

CHAPTER 93

SUBSTANTIVE RULES OF THE NEW JERSEY COUNCIL ON AFFORDABLE HOUSING FOR THE PERIOD BEGINNING JUNE 6, 1994

Authority

N.J.S.A. 52:27D-301 et seq., specifically 52:27D-307.

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Chapter 93, Substantive Rules of the New Jersey Council on Affordable Housing for the Period beginning June 6, 1994, expires on June 6, 1999.

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SUBCHAPTER 1. GENERAL PROVISIONS

5:93-1.1 Short title; purpose; scope

(a) The provisions of this chapter shall be known as the "Substantive Rules of the New Jersey Council on Affordable Housing for the Period Beginning June 6, 1994."

(b) The purpose of this chapter will be the provision of criteria to be used by municipalities in addressing their constitutional obligation to provide a fair share of affordable housing for moderate and low income households.

(c) All municipalities within the jurisdiction of the Council are subject to evaluation, in accordance with the provisions of this chapter, for the period beginning on June 6, 1994.

5:93-1.2 Severability clause

If any part of this chapter shall be held invalid, the holding shall not affect the validity of remaining parts of these rules. If a part of these rules is held invalid in one or more of their applications, the rules shall remain in effect in all valid applications that are severable from the invalid application.

5:93-1.3 Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise.

"Accessory apartment" means 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 attached accessory structure on the same site, or by an addition to an existing home or accessory building.

"Act" means the Fair Housing Act of 1985, P.L. 1985, c.222 (N.J.S.A. 52:27D-301 et seq.).

"Active recreation" means leisure time activities usually of a more formal nature and performed with others, often requiring equipment and taking place at prescribed places, sites or fields. Active recreation sites include swimming areas; playgrounds; tot lots; play fields; and tennis and other court game facilities. Active recreation shall not include areas designated for bike riding, hiking, walking and picnicking.

"Adjustment" means a modification and/or deferral of the municipal low and moderate income housing obligation, pursuant to N.J.S.A. 52:27D-307(c)(2) and N.J.A.C. 5:93-4.

"Agency" means the New Jersey Housing and Mortgage Finance Agency established by P.L. 1983, c.530 (N.J.S.A. 55:14K-1 et seq.).

"Affordable" means a sales price or rent within the means of a low or moderate income household as defined in N.J.A.C. 5:93-7.4.

"Alternative living arrangement" means a structure in which households live in distinct bedrooms, yet share kitchen and plumbing facilities, central heat and common areas. Alternative living arrangement includes, but is not limited to: transitional facilities for the homeless, Class A,B,C,D, and E boarding homes as regulated by the New Jersey Department of Community Affairs; residential health care facilities as regulated by the New Jersey Department of Health; group homes for the developmentally disabled and mentally ill as licensed and/or regulated by the New Jersey Department of Human Services; and congregate living arrangements.

"Approvable site" means a site that 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. A site may be approvable although not currently zoned for low and moderate income housing.

"Authority" means the entity designated by the municipality for the purpose of monitoring the occupancy, resale and rental restrictions of low and moderate income housing units.

"Available site" means a site with clear title, free of encumbrances which preclude development for low and moderate income housing.

"Calculated need" means the low and moderate income housing obligation resulting from the procedures in N.J.A.C. 5:93-2. It is the result of subtracting reductions, prior cycle credits and the 20 percent cap from the precredited need. To the extent that the Council has knowledge of prior cycle credits and eligible reductions, these credits and reductions have been applied to the municipal housing obligation.

"Census subregion" means a geographic subdivision of the State as determined by the United States Bureau of the Census.

"Center" means a compact form of development with a core or node (focus of residential, commercial and service development) and a community development area that ranges in scale from an urban center to a regional center, town, village, and hamlet. This definition is in accord with and derived from the State Development and Redevelopment Plan.

"Certified household" means a household determined to be income eligible for a low or a moderate income housing unit by a municipal authority after the authority has verified the household's gross annual income, credit history and compared the household's family size to the occupancy requirements delineated in N.J.A.C. 5:93-9.1(b)14.

"Community capacity" means an estimate based on 20 percent of a municipality's existing 1993 housing stock, pursuant to N.J.A.C. 5:93-2.17.

"Conversion" means the conversion of existing commercial, industrial or residential structures for low and moderate income housing purposes.

"Council" means the New Jersey Council on Affordable Housing established under the Act and which has primary jurisdiction for the administration of housing obligations in accordance with sound regional planning considerations in the State.

"DCA" means the New Jersey Department of Community Affairs.

"DEPE" means the New Jersey Department of Environmental Protection and Energy.

"Developable site" means a site that has access to appropriate water and sewer infrastructure, and has received water consistency approvals from the DEPE or its designated agent authorized by law to issue such approvals.

"Development fees" means money paid by an individual, person, partnership, association, company or corporation for the improvement of property as permitted in N.J.A.C. 5:93-8.

"DOT" means the New Jersey Department of Transportation.

"Durational adjustment" means a deferral of the municipal low and moderate income housing obligation based on the lack of infrastructure pursuant to N.J.S.A. 52:27D-307(c)(2) and N.J.A.C. 5:93-4.

"Environ" means that area of a municipality outside the development boundaries of a center. This definition is in

accord with and derived from the State Development and Redevelopment Plan.

"Equalized assessed value" means the value of a property determined by the municipal tax assessor through a process designed to ensure that all property in the municipality is assessed at the same assessment ratio or ratios required by law. Estimates at the time of building permit may be obtained by the tax assessor utilizing estimates for construction cost. Final equalized assessed value will be determined at project completion by the municipal assessor.

"Exempt sales" means and shall include the transfer of ownership between husband and wife; the transfer of ownership between former spouses ordered as a result of a judicial decree of divorce or judicial separation, but not including sales to third parties; the transfer of ownership between family members as a result of inheritance; the transfer of ownership through an executor's deed to a class A beneficiary; and the transfer of ownership by court order.

"Fair market value" means the unrestricted price of a low or moderate income housing unit if sold at a current real estate market rate.

"Fair Share Plan" means that plan or proposal, which is in a form that may readily be converted into an ordinance, by which a municipality proposed to satisfy its obligation to create a realistic opportunity to meet its fair share of low and moderate income housing needs of its region and which details the affirmative measures the municipality proposes to undertake to achieve its fair share of low and moderate income housing, as provided in sections 9 and 14 of the Act, addresses the development regulations necessary to implement the housing element, and addresses the requirements of N.J.A.C. 5:93-7 through 11.

"Gross density" means the total number of dwelling units existing or permitted on a housing site divided by the total area of the tract. The result is expressed as dwelling units per acre.

"Head of household" means a person under whose name a housing unit is owned or rented.

"Household" means the person or persons occupying a housing unit.

"Housing element" means that portion of a municipality's master plan consisting of reports, statements, proposals, maps, diagrams and text designed to meet the municipality's fair share of its region's present and prospective housing needs, particularly with regard to low and moderate income housing and which contains at least those items identified in section 10 of the Act.

"Housing market area" means the geographic region from which it is likely that buyers or renters would be drawn for inclusionary development. The housing market area is the "housing region" as determined by the Council, in which an inclusionary development is located.

"Housing Region" means a geographic area, determined by the Council, of no less than two nor more than four contiguous, whole counties, which exhibit significant social, economic and income similarities and which constitute, to the greatest extent practicable, the Primary Metropolitan Statistical Areas (PMSA) as last defined by the United States Census Bureau.

"Inclusionary component" means the result of subtracting the rehabilitation component, credits (granted pursuant to N.J.A.C. 5:93-3), the impact of the 20 percent cap (pursuant to N.J.A.C. 5:93-2.16) and the impact of the 1,000 unit limitation (pursuant to N.J.A.C. 5:93-14) from the precredited need, provided the result shall not be less than zero. For a municipality that receives a vacant land adjustment pursuant to N.J.A.C. 5:93-4, the inclusionary component shall be initially synonymous with the realistic development potential.

"Inclusionary development" means a development containing low and moderate income units. This term includes, but is not necessarily limited to, new construction, the conversion of a non-residential structure to a residential structure and the creation of new low and moderate income units through the substantial rehabilitation of a vacant residential structure.

