligation. The Township and the Planning Board will adopt, endorse and submit this Housing Element and Fair Share Plan with the Court and the Program prior to June 30, 2025, to comply with the Amended FHA deadline.

Consideration of Affordable Housing Options

The Township did not receive proposals from developers of affordable housing projects to satisfy the Fourth Round prospective need obligation.

The Township believes that the zoning proposed in this Fair Share Plan represents the best options for affordable housing in the Township. The mechanisms within this Fourth Round Fair Share Plan satisfy the Township's affordable housing obligation as adjusted. While the Township recognizes that developers may, in the future, present sites that possess characteristics that could lend themselves to affordable housing development, additional sites are not needed to satisfy the obligation at this time.

Satisfaction of the Fourth Round Affordable Housing Obligation

Realistic Development Potential: 4 units

The Township is addressing an RDP obligation of four (4) units with a 100% family rental project.

The affordable housing rules require municipalities to designate sites that are "suitable, approvable, available and developable", as defined in N.J.A.C. 5:93-1. These terms are defined as follows:

- *Suitable site means a site that is adjacent to compatible land uses, has access to appropriate streets and is consistent with the environmental policies delineated in N.J.A.C. 5:93-4.*
- *Approvable site means a site that may be developed for low and moderate income housing in a manner consistent with the rules and regulations of all agencies with jurisdiction over the site. A site may be approvable although it is not currently zoned for low and moderate income housing.*
- *Available site means a site with clear title, free of encumbrances which preclude development for low and moderate income housing.*
- *Developable site means a site that has access to appropriate water and sewer infrastructure and is consistent with the applicable areawide water quality management plan (including the waste management plan) or is included in an amendment to the areawide water quality management plan submitted to and under review by the NJ Department of Environmental Protection.*

AH-2 Zoning District: - 3 family rental units + 1 bonus credit (Proposed)

The Township will zone a portion of Block 48.16, Lot 117.27, which is approximately 1.7 acres in size with frontage on Southern Boulevard to permit a 100% municipally sponsored affordable housing project consisting of three (3) family rental units. The Township owns the parcel and will

subdivide and donate a portion of the parcel, which currently contains the remnants of an unused skateboard park, to a non-profit developer that will construct and manage the development. The Township is eligible for one (1) bonus credit (25% of the RDP or 4 = 1) and the FHA permits the Township to apply one full bonus credit for each unit that is in a 100% affordable housing development while not exceeding 25% of the RDP.

COAH's Second Round rules at N.J.A.C. 5:93-1.3 and N.J.A.C. 5:93:5.5 for 100% affordable projects are addressed as follows:

- ✓ Site Control – The Township owns the parcel.
- ✓ Suitable Site – The site is suitable as defined in COAH's regulations at N.J.A.C. 5:93-1.3, which indicates that a suitable site is one in which it is adjacent to compatible uses, has access to appropriate streets and is consistent with environmental policies in N.J.A.C. 5:93-4.
 - *The site has a clear title and is free of encumbrances that preclude development of affordable housing.* To our knowledge, the site has a clear title and no legal encumbrances that would preclude its development for affordable family rental housing.
 - *The site is adjacent to compatible land uses and has access to appropriate streets.* Arbor Green, a 24-unit family rental 100% affordable housing development, is located to the west of the site. An office building is located to the east of the site and a private golf course is located to the north of the site. The Township's Police Department is located on the subject parcel but will be subdivided from the area that will contain the 100% family rental project. The site has approximately 220 feet of frontage on Southern Boulevard. Southern Boulevard is a County road and classified as a major collector road. It is an appropriate road to provide access to a 100% AH project.
 - *Adequate sewer and water capacity is available.* The site is within the Township sewer service area and the Township Engineer has confirmed that adequate sewer and water capacity is available to service the proposed three (3) unit development.
 - *The site can be developed in accordance with R.S.I.S.* Development of the site will be consistent with the Residential Site Improvement Standards, N.J.A.C. 5:21-1 et seq.
 - *The site is located in a "Smart Growth Planning Area."* The 2001 Adopted State Plan Map and the proposed updated Preliminary State Plan Map, which is currently in the cross acceptance process, designates the property as being in Metropolitan Planning Area (PA 1). Among the intentions of the Metropolitan Planning Area are to provide for much of the state's future redevelopment; promote growth in compact forms; and redesign areas of sprawl. It is a preferred location for affordable housing development.