"Indigenous need" means deficient housing units occupied by low and moderate income households within a municipality and is a component of present need. Municipal indigenous need, as a percentage of the total 1993 occupied housing stock, shall not exceed the percentage derived from dividing the deficient housing units occupied by low and moderate income households by the total 1993 occupied housing stock for the housing region in which the municipality is located.

"Initial occupancy" means the period beginning with the date on which the developer is granted permission by the local government to begin occupancy and ending on the date 95 percent occupancy is attained.

"Inventory" means that calculation undertaken by a municipality in accordance with the Fair Housing Act, N.J.S.A. 52:27D-329, in developing its housing element which accounts for its 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 in substandard housing capable of being rehabilitated, as provided for in section 10a of the Act.

"Judgment of repose" means a judgment issued by the Superior Court approving a municipality's plan to satisfy its fair share obligation.

"Landsat" means a satellite that maps land cover by interpreting spectral information reflected from the earth's surface.

"Low income housing" means housing affordable according to Federal Department of Housing and Urban Development or the standards included in this chapter for home ownership and rental costs, occupied or reserved for occupancy by households with a gross household income equal to 50 percent or less of the median gross household income for households of the same size within the housing region in which the housing is located, and which is subject to affordability controls promulgated by the Council.

"Low income tax credit" means an income tax credit granted for investing in a Federal program designed to produce low and moderate income rental units.

"Market rate units" means housing within an inclusionary development, not restricted to low and moderate income households, that may sell at any price determined by a willing seller and a willing buyer.

"Median aggregate household income above the floor" means the result of multiplying the number of households in the municipality as of 1990 by the 1989 municipal median household income above the floor.

"Median household income above the floor" means the result of subtracting the regional household floor income from the 1989 median municipal household income.

"Minority" means an individual who is a member of one of the following racial or ethnic groups:

1. Black: An individual having origins in any of the black racial groups of Africa, but not of Hispanic origin;
2. American Indian or Alaskan Native: An individual having origins in any of the original people of North America, and who maintains cultural identification through tribal affiliation or community recognition;
3. Hispanic: An individual of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin regardless of race; or
4. Asian or Pacific Islander: An individual having origin in any of the original peoples of the Far East, southeast Asia, and the Indian subcontinent or the Pacific Islands. This area includes, for example, China, India, Japan, Korea, the Philippine Islands and Samoa.

"Moderate income housing" means housing affordable according to Federal Department of Housing and Urban Development or the standards in this chapter for home ownership and rental costs, occupied or reserved for occu-

pancy by households with a gross household income in excess of 50 percent but less than 80 percent of the median gross household income for households of the same size within the housing region in which the housing is located, and which is subject to the Council affordability controls in this chapter.

"Multifamily unit" means a structure containing five or more dwelling units.

"Municipal estimated land capacity" means an estimate based on Landsat data, tax data and assumptions pertaining to density and set-asides used in developing the undeveloped land cap pursuant to N.J.A.C. 5:93-2.16 and assumptions pertaining to density and set-asides.

"Municipal need for new construction" means a calculation used to determine the 20 percent cap pursuant to N.J.A.C. 5:93-2.16.

"Municipal present need" means the sum of indigenous need and the municipal share of reallocated present need.

"Net density" means the total number of dwelling units within a designated portion of a tract divided by the total land area of the designated portion of the tract, including the open-space, roadways, parking areas and common facilities devoted exclusively to that portion of the tract. The result is expressed as dwelling units per acre.

"Open-space" means any parcel or area of water or land essentially unimproved and set aside, dedicated, designated or reserved for public or private use or enjoyment or for the use and enjoyment of owners and occupants of land adjoining or neighboring such open space; provided that such areas may be improved with only those buildings, structures, streets and offstreet parking and other improvements that are designed to be incidental to the natural openness of the land.

"Overlay zone" means a zoned area of a municipality in which low and moderate income housing may be built as a matter of right in addition to another use. In approving such a zone, the Council may allow the existing use to continue and expand as a conforming use, but provide that when the prior use on the site is changed, the site shall produce low and moderate income housing or a development fee.

"Petition for Substantive Certification" means that petition which a municipality files, or is deemed to have filed, which engages the Council's mediation and review process.

"Planning area" means an area defined by a set of common criteria which focus on the degree and type of development or natural resources. Planning areas serve as organizing mechanisms for growth and development planning throughout the State. This definition is in accord with

and derived from the State Development and Redevelopment Plan.

"Pre-credited need" means the municipal low and moderate income housing obligation resulting from subtracting filtering, residential conversion and spontaneous rehabilitation from the sum of indigenous need, reallocated present need, prior cycle prospective, prospective need and demolitions.

"Present need" means the sum of indigenous need and reallocated present need as determined by N.J.A.C. 5:93-2.5.

"Price differential" means the difference between the controlled unit sale price and the fair market value as determined at the date of a proposed contract of sale, after reasonable real estate broker fees have been paid.

"Priority" means a system of selecting applicants.

"Prior cycle credits" means credits granted by the Council for low and moderate income units constructed after April 1, 1980 as part of granting substantive certification for the 1987-1993 housing obligation.

"Prior cycle fair share" means the responsibility for low and moderate income housing established by the Council when the Council granted substantive certification for the 1987-1993 housing obligation.

"Prior cycle prospective need" means that portion of the 1987-1993 prospective need included in the 1987-1999 low and moderate income housing need calculations.

"Prospective need" means a projection of low and moderate housing needs based on development and growth which is reasonably likely to occur in a region or a municipality. See N.J.S.A 52:27D-304(j).

"Qualified non-profit" means an organization granted non-profit status in accordance with section 501(c)(3) of the Internal Revenue Service code.

"Realistic development potential" means the municipal obligation as calculated pursuant to N.J.A.C. 5:93-4.2(e).

"Reallocated present need" means that portion of a housing region's present need that is redistributed throughout the housing region.

"Receiving municipality" means, for purposes of a Regional Contribution Agreement (RCA), a municipality which agrees to assume a portion of another municipality's fair share obligation.

"Reduction" means a one for one deduction of precredited need based on a fair share plan to construct low and moderate income units, transfer low and moderate income units via a regional contribution agreement and/or zone for low and moderate income housing that implements a housing element that has been certified by the Council or the Superior Court.

"Regional aggregate weighted median household income above the floor" means the result of adding the median aggregate household income above the floor for municipalities in the housing region.

"Regional household floor income" means 100 dollars less than the lowest municipal median household income in the housing region.

"Regional median household income above the floor" means the result of adding the median household income above the floor for each municipality in the housing region.

"Rehabilitated unit" means a previously deficient housing unit which has undergone significant renovation to meet municipal or other applicable housing code standards as further described in N.J.A.C. 5:93-5.2(b).

"Rehabilitation component" means the result of subtracting spontaneous rehabilitation from indigenous need. For a municipality where filtering and conversions exceed reallocated present, prior cycle prospective need, prospective need and demolitions, the rehabilitation component equals calculated need.

"Repayment clause" means the obligation of a seller exercising a repayment option to pay 95 percent of the price differential to a municipality at closing for use in the municipal housing plan.

"Repayment option" means the option of a seller of a low or moderate income unit to sell a unit pursuant to N.J.A.C. 5:93-12.7 at fair market value subject to compliance with the terms of a repayment clause.

"Resolution of Participation" means a resolution adopted by a municipality in which the municipality chooses to prepare a fair share plan and housing element in accordance with the Act.

"Section 8 income limits" means a schedule of income limits that define 50 percent and 80 percent of median income by household size. When used herein, Section 8 income limits shall refer to the "uncapped" schedule as published by the Council, in accordance with its rules.

"Sending municipality" means for purposes of a RCA, a municipality which transfers a portion of its fair share obligation to another willing municipality.

"Senior citizen" means a person who is 62 years of age or older.

“Set-aside” means the percentage of housing units devoted to low and moderate income households within an inclusionary development.

“State Development and Redevelopment Plan (SDRP)” means the State plan for development promulgated by the State Planning Commission pursuant to P.L. 1985, c.398 (N.J.S.A. 52:18A-196 et seq.).

“Substandard housing unit” means a housing unit with health and safety code violations that require the repair or replacement of a major system. A major system includes a roof, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems) and/or a load bearing structural system.