- *The development is not within the jurisdiction of a Regional Planning Agency or CAFRA.* The site is outside of the Pinelands, Highland, CAFRA and Meadowlands planning areas.
- *The site will comply with all applicable environmental regulations.* There are no Category One streams, or known contaminated sites located on the property. There are wetlands along the eastern property line and will require a NJDEP permit for disturbance but will not impede the development of affordable housing.
- *The site will not affect any historic or architecturally important sites and districts.* There are no historic or architecturally important sites or buildings on the property or in the immediate vicinity that will affect the development of affordable housing.
- ✓ Developable Site – In accordance with N.J.A.C. 5:93-1.3, a developable site has access to appropriate sewer and water infrastructure and is consistent with the area wide water quality management plan.
- ✓ Approvable Site – Pursuant to N.J.A.C. 5:93-1.3, an approvable site may be developed for low- and moderate-income housing in a manner consistent with the rules or regulations of all agencies with jurisdiction over the site. The site will be zoned for a 3-unit 100% family rental affordable project providing the zoning necessary for the proposed affordable housing development.
- ✓ Administrative Entity – The future developer will own and operate the affordable units pursuant to the applicable state regulations. For the proposed Fourth Round affordable units, the developer will affirmatively market the units, income qualify applicants, place a minimum of 40-year affordability control deed restrictions on the units and provide long-term administration of the units in accordance with COAH's rules at N.J.A.C. 5:93 et seq. and UHAC rules per N.J.A.C. 5:80-26.1, or any successor regulation, with the exception that in lieu of 10% affordable units in rental projects being required to be at 35% of median income, 13% of affordable units in such projects shall be required to be at 30% of median income.
- ✓ Low/Moderate Income Split – At least half of all the affordable units developed at the site will be affordable to low-income households (13% of all affordable units will be very low-income) and an odd number of affordable units will always be split in favor of the low-income unit per N.J.A.C. 5:80-26.1.
- ✓ Affirmative Marketing – The developer will affirmatively market the units in accordance with UHAC per N.J.A.C. 5:80-26.1.
- ✓ Controls on Affordability – The Township's developers' agreement and zoning ordinance will require a minimum 40-year affordability control deed restrictions on the units in accordance with N.J.A.C. 5:93 et seq. and N.J.A.C. 5:80-26.1.
- ✓ Bedroom Distribution – The units will be required to be developed in accordance with UHAC bedroom distribution requirements in accordance with N.J.A.C. 5:80-26.3.
- ✓ Funding –The developer will pursue funding from Federal, State, and County agencies for support in the funding of the project. In addition, the municipality will utilize Affordable Housing Trust Funds to aid in a gap in funding, if necessary.

- ✓ Construction Schedule – The developer will begin construction of the affordable family rental units within two (2) years of the Township receiving a Final Judgment of Compliance from Superior Court. The developer will be responsible for monitoring the construction and overall development activity.

Unmet Need: 35 units (25% of 137 units)

Unmet Need Proposed: 35 units

The remaining obligation is known as the Fourth Round Unmet Need. The Amended FHA requires a municipality that receives an adjustment of the prospective need to identify sufficient parcels that are likely to redevelop during the Fourth Round to address 25 percent of the adjusted prospective need with realistic or meaningful zoning. The Township will address the Unmet Need Obligation through an overlay district permitting mixed use including inclusionary residential housing at a density of ten (10) dwelling units per acre on the following parcels that are in the Business Central (B-1) and Professional Institutional (PI-2) zoning districts:

- Block 135, Lots 22-28 (6.29 acres)
 - This block contains a variety of existing commercial, and office uses including an older retail strip center, a newer building with a coffee shop and personal services, an automobile repair shop and an office building.
- Block 48.23, Lot 126.04 (6.32 acres)
 - This block contains an older large retail strip center containing an anchor grocery store and other supporting retail stores.
- Block 128, Lot 1 (1.4 acres)
 - This block contains a gas station that covers approximately ¼ of the site and the remaining area is wooded.
- Block 144, Lots 29-32 (3.7 acres)
 - This block contains office buildings, a bank and a faith based institutional use.

This area within the Township represents a concentration of varying commercial uses and serves as the Township's commercial node of higher intensity activity. The Township believes this area presents the best option to create a meaningful opportunity to capture affordable housing as older buildings and uses that may go out of business or no longer need brick and mortar buildings redevelop in the future.

An overlay zone is a zoning option that allows an applicant to develop at higher densities for residential development provided they set aside at least 20% of the units as affordable housing available to low-and moderate-income households. This type of zoning is known as inclusionary zoning. The proposed ordinance amendments are included in the appendix and represent meaningful zoning options for future affordable housing opportunities. The total overlay zone area is 17.71 acres and at a density of ten (10) units per acre a total of 177 units may be possible to develop and with a set aside of 20% for affordable housing, 35 affordable housing units may be achieved which satisfies the 35-unit Unmet Need requirement.

PRESERVATION OF MULTIGENERATIONAL FAMILY CONTINUITY

The 2024 FHA requires an analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c. 273 (C.52:27D-329.20). The Commission has the primary goal of enabling senior citizens to reside at the homes of their extended families, thereby preserving and enhancing multigenerational family continuity. A review of the Township's ordinance indicates that there are no ordinances that would specifically create a detraction from meeting the Commission's goal of enabling senior citizens to reside at the homes of their extended families. In fact, the Township defines a family that is permitted to live in a single family dwelling in such a way that a senior citizen may live in that single family dwelling unit with their extended family which is a permitted use in the residential zoning districts. The Chatham Township ordinances advance the multigenerational family continuity goal.