“Substantive certification” means a determination by the Council approving a municipality’s housing element and fair share plan in accordance with the provisions of the Act and the rules and criteria as set forth in this chapter. A grant of substantive certification shall be valid for a period of six years in accordance with the terms and conditions contained therein, in accordance with N.J.S.A. 52:27D-322.

“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.

“Surrogate” means a census indicator of deficient housing used in the calculation of present need as defined in N.J.A.C. 5:93-2.

“Survey” means that independent determination of need undertaken by a municipality in preparing its housing element, which is developed and produced in a manner and in such form as is required by this chapter.

“Target group” means identifiable organizations that may aid in attracting low and moderate income households to inclusionary developments. Examples of target groups include: public housing authorities, non-profit organizations, departments of aging, Section 8 programs, religious organizations, urban community action groups and personnel departments of local employers.

“Total need” means the sum of present and prospective need.

“Vacant land” means undeveloped and unused land area.

SUBCHAPTER 2. MUNICIPAL DETERMINATION OF PRESENT AND PROSPECTIVE NEED

5:93-2.1 General provisions

(a) Municipal present need and prospective need shall be calculated by summing municipal indigenous need and the municipal share of the appropriate housing region’s reallocated present need and prospective need. The resulting total shall be modified by: prior-cycle prospective need; secondary sources of supply and demand; reduction for 1987-1993 housing activities; prior-cycle credits; and the 20-percent cap (see Appendix A, incorporated herein by reference). The end product of this process is the determination of municipal calculated need. This is the figure municipalities shall address in their housing elements. An example for a hypothetical municipality in the Southwest Region (Region 5)—Johnsonville—is provided to illustrate each of the individual calculations. The following flow diagram summarizes the sequence of calculations en route to the determination of calculated need.

FLOW DIAGRAM FOR THE CALCULATION OF LOW- AND MODERATE-INCOME HOUSING NEED

						Using the Johnsonville Example					
INDIGENOUS NEED 33	+	REALLOCATED PRESENT NEED 95	=	PRESENT NEED 128							
PRESENT NEED 128	+	PROSPECTIVE NEED 568	=	TOTAL NEED 695							
TOTAL NEED 695	+	PRIOR-CYCLE PROSPECTIVE NEED 248	+	DEMOLITIONS 9							
(-) FILTERING 89	(-)	RESIDENTIAL CONVERSION 16	(-)	SPONTANEOUS REHABILITATION 8	=	PRE-CREDITED NEED 839					
(-) REDUCTION 439	(-)	PRIOR-CYCLE CREDITS 101	(-)	20% CAP 0	=	CALCULATED NEED * 299					

* Prior-cycle vacant land adjustment communities are indicated by “VL” even though their number is calculated. This indicates that although there is not much vacant land left in these communities, the affordable housing number may be met in other ways and is retained as part of overall Calculated Need.

(b) Exhibit 1 in the Technical Appendix A provides municipal-specific base data that may be employed to determine municipal Present and Prospective Need. Data for a hypothetical municipality, "Johnsonville," precedes the municipal base data for illustrative purposes in both Exhibits 1 and 3. Exhibit 2 in Appendix A duplicates the base data for each housing region that is presented in Columns A through L herein. Exhibit 3 is included for the convenience of the user of this guide. It provides a variety of data for each community, often from the 1990 Census, which would otherwise have to be researched in the process of undertaking this calculation.

(c) Selected municipalities receiving State aid (urban aid cities) pursuant to P.L. 1978, c.14 (N.J.S.A. 52:270-178 et seq.) as refined by the criteria in N.J.A.C. 5:93-2.3(b) shall calculate municipal calculated need as per the procedures delineated in N.J.A.C. 5:93-2.17.

5:93-2.2 Indigenous need—1993

(a) Indigenous need in a municipality is actual or capped deficient housing occupied by low- and moderate-income households as further defined in N.J.A.C. 5:93-1.3. Municipal indigenous need shall be determined from the total of deficient housing units occupied by low- and moderate-income households for the U.S. Census subregion in which the municipality is located. The data, derived from a multiple-index approach, are not available at the municipal level. To determine the municipal share of need from the U.S. Census subregion total, it is necessary to employ a single-index approach using surrogates of deficient housing available at both the municipal and U.S. Census subregion level. To calculate municipal indigenous need:

1. Locate the appropriate municipality in Exhibit 1 in Appendix A. Example: Johnsonville in Region 5 (Southwest).

2. Divide Column 2 (municipal single-index need) by Column 3 (subregional single-index need). The resulting percentage yields the municipal share of the U.S. Census subregion's total of deficient housing units occupied by low- and moderate-income households.

Example:

$$\frac{\text{Johnsonville single index need (Column 2)}}{\text{Subregional single index need (Column 3)}} = 410 \div 4544 = .090$$

(Municipal Share of Regional Need)

3. Multiply the result of the quotient obtained in (a)2 above by the number in Column 1 (subregional multiple index need).

Example:

Subregional Multiple Index Need (Column 1)	×	Municipal Share of Regional Need	=	33
364		.090		

This is the count of estimated low- and moderate-income deficient units in a municipality.

4. Column A from Appendix A, Exhibit 2, reproduced below displays the percentage for each housing region that is obtained by dividing the actual deficient housing units occupied by low- and moderate-income households in the region by the estimated total of 1993 occupied housing units in the region.

TABLE 1

(COLUMN A, FROM APPENDIX A, EXHIBIT 2)

1993 REGIONAL AVERAGE PERCENT

DEFICIENT HOUSING

Region	Percent Deficient
1. Northeast	.0290
2. Northwest	.0250
3. West Central	.0180
4. East Central	.0120
5. Southwest	.0150
6. South-Southwest	.0220

Multiply this percentage by the municipal projection of 1993 occupied housing stock in Exhibit 1, Column 4.

Example:

Johnsonville Total 1993 * Occupied Housing Estimate (Column 4)	×	Region 5 Percentage of Low- and Moderate-Income Deficiency (Column A)	=	190
12,695		.015		

* Estimate as of July 1, 1993

5. Municipal Indigenous Need shall be the smaller number resulting from the calculations in (a)3 and 4 above.

Example: Johnsonville's Indigenous Need = 33.

6. If the calculation in (a)3 above is larger than (a)4 above, the difference between the two shall be distributed throughout the housing region as Reallocated Present Need as per N.J.A.C. 5:93-2.3 and 5:93-2.4. The results of this calculation are displayed for each housing region in Column B.

(b) Municipal indigenous need may also be determined through a survey of the municipality's housing stock as indicated in Appendix C incorporated herein by reference, when such survey is deemed adequate and accepted by the Council for identifying deficient housing units occupied by low- or moderate-income households.

5:93-2.3 Distribution of need 1993; 1993-1999

(a) Distribution of need applies the concept of fair share to the portion of regional housing need that is not locally responsible housing deficiency. This differs somewhat for present and prospective need and is explained in the Appendix A. The distribution of each housing region's reallocated present need and prospective need shall be accomplished through use of economic and land-use factors expressed as a percentage representing the municipal share of the housing region's total for each factor. The factors employed to distribute the housing region's need are the municipality's share of regional undeveloped land (Appendix A, Exhibit 1, Column 5), equalized nonresidential valuation (Exhibit 1, Column 6), aggregate household income differences (Exhibit 1, Column 7), and change in equalized nonresidential valuation (Exhibit 1, Column 8). All but equalized nonresidential valuation change are summed (Exhibit 1, Columns 5, 6 and 7), averaged and displayed in Exhibit 1, Column 9. This is the average of the Present Need allocation factors. Three economic and land-use factors (Exhibit 1, Columns 5, 7 and 8) are also summed, averaged, and displayed in Exhibit 1, Column 10. Column 10 represents the average of the Prospective Need allocation factors.

(b) Reallocated Present Need and Prospective Need shall be distributed to municipalities unless the municipality received State aid pursuant to P.L. 1978, c.14 (N.J.S.A. 52:27D-178 et seq.) and exhibits at least one of the following (see Appendix A, Attachment, for a listing of selected urban aid cities):

1. A level of existing low- and moderate-income housing deficiency, according to the six housing deficiency criteria, that exceeds average regional low- and moderate-income housing deficiency for the region in which the urban aid municipality is located;
2. A population density of greater than 10,000 persons per square mile or 14.1 per acre; or
3. A population density of 6,000 to 10,000 persons per square mile or 9.4 to 14.1 per acre plus less than five percent of vacant, non-farm, municipal land as measured by the average of vacant land valuation and vacant land parcels of all local land valuation/parcels in the 1990 *Statement of Financial Condition of Counties and Municipalities* (obtainable from the Division of Local Government Services, Trenton, New Jersey: New Jersey Department of Community Affairs, Trenton, New Jersey 08625) incorporated herein by reference.