STATE DEVELOPMENT AND REDEVELOPMENT PLAN CONSISTENCY

The Fourth Round Housing Element and Fair Share Plan is consistent with the 2001 State Development and Redevelopment Plan (SDRP) and draft SDRP as the proposed 100% affordable housing parcel and overlay zoning district are within a PA-1 (Metropolitan Planning Area). The development of affordable housing in a PA-1 is consistent with the overall State Development and Redevelopment Plan goal to direct redevelopment and growth into Metropolitan Planning Areas where the intentions of the Metropolitan Planning Area are to provide for much of the state's future redevelopment; promote growth in compact forms; and redesign areas of sprawl. It is a preferred location for affordable housing development.

AFFORDABLE HOUSING ADMINISTRATION & AFFIRMATIVE MARKETING

Chatham Township adopted an Affordable Housing Ordinance in accordance with COAH's substantive rules and UHAC. The Affordable Housing Ordinance governs the establishment of affordable units in the Township as well as regulating the occupancy of such units. The Township's Affordable Housing Ordinance covers the phasing of affordable units, the low/moderate income split, bedroom distribution, occupancy standards, affordability controls, establishing rents and prices, affirmative marketing, income qualification, etc. The Township will update the Affordable Housing Ordinance as needed and determined by the Program or Court.

The Township also established the position of the Municipal Housing Liaison and appointed a staff member to the position. The Township relies on their affordable housing administrator to conduct the

administration and affirmative marketing of its affordable housing sites. The affirmative marketing plans are designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to the affordable units located in the Township. Additionally, the affirmative marketing plan is intended to target those potentially eligible people who are least likely to apply for affordable units and who reside in the Township's housing region, Region 2, consisting of Morris, Essex, Union and Warren counties. The Township will continue to rely on the Affirmative Marketing Plan adopted in the Third Round and will update it as required by new permanently adopted Uniform Housing Affordability Controls provided by the Department of Community Affairs.

The administrative agent, who is a consultant to the Township, is responsible for the marketing, the setting of sale and rental prices for affordable units, income certification of applicants, creation of a waiting list of income certified applicants and the initial random selection process for new affordable housing units. The Township's Operating Manual, which describes the policies and procedures used to create affordable housing units and fill them with income-eligible families, is available on the Township's website.

The existing affirmative marketing plan includes regulations for qualifications of income eligibility, price and rent restrictions, bedroom distribution, affordability control periods, and unit marketing in accordance with N.J.A.C. 5:80-26.1 et seq. All newly created affordable units will comply with the 30-year affordability control required by UHAC, N.J.A.C. 5:80-26.5 and 5:80-26.11. This plan must be adhered to by all private, non-profit, and municipal developers of affordable housing units and must cover the period of deed restriction or affordability controls on each affordable unit.

AFFORDABLE HOUSING TRUST FUND

A development fee ordinance was adopted to create a dedicated revenue source for affordable housing.

The future Spending Plan will cover anticipated revenues, collection of revenues, and the use of revenues, which will be prepared in accordance with COAH's applicable substantive rules. All collected revenues will be placed in the Township's Affordable Housing Trust fund and may be dispensed for the use of eligible affordable housing activities including, but not limited to:

- New construction of affordable housing units and related development costs;
- Extensions or improvements of roads and infrastructure directly serving affordable housing development sites;
- Acquisition and/or improvement of land to be used for affordable housing;
- Purchase of affordable housing units for the purpose of maintaining or implementing affordability controls,

- Maintenance and repair of affordable housing units;
- Repayment of municipal bonds issued to finance low- and moderate-income housing activity; and
- Any other activity as specified in the approved spending plan.

At least 30% of collected development fees, excluding expenditures made since July 17, 2008, when affordability assistance became a statutory requirement in the Fair Housing Act, shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in a municipal Fair Share Plan. At least one-third (1/3) of the affordability assistance must be expended on very-low income units. Additionally, no more than 20% of the revenues collected from development fees each year, shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to prepare or implement a rehabilitation program, a new construction program, a housing element and fair share plan, and/or an affirmative marketing program.

MONITORING

The Township will comply with monitoring provisions consistent with those required by the FHA. The monitoring requires regular tracking of progress toward meeting the Township's affordable housing obligation and ensuring the affordable units and the Affordable Housing Trust fund are administered properly as follows:

- On or before February 1st of each year, the Township will provide annual reporting of the status of all affordable housing activity within the municipality and the Affordable Housing Trust fund accounting through posting on the municipal website and on the DCA website.
- Midpoint Review. The Township will post on the municipal website and submit to the DCA website a status report as to its implementation of its Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity. Such posting shall invite any interested party to submit comments to the Program and Superior Court, regarding whether any sites no longer present a realistic opportunity and should be replaced. Any interested party may by motion request a hearing before the Court regarding these issues.

COST GENERATION

The Township's Land Development Ordinance has been reviewed to eliminate unnecessary cost generating standards. The Township will adopt, if needed, Planning Board rules for expediting the review of development applications containing affordable housing. Such expedition may consist of, but is not limited to, scheduling pre-application conferences and special monthly public hearings. Furthermore, development applications containing affordable housing shall be reviewed for consistency with the Land

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