(c) Only those municipalities designated herein to receive reallocated present need and prospective need shall be included in the housing region totals of vacant land, equalized nonresidential valuation, change in equalized nonresidential valuation, and aggregate household income differences for purposes of distributing need.

5:93-2.4 Reallocated present need—1993

(a) Reallocated present need is the share of excess deficient housing that is distributed to non-urban aid municipalities in the region as delineated in N.J.A.C. 5:93-2.3(b). Table B below displays the Reallocated Present Need by housing region:

TABLE B
(Column B of Appendix A, Exhibit 2)
1993 REGIONAL POOL OF EXCESS DEFICIENT HOUSING UNITS

Region	Excess Deficient Housing Units
1. Northeast	7,002
2. Northwest	5,306
3. West Central	1,477
4. East Central	1,329
5. Southwest	1,751
6. South-Southwest	<u>676</u>
New Jersey	<u>17,542</u>

(b) To calculate reallocated present need, divide the municipal number in Appendix A, Exhibit 1, Column 9 by 100 and multiply the resulting quotient by the total reallocated present need for the housing region in which the municipality is located to yield municipal Reallocated Present Need.

Example:

$$\begin{array}{rcl}
 \text{Regional Pool of Excess} & \times & \text{Average of Johnsonville's} \\
 \text{Deficient Units (Region 5)} & & \text{Present Need Allocation} \\
 1,751 & \times & \text{Factors (Column 9)} \\
 & & \underline{5,414} \\
 & & 100 \\
 & & = 95
 \end{array}$$

5:93-2.5 Present need—1993

Present need is the sum of indigenous need and reallocated present need. To determine municipal present need, add indigenous need (as calculated in N.J.A.C. 5:93-2.2) and reallocated present need (as calculated in N.J.A.C. 5:93-2.4).

Example:

$$\begin{array}{l}
 \text{Johnsonville's Present Need} = \text{Indigenous Need (33)} \\
 + \text{Reallocated Present Need (95)} = 128
 \end{array}$$

5:93-2.6 Prospective need: 1993-1999

(a) Prospective need is the share of future households that are low and moderate income and as such require affordable housing not provided by the market except for secondary supply (see Appendix A). Prospective need for each housing region is projected in Table C below:

TABLE C

1993-1999 PROSPECTIVE NEED

Region	Regional Prospective Need
1. Northeast	4,787
2. Northwest	1,033
3. West Central	8,654
4. East Central	14,424
5. Southwest	8,993
6. South-Southwest	4,236
New Jersey	<u>42,127</u>

(b) To calculate municipal prospective need, divide the municipal number in Exhibit 1, Column 10 in the Appendix A by 100 and multiply the resulting quotient by the prospective need for the housing region in which the municipality is located to yield municipal Prospective Need.

Example:

$$\begin{array}{r}
 \text{1999 Prospective Need} \\
 \text{(Region 5)} \\
 \text{(Column C)} \\
 8,993
 \end{array}
 \times
 \begin{array}{r}
 \text{Average of Johnsonville's Prospective Need} \\
 \text{Allocation Factors} \\
 \text{(Column 10)} \\
 \frac{6,312}{100}
 \end{array}
 = 568$$

5:93-2.7 Total need—1993; 1993-1999

Total need is the sum of present and prospective need. To determine municipal total need, add present need (as calculated in N.J.A.C. 5:93-2.5) and prospective need (as calculated in N.J.A.C. 5:93-2.6).

Example:

$$\begin{array}{l}
 \text{Johnsonville's Total Need} = \text{Present Need (128)} \\
 + \text{Prospective Need (568)} = 695
 \end{array}$$

5:93-2.8 Prior-cycle prospective need: 1987-1993

(a) Prior-cycle prospective need is the recalculated prospective need for the prior period. It is included in this chapter because it is part of the 1987-1999 need before reductions are taken. It is recalculated because procedures are more accurate since the 1990 Census has become available as a check against the original 1987-1993 projections.

(b) Recalculated prospective need is obtained by applying 0.52 to the prior-cycle prospective need. Before using the prior-cycle prospective need, it is adjusted for the effects of prior-cycle secondary sources of housing supply and demand. Recalculated demolitions are added to prior-cycle prospective need, and the sum is diminished by scaled-down prior-cycle secondary sources of supply. Each municipality's net (after secondary sources of supply and demand (demolitions) have been accounted for) prior-cycle prospective need is found in Appendix A, Exhibit 3, Column 1.

PRIOR-CYCLE PROSPECTIVE NEED = 248

Municipal Need Prior to Secondary Sources	=	Total Need	+	Prior-Cycle Prospective Need
944		695		248

5:93-2.9 Demolitions

(a) Demolitions are a source of secondary housing demand, as they eliminate housing opportunities for low- and moderate-income households. Therefore, a number representing demolitions affecting low- and moderate-income households shall be added to municipal need—total need plus prior-cycle prospective need—to this point, "Municipal need" or "municipal need to this point" refers to total need plus prior-cycle prospective need being altered serially by secondary sources of supply and demand, a reduction, pre-1987 credits, and undeveloped land and 20-percent caps up to the point that calculated need (the actual municipal obligation) is determined (see Appendix A). To determine this number:

1. Average 1988, 1989, and 1990 municipal demolitions as reported in New Jersey Residential Building Permits (1988, 1989 and 1990 Summaries) (available from the New Jersey Department of Labor, Division of Labor Market and Demographic Research, CN 388, Trenton, N.J. 08625).

Example:

Johnsonville averaged five demolitions per year for the three years.

2. Multiply the one-year average by six to estimate 1993-1999 demolitions (Exhibit 3, Column 2).

Example:

$$\begin{array}{r}
 \text{Johnsonville Average Demolitions} \\
 5
 \end{array}
 \times
 \begin{array}{r}
 \text{Number of Years Projected} \\
 6
 \end{array}
 = 30$$

3. To determine the percentage of demolitions affecting low- and moderate-income households in a municipality, multiply the number of demolitions for six years by the 1990 subregional low- and moderate-income percentage for that municipality.

$$\begin{array}{r}
 \text{Number of Demolitions in Six Years} \\
 30
 \end{array}
 \times
 \begin{array}{r}
 \text{Low- and Moderate-Income Percentage} \\
 \text{(Exhibit 1, Column 11)} \\
 .2402
 \end{array}
 = 7.2$$

4. Multiply the number of demolitions affecting low- and moderate-income households (calculated in (a)3 above) by 1.2 to reflect a greater proportion of overall demolitions affecting this income group. The number of demolitions affecting low- and moderate-income households shall be the result of this product or 95 percent of the total projected demolitions, whichever is lower. The resulting number shall be added to municipal need.

Example:

$$\begin{array}{rcl} \text{Demolitions Impacting Low-} & & \\ \text{and Moderate-Income Households} & \times & \text{Low- and Moderate-} \\ 7.2 & \times & \text{Income Factor} \\ & & 1.2 \quad = \quad 9 \end{array}$$

(9 is lower than 95 percent of 30, or 28.5—so 9 is used.)

5:93-2.10 Filtering

(a) Filtering causes a reduction in municipal need (total and prior-cycle prospective) based on the recognition that the housing needs of low- and moderate-income households are partially met by sound housing units formerly occupied by the higher-income sector of the housing market (see Appendix A). Filtering is highly correlated with the presence of older and multifamily (five units or more) housing units. Table D, Column 1 displays regional filtering projections. Column 2 displays the total number of multifamily housing units in each region in 1990. Column 3 displays the total number of pre-1940 (older) units in each region.

**TABLE D
FILTERING**

Region	COLUMN 1	COLUMN 2	COLUMN 3
	1993-1999 Filtering Projection	1990 Multifamily (5 Units or More) Unit Totals	1990 Pre-1940 Unit Totals
1. Northeast	4,895	193,286	255,434
2. Northwest	4,535	156,893	206,403
3. West Central	2,830	70,199	61,647
4. East Central	3,550	74,459	93,848
5. Southwest	2,994	63,582	80,208
6. South-Southwest	<u>1,382</u>	<u>41,231</u>	<u>58,521</u>
New Jersey	<u>20,185</u>	<u>599,650</u>	<u>756,061</u>

(b) To determine the impact of filtering on municipal need after all the calculations up to and including N.J.A.C. 5:93-2.9:

1. Determine the municipal number of total multifamily units in 1990 as reported in the U.S. Census of Housing (Appendix A, Exhibit 3, Column 3).

Example:

Johnsonville had 2,719 total multifamily units in 1990.

2. Divide this number by the number of total multifamily units for the region (Table D, Column 2) in which the municipality is located.

3. Determine the municipal number of pre-1940 units in 1990 as reported in the U.S. Census of Housing.

Example:

Johnsonville had 272 pre-1940 units in 1990. (Appendix A, Exhibit 3, Column 4)

4. Divide this number by the total of pre-1940 units in 1990 for the region (Table D, Column 4) in which the municipality is located.

5. Weight the calculation resulting from (b)2 above by two, then average the above calculations. This yields the municipality's weighted share of older and multifamily housing units in the housing region.

Example:

$$\begin{array}{rcl} \text{Johnsonville's} & & \text{Total} \\ \text{Multifamily} & & \text{Multifamily} \\ \text{Units, 1990} & \div & \text{Units in 1990} \\ 2,719 & \div & \text{(Region 5)} \\ & & \text{(Column E)} \\ & & 63,582 \quad = \quad .04276 \\ & & \text{Johnsonville's} \\ & & \text{Share of} \\ & & \text{Multifamily Units} \end{array}$$

$$\begin{array}{rcl} \text{Johnsonville's} & & \text{Total Pre-1940} \\ \text{pre-1940} & & \text{Units in 1990} \\ \text{Units, 1990} & \div & \text{(Region 5)} \\ 257 & \div & \text{(Column F)} \\ & & 80,208 \quad = \quad .00339 \\ & & \text{Johnsonville's} \\ & & \text{Share of} \\ & & \text{Pre-1940 Units} \end{array}$$

6. Average the shares in (b)5 above after weighting the first by two

$$(.04276 + .04276 + .00339) \div 3 = .02964$$

(Johnsonville's Weighted Share of Older and Multifamily Units)

7. Multiply this percentage by the filtering projections in Table D, Column 4 for the region in which the municipality is located to yield the reduction to municipal total need (plus prior-cycle prospective need) due to filtering.

Example:

$$\begin{array}{rcl} \text{Johnsonville's Share of Region 5} & & \text{Filtering Projection (Region 5)} \\ \text{Older and Multifamily Units} & \times & \text{(Column D)} \\ .02964 & \times & 2,993 \quad = \quad 89 \end{array}$$

5:93-2.11 Residential conversion

(a) Residential conversion is the creation of dwelling units from already existing residential structures. It is a significant source of housing supply to low- and moderate-income households and it causes a reduction to municipal need (see Appendix A). Residential conversion is highly correlated with the presence of two- to four-family housing units. Table E, Column 1 below displays projections of conversions for each housing region. Table E, Column 2 displays the total of two- to four-family housing units in each housing region in 1990.

**TABLE E
RESIDENTIAL CONVERSION**

Region	COLUMN 1	COLUMN 2
	1993-1999 Conversion Projections	1990 2-4 Family Unit Totals
1. Northeast	2,649	218,392
2. Northwest	2,229	150,817
3. West Central	930	44,103
4. East Central	886	45,844

Region	COLUMN 1 1993-1999 Conversion Projections	COLUMN 2 1990 2-4 Family Unit Totals
5. Southwest	881	27,265
6. South-Southwest New Jersey	<u>775</u> <u>8,351*</u>	<u>40,576</u> <u>526,997</u>

* May not be equivalent to Appendix A figure because all secondary sources of supply may not be used; Appendix A displays what is used.

(b) To determine the impact of conversions on municipal need:

1. Determine the municipal number of total two- to four-family housing units in 1990 as reported in the U.S. Census of Housing (Detailed Housing Characteristics Part 32—New Jersey).

Example:

Johnsonville had 490 two- to four-family units. (Appendix A, Exhibit 3, Column 5)

2. Divide the number by the total number of two- to four-family housing units for the region (Table E, Column 2) in which the municipality is located to obtain the municipal share of two- to four-family housing units in the housing region.

Example:

Johnsonville's 1990 Total 2-4 Family Housing Units	Regional 1990 Total 2-4 Family Housing Units (Region 5) (Column H)	Johnsonville's Share of 2-4 Family Housing Units in Region
490	27,265	.01797

3. Multiply this percentage by the conversion projection in Table E, Column 1 for the region in which the municipality is located to yield the reduction to municipal need due to conversion.

Example:

Johnsonville's Share of 2-4 Family Housing Units	×	1993-1999 Conversion Projections (Region 5) (Column G)	=	16
.01797	×	881	=	16

5:93-2.12 Spontaneous rehabilitation

(a) Spontaneous rehabilitation measures the private market's ability to rehabilitate deficient low- and moderate-income housing units up to applicable state and local code standards; and shall cause a reduction to municipal need (see Appendix A). Spontaneous rehabilitation is highly correlated with income. A combination of income differences from \$100.00 below the lowest municipal median household income in the region weighted by the number of households in a municipality (\$100.00 below the lowest municipal median household income in the region is used that there will be no negative differences in the regional pool) and household income differences not weighted is used to develop this measure. The former is weighted twice; the latter once. Table F, Column 1 below displays spontaneous rehabilitation projections by housing region.

TABLE F
SPONTANEOUS REHABILITATION

Region	COLUMN 1 1993-1999 Spontaneous Rehabilitation Projections	COLUMN 2 1993 Regional Household Income Floor (\$)	COLUMN 3 1993 Weighted Regional Income Differences (\$)	COLUMN 4 1993 Unweighted Regional Income Differences (\$)
1. Northeast	710	20,515	19,234,394,000	4,393,888
2. Northwest	597	23,705	16,299,646,900	3,698,545
3. West Central	249	31,008	8,828,753,140	1,835,119
4. East Central	237	22,719	11,539,122,100	2,526,644
5. Southwest	236	19,015	10,120,912,300	2,557,328
6. South-Southwest New Jersey	<u>207</u> <u>2,237</u>	18,343 —	<u>3,422,312,000</u> <u>69,445,140,000</u>	<u>1,234,261</u> <u>16,245,786</u>

(b) To determine the impact of spontaneous rehabilitation on municipal need to this point:

1. Determine the municipal 1993 median household income as adjusted from the 1990 Census of Population (Appendix A, Exhibit 3, Column 6).

Johnsonville's 1993 median household income is \$55,927.

2. Subtract the regional floor income (lowest municipal median household income in the region in 1993—\$19,015; Table F, Column 2) from the 1993 municipal median household income.

$$\$55,927 - \$19,015 = \$36,912$$

3. Multiply this number by the number of occupied housing units (households) in the municipality as of 1993 (U.S. Census of Population—1990, update; Appendix A, Exhibit 1, Column 4). This yields municipal 1993 aggregate household income above the floor (weighted income).

Example:

Johnsonville's number of households in 1993 is 12,695.

Calculation:

$$\$36,912 \times 12,695 = \$468,592,783$$

4. Divide 1993 municipal median aggregate weighted household income above floor by the 1993 summed regional aggregate weighted median household income above floor for the housing region in which the municipality is located (see Table F, Column 3) to obtain the municipal share of regional aggregate weighted household income above the floor.

Example:

Johnsonville's Aggregate 1993 Weighted Household Income (above the floor)	1993 Aggregate Weighted Household Income (above the floor) (Region 5) (Column K)	Johnsonville's Share of Aggregate 1993 Weighted Household Income (above the floor)
\$468,592,783	÷ \$10,120,912,300	= .04630

5. Divide 1993 municipal median household income above the floor (unweighted) by the 1993 summed regional median household income above the floor (unweighted) for the housing region in which the municipality is located (see Table F, Column 4) to obtain the municipal share of regional household income above the floor (unweighted).

Example:

Johnsonville's 1993 Household Income (Unweighted) (above the floor) (Step 2 above)	+	1993 Aggregate Household Income (Unweighted) (Region 5) (Column L)	=	Johnsonville's Share of 1993 Aggregate Household Income (Unweighted) (above the floor)
\$36,912		\$2,557,328		.01443

6. Multiply the weighted share of regional income times two and add it to the unweighted share. Divide this sum by three. Multiply the result by the spontaneous rehabilitation projections for the housing region in which the municipality is located (see Table F, Column 1). This yields the reduction to municipal total need (plus prior cycle prospective need) due to spontaneous rehabilitation unless the result exceeds the indigenous need. In cases where the result exceeds the indigenous need, the reduction due to spontaneous rehabilitation shall equal the indigenous need.

Example:

Johnsonville's Weighted Share of 1993 Aggregate Household Income × 2 (Step 4 above)	+	Johnsonville's Unweighted Share of 1993 Aggregate Household Income (Step 5 above)	+	1993-1999 Region 5 Spontaneous Rehabilitation Estimate (Column 1)	=	8
[(.04630 + .04630 + .01443) × 236]						

5:93-2.13 Pre-credited need: 1987-1999

Pre-credited need is total need and prior-cycle prospective need modified by secondary sources of demand and supply.

Total Need	+	Prior-Cycle Prospective Need	+	Demolitions	-	Filtering
695		248		9		89
Residential Conversions	-	Spontaneous Rehabilitation	=	Pre-Credited Need		
16		8		839		

5:93-2.14 Reduction

(a) The Council shall allow a one-for-one reduction of cumulative 1987 to 1999 need for affordable housing activities undertaken from 1987 to 1993. It is a reduction for units zoned for or transferred, whether or not the units have been constructed, pursuant to Subchapter 3.

(b) Information for the reduction is derived from the Council, court, and other records of affordable housing activity. This information is specific to individual municipalities and is contained in Appendix A, Exhibit 3, Column 7. Municipal need at this point is pre-credited need minus

the reduction. A municipality cannot take a reduction that will bring municipal need number below zero.

Pre-Credited Need	-	Reduction (Exhibit 3—Column 7)	=	Municipal Need After Reduction
839		439		400

5:93-2.15 Prior-cycle credits

A one-for-one credit shall be granted for low- and moderate-income housing constructed subsequent to April 1, 1980 that conforms to the criteria in N.J.A.C. 5:93-3.1. Municipal need at this point is pre-credited need after the reduction, minus prior-cycle credits. Prior-cycle credits cannot reduce a municipal need number below zero.

Municipal Need (-) After Reduction	-	Prior-cycle Credits (Exhibit 3—Col. 8)	=	Municipal Need After Prior-cycle Credits
400		101		299

5:93-2.16 Twenty-percent (20%) cap

(a) A cap of 20 percent of the estimated 1993 occupied housing stock (community capacity) cannot be exceeded by a municipality's need for new construction. The need for new construction is the precredited need minus the reductions, prior-cycle credits, and the rehabilitation components. This is based on the premise that if the affordable housing was provided as a 20-percent set-aside of inclusionary housing, and if the planned affordable housing was more than 20 percent of existing units, then the new affordable housing and accompanying market units would exceed the number of existing housing units in the community.

(b) Community capacity is determined by multiplying the estimated 1993 occupied housing in the municipality (Appendix A, Exhibit 1, Column 4) by 0.20 and comparing this to the municipal need for new construction.

1. If the community capacity is larger than municipal need for new construction, the 20-percent cap is zero. This is the case for the present example.

2. If community capacity is smaller than municipal need for new construction, the difference between community capacity and the municipal need for new construction is subtracted from the latter to yield the 20-percent cap. The 20-percent cap is the difference between community capacity and the municipal need for new construction. Municipal need at this point equals pre-credited need minus the reduction, minus prior-cycle credits, minus the 20-percent cap.

Johnsonville's 1993 Occupied Housing Estimate	×	Twenty Percent (20%)	=	Community Capacity
12,695 units		0.20		2,539 units
Municipal Need for New Construction	-	Community Capacity	=	Twenty Percent (20%) Cap
274		2,539		0
Municipal Need After Prior-Cycle Credit	-	Twenty Percent (20% Cap)	=	Municipal Need After 20-Percent Cap
299		0		299

5:93-2.17 Calculated need: 1987-1999

Municipal calculated need is the sum of total need, prior-cycle prospective need, and demolitions; minus filtering, conversion, and spontaneous rehabilitation, yielding, pre-credited need; minus the reduction, prior-cycle credits, and 20-percent cap (see Appendix A).

	Total Need	<i>plus</i>	Prior-cycle Prospective Need	<i>plus</i>	Demolitions	
	695	+	248	+	9	
<i>minus</i>	<i>minus</i>		<i>minus</i>		<i>equals</i>	Pre-Credited Need 839
	Filtering 89		Residential Conversion 16		Spontaneous Rehabilitation 8	=
<i>minus</i>	<i>minus</i>		<i>minus</i>		<i>equals</i>	
	Reduction 439		Prior-Cycle Credits 101		20% Cap 0	=
						Calculated Need 299

5:93-2.18 Vacant land adjustment communities; prior cycle

Municipalities that received an adjustment from the courts or the Council due to undeveloped land in the first affordable housing cycle have received a calculated need number. However, the Council has developed a streamlined process for these communities to receive substantive certification. The calculated need is retained in the system as a goal for future affordable housing efforts as development and redevelopment occur in the community.

5:93-2.19 Calculation of indigenous need: selected urban aid cities

(a) Selected municipalities receiving state aid (urban aid cities) pursuant to P.L. 1978, c.14 (N.J.S.A. 52:270-178 et seq.) that are exempt from the distribution of reallocated present need and prospective need as described in N.J.A.C. 5:93-2.3 (see Appendix A), Attachment shall determine their indigenous need as indicated below:

1. Follow the procedures delineated in N.J.A.C. 5:93-2.2(a)1 to 3. These calculations yield the count of actual low- and moderate-income deficient units in the selected urban aid city. This estimate of low- and moderate-income deficient units may also be determined through a survey of the municipality's housing stock when such survey is deemed adequate and accepted by the Council for identifying deficient housing units occupied by low- or moderate-income households.

2. Modify the number calculated in (a)1 above as instructed in N.J.A.C. 5:93-2.9, 2.10, 2.11, and 2.12 (demolitions, filtering, residential conversions and spontaneous rehabilitation.)

3. Perform the calculation required in N.J.A.C. 5:93-2.2(a)4.

4. Municipal Indigenous Need (for Urban Aid Cities) shall be the smaller number resulting from the calculations in (a)2 and 3 above.

5. If the calculation in (a)2 above is larger than the calculation in (a)3 above, the difference between the two shall be distributed throughout the housing region as reallocated present need (see Appendix A).

6. No additional calculations need be made by these cities at this point.

5:93-2.20 Low- and moderate-income split

The municipal calculated need obligation shall be divided equally between low- and moderate-income households.

Example:

Johnsonville's total obligation of 299 units would include 150 low-income and 149 moderate-income units.

(An odd number is always split in favor of the low-income unit.)

SUBCHAPTER 3. CREDITS/REDUCTIONS

5:93-3.1 General

(a) The Fair Housing Act provides that the Council determine municipal fair share, after crediting on a one for one basis each current unit of low and moderate income housing of adequate standard, including any such housing constructed or acquired as part of a housing program specifically intended to provide housing for low and moderate income households. Given the approach the Council has developed for determining calculated need, the Council has determined that it is appropriate to allow credits for units constructed after April 1, 1980. Since it was not until December 15, 1986 that the Council established criteria for an eligible low and moderate income unit, the crediting criteria for housing units created between April 1, 1980 (the date of the census) and December 15, 1986 shall be different than the period subsequent to December 15, 1986.

(b) In determining calculated need, COAH has granted prior-cycle credits. These are credits that have been granted by the Council for the construction of low and moderate income units subsequent to April 1, 1980. In determining calculated need, the Council has also provided a reduction to the municipal housing obligation based on the realistic opportunity a municipality created in response to its 1987-1993 housing need through regional contribution agreements, plans for new construction or through its zoning powers. The source for this information includes data from the Council's records, county planning boards and Masters appointed by the court. To the extent that this information is incomplete or incorrect, the Council shall modify the calculated need, in accordance with this chapter.

(c) Municipalities shall not receive both a reduction and a credit for the same housing unit. The Council's intent with the reductions and the credits is to ensure that a municipality's obligation is lowered by one, provided: the municipality has created a realistic opportunity that resulted in a sound housing unit; or, if the unit has not yet materialized, the municipality continues to offer the realistic opportunity. A reduction shall be considered a credit when a low or moderate income unit is constructed (or in the case of a regional contribution agreement, constructed or rehabilitated) and appropriately restricted to a low or moderate income household.

(d) Unless otherwise stated, a municipality shall receive credits for housing activity prior to the date of the publication of its petition for substantive certification, provided such activity complies with criteria for credits in this subchapter. A municipality shall document eligible new construction with certificates of occupancy; eligible rehabilitation with final inspections; and transferred units with evidence of the required transfer of funds to the sending municipality.

(e) For units constructed after December 15, 1986, a municipality shall receive credits for housing activity that complies with the criteria in this subchapter and with the rules governing new construction, and transferred units (via a regional contribution agreement) between 1987-1993, in accordance with N.J.A.C. 5:92, a housing unit constructed under the auspices of a government funded, financed or otherwise assisted housing program designed specifically for households whose income does not exceed 80 percent of median shall also be eligible for a credit provided:

1. At least half of the units are affordable to households whose incomes do not exceed 50 percent of median income; and
2. The units are governed by controls on affordability that are substantially the same as those set forth in N.J.A.C. 5:92.

(f) A credit and/or a reduction in excess of the municipal precredited need shall be applied on a one for one basis against its future housing obligation.

5:93-3.2 Credits for units constructed between April 1, 1980 and December 15, 1986

(a) A housing unit created and occupied between April 1, 1980 and December 15, 1986 is eligible for a one for one credit when it has been developed specifically for households whose income does not exceed 80 percent of median income and the unit is governed by controls on affordability that are the same as those set forth in N.J.A.C. 5:92-12 and Appendix E, incorporated herein by reference.

(b) A municipality may receive a one for one credit for each unit satisfying the following criteria:

1. The unit shall have been constructed between April 1, 1980 and December 15, 1986. The municipality shall document the date of construction with a certificate of occupancy date;

2. The unit shall have been certified to be in sound condition as a result of an exterior inspection performed by a licensed building inspector; and

3. The unit is currently occupied by a low or moderate income household. The municipality shall document household income eligibility with a certification of household income in a form adopted by the Council. Such certification shall be signed by a head of household. It shall be reviewable only by the Council or its staff and shall not be a public record.

5:93-3.3 Credits for housing activity subsequent to December 15, 1986

(a) A municipality shall receive a one for one credit for every low or moderate income unit constructed within its borders or within a receiving municipality as a result of a regional contribution agreement that addresses its 1987-1993 housing need provided:

1. The unit has not been addressed in N.J.A.C. 5:93-14, Reductions; and
2. The unit complies with the criteria referenced in N.J.A.C. 5:93-3.1(e).

5:93-3.4 Rehabilitation subsequent to the 1990 census

(a) A municipality may receive credit for rehabilitation of low and moderate income substandard units performed subsequent to April 1, 1990.

(b) Units shall be eligible for crediting if:

1. They were rehabilitated up to the applicable code standard and that the average capital cost expended on rehabilitating the housing units was at least \$8,000; and
2. The unit is currently occupied by the occupants who resided within the unit at the time of rehabilitation or by other eligible low or moderate income households.

(c) Credits for rehabilitation shall not exceed the rehabilitation component and shall only be credited against the rehabilitation component.

5:93-3.5 Reductions for unbuilt housing

Where land has been zoned for low and moderate income housing, the Council shall review sites for suitability and determine if the previously zoned sites present a realistic opportunity for low and moderate income housing before granting a reduction. In its review, the Council shall include but not be limited to a consideration of environmental factors, the location of existing infrastructure and the likelihood of the current zoning to result in the creation of low and moderate income housing during the period of substan-

tive certification. Such a review shall result in a determination of the appropriate reduction and may result in requirements for zoning amendments.

5:93-3.6 Reductions for substantial compliance

(a) A reduction of the 1987-1999 inclusionary component of the calculated need shall be granted according to the following schedule when the Council determines that a municipality has substantially complied with the terms of its substantive certification, and has actually created, within the municipality, a substantial percentage of the new units that were part of the municipal 1987-1993 housing obligation within the period of substantive certification (as extended by a grant of interim substantive certification pursuant to N.J.A.C. 5:91-14.1(a)):

Percentage of Units Completed	Reduction
90 +	20 percent
80-89	10 percent
70-79	5 percent

This reduction shall be based solely on the percentage of new low and moderate income units constructed within the municipality that received substantive certification. The percentage of units completed shall be determined by dividing the number of new low and moderate income units actually constructed within the municipality by the number of low and moderate income units designated for construction within the municipality in the 1987-1993 fair share plan.

Example: If the municipal housing element and fair share plan that received substantive certification designated 100 units to be constructed in the municipality and another 75 units to be transferred to a receiving municipality via a regional contribution agreement, the reduction shall be based on the percentage of the 100 units that were to be constructed within the municipality that received substantive certification.

(b) The reduction in (a) above shall only be applied to the inclusionary component of the 1987-1999 calculated need, as determined by the Council. This reduction shall be applied to the remaining inclusionary component after the Council has accepted all other reductions and credits (including any rental bonus).

Example: A municipality has a 1987-1999 precredited need of 200. It had a 1987-1993 inclusionary component of 100. All 100 new units were actually constructed within the municipality. The reduction for substantial compliance is 20 percent. The remaining calculated need is 100. However, the rehabilitation component is 20, leaving an inclusionary component of 80. The 20 percent reduction is applied to the 80 remaining new units, leaving an inclusionary component of 64.

New Rule, R.1994 d.563, effective November 7, 1994.
See: 26 N.J.R. 2514(a), 26 N.J.R. 4349(b).

SUBCHAPTER 4. MUNICIPAL ADJUSTMENTS

5:93-4.1 Purpose and background

(a) Subchapters 2 and 3 delineate the criteria for determining the municipal housing obligation. However, there may be instances where a municipality can exhaust an entire resource (land, water or sewer) and still not be able to provide a realistic opportunity for addressing the need for low and moderate income housing as determined by the Council. This subchapter outlines standards and procedures for municipalities to demonstrate that the municipal response to its housing obligation is limited by the lack of land, water or sewer. The procedures in this subchapter shall not be used to reduce or defer the rehabilitation component.

(b) Where a municipality attempts to demonstrate that it does not have the capacity to address the housing obligation calculated by the Council, the municipality shall identify sites that are realistic for inclusionary development in order to calculate the realistic development potential of the community, in accordance with N.J.A.C. 5:93-4.2. Where the realistic development potential is less than the municipal calculated need minus any credits granted pursuant to N.J.A.C. 5:93-3.4, the municipality shall provide a response toward the obligation not addressed by the realistic development potential. Examples of such a requirement include, but are not necessarily limited to, a redevelopment ordinance, an ordinance permitting apartments in developed areas of the municipality and a mandatory development fee ordinance.

(c) With the concept of realistic development potential, the Council is recognizing that some sites are more realistic and/or appropriate than others for the location of inclusionary development. For example, some sites may lack infrastructure or be surrounded by incompatible land uses. However, these sites and others have the potential to develop or redevelop over time and, as such development takes place, the Council has determined that such sites shall contribute toward the housing obligation.

(d) A municipality seeking an adjustment due to available land capacity shall base the number of units that may be restricted to senior citizens and the number of units that may be transferred via a regional contribution agreement on the realistic development potential. The realistic development potential shall equal the calculation pursuant to N.J.A.C. 5:93-4.2(e). If additional low and moderate income housing opportunities develop pursuant to N.J.A.C. 5:93-4.2(g) (describing the municipal response in addition to the realistic development potential), the municipality may seek a plan amendment, pursuant to N.J.A.C. 5:91-13 to age restrict or transfer more units, based on a demonstrated increased realistic development potential.

5:93-4.2 Lack of land

(a) Municipalities that request an adjustment due to available land capacity shall submit an existing land use map at an appropriate scale to display the land uses of each parcel within the municipality. Such a map shall display the following land uses: single family, two-to-four family, other multi-family, commercial, industrial, agricultural, parkland, other public uses, semipublic uses and vacant land.

(b) Municipalities that request an adjustment due to available land capacity shall submit an inventory of vacant parcels by lot and block that includes the acreage and owner of each lot.

(c) The Council shall review the existing land use map and inventory to determine which sites are most likely to develop for low and moderate income housing. All vacant sites shall initially be presumed to fall into this category. In addition, the Council may determine that other sites, that are devoted to a specific use which involves relatively low-density development would create an opportunity for affordable housing if inclusionary zoning was in place. Such sites include, but are not limited to: golf courses not owned by its members; farms in SDRP planning areas one, two and three; driving ranges; nurseries; and nonconforming uses. The Council may request a letter from the owner of sites that are not vacant indicating the site's availability for inclusionary development.

(d) Municipalities may present documentation that the Council shall use to eliminate a site or part of a site from the inventory of sites described in (c) above. Partial elimination of a site shall not necessarily eliminate an entire site as unsuitable. Municipalities may seek to eliminate sites from the inventory described in (c) using the criteria set forth below. Municipalities shall submit transparent overlays drawn to the same scale as the existing land use map depicting those sites which the municipality maintains are inappropriate for development.

1. Agricultural lands shall be excluded when the development rights to these lands have been purchased or restricted by covenant.

2. Environmentally sensitive lands shall be excluded as follows:

i. Within the areas of the State regulated by the Pinelands Commission, Division of Coastal Resources of the DEPE and the Hackensack Meadowlands Development Commission of DCA, the Council shall adhere to the policies delineated in The Pinelands Comprehensive Management Plan, N.J.A.C. 7:50; the Coastal Permit Program Rules, N.J.A.C. 7:7-1, Coastal Resource and Development Rules, N.J.A.C. 7:7E-1; and the Zoning Regulations of the Hackensack Meadowlands District, N.J.A.C. 19:4.

ii. In the areas of the State not regulated by the Pinelands Commission, the Division of Coastal Resources and the Hackensack Meadowlands Development Commission, municipalities may exclude as potential sites for low and moderate income housing: inland wetlands as delineated on the New Jersey Freshwater Wetlands Maps, or when unavailable, the U.S. Fish and Wildlife Service National Wetlands Inventory; or as delineated on-site by the U.S. Army Corps of Engineers or DEPE, whichever agency has jurisdiction; when on-site delineation is required by the Council; flood hazard areas as defined in N.J.A.C. 7:13; and sites with slopes in excess of 15 percent, as determined from the U.S.G.S. Topographic Quadrangles, which render a site unsuitable for low and moderate income housing. In cases where part of a site is unsuitable for low and moderate income housing because of flood hazard areas or inland wetlands, the Council shall not permit low and moderate income housing to be constructed on that unsuitable part of the site; provided however, that this rule shall not prohibit construction of low and moderate income housing on the remainder of the site. In the case of slopes in excess of 15 percent, a municipality may regulate inclusionary development through a steep slope ordinance, provided the ordinance also regulates non-inclusionary developments in a consistent manner. The Council reserves the right to exclude sites in whole or in part when excessive slopes threaten the viability of an inclusionary development.

iii. Where the Legislature adopts legislation that requires the mapping of other natural resources and provides a mechanism for their regulation, the Council shall include such resources in its criteria and guidelines for municipal adjustment.

3. Historic and architecturally important sites may be excluded as follows:

i. Municipalities may apply to exempt a buffer area to protect sites listed on the State Register of Historic Places. The Council shall forward such request to the Office of New Jersey Heritage for a recommendation pertaining to the appropriateness and size of a buffer.

ii. Upon receipt of the Office of New Jersey Heritage's recommendation, the Council shall determine if any part of a site should be eliminated from the inventory described in (c) above.

iii. Within historic districts, a municipality may regulate low and moderate income housing to the same extent it regulates all other development.

4. Recreational lands may be excluded as follows:

i. Municipalities may reserve three percent of their total developed and developable acreage for active municipal recreation and exclude this acreage from consideration as potential sites for low and moderate income housing. However, all sites designated for recreation must be designated for recreational purposes in the municipal master plan. In determining developable acreage, municipalities shall calculate their total vacant and undeveloped lands and deduct from that total number the lands excluded by the Council's rules regarding historic and architecturally important sites, agricultural lands and environmentally sensitive lands. Municipalities shall also exclude from this calculation of total vacant and undeveloped lands, those owned by nonprofit organizations, counties and the State or Federal government when such lands are precluded from development at the time of substantive certification. Municipalities shall submit appropriate documentation demonstrating that such lands are precluded from development. Existing active municipal recreation areas shall be subtracted from the three percent calculation of total developed and developable acreage to determine additional land that may be reserved for active municipal recreation.

ii. Sites designated for recreation must be purchased and limited to recreational purposes within one year of substantive certification. Sites that are not purchased and limited to recreational purposes shall, if determined necessary by the Council, be zoned to permit inclusionary development.

5. Individual sites that the Council determines are not suitable for low and moderate income housing may also be eliminated from the inventory described in (c) above.

(e) The Council shall consider sites, or parts thereof, not specifically eliminated from the inventory described in (c) above, for inclusionary development. The Council shall consider the character of the area surrounding each site and the need to provide housing for low and moderate income households in establishing densities and set-asides for each site, or part thereof, remaining in the inventory. The minimum presumptive density shall be six units per acre and the maximum presumptive set-aside shall be 20 percent. The density and set-aside of each site shall be summed to determine the realistic development potential of each municipality. Example: Lowmod Borough has three suitable sites. The sites are 10 acres, five acres and one acre. The larger sites may accommodate eight units/acre. The one acre site may accommodate six units/acre. All sites are assigned a 20 percent set-aside. The realistic development potential equals 25 low and moderate income units.

10 acres × 8 units/acre × .2 =	16
5 acres × 8 units/acre × .2 =	8
1 acre × 6 units/acre × .2 =	<u>1</u>
	<u>25</u>

A municipality that received an adjustment due to lack of vacant land in addressing its 1987-1993 need obligation shall be presumed to have addressed its realistic development potential, provided the municipality continues to implement the terms of its previous substantive certification.

(f) The municipality may address its realistic development potential through any activity approved by the Council, pursuant to N.J.A.C. 5:92-5. The municipality need not incorporate into its housing element and fair share plan all sites used to calculate the realistic development potential if the municipality can devise an acceptable means of addressing its realistic development potential. The realistic development potential shall not vary with the strategy and implementation techniques employed by the municipality.

(g) If the realistic development potential described in (e) above is less than the municipal calculated need minus credits, pursuant to N.J.A.C. 5:93-3.4, the Council shall review the existing municipal land use map for areas that may develop or redevelop. Examples of such areas include, but are not limited to: a private club owned by its members; publicly owned land; downtown mixed use areas; high density residential areas surrounding the downtown; areas with a large aging housing stock appropriate for accessory apartments; and properties that may be subdivided and support additional development. After such an analysis, the Council may require at least a combination of the following in an effort to address the housing obligation:

1. Zoning amendments that permit apartments or accessory apartments;
2. Overlay zoning requiring inclusionary development or the imposition of a development fee consistent with N.J.A.C. 5:93-8; in approving an overlay zone, the Council may allow the existing use to continue and expand as a conforming use, but provide that where the prior use on the site is changed, the site shall produce low and moderate income housing or a development fee; or
3. Zoning amendments that impose a development fee consistent with N.J.A.C. 5:93-8.

5:93-4.3 Lack of water and sewer

(a) When a community has sufficient land, but insufficient water and/or sewer to support inclusionary development, the Council shall review each possible site for inclusionary development to determine if it is realistic for the site to receive the required water and/or sewer during the period of substantive certification. The Council shall require sufficient information to determine the site's prospects of receiving infrastructure, and the site's prospects of inclusion in a 208 plan amendment, developed in accordance with the rules of the New Jersey Department of Environmental Protection and Energy. If the site had been zoned for inclusionary development, the Council shall consider how long the site had been zoned and if the developer had filed a development application.

(b) If the Council determines that a site may receive water and/or sewer during the period of substantive certification, it shall require the site to be zoned for inclusionary development, or, if the site had already been zoned for inclusionary development, it shall require the continuation of that zoning. If the Council determines that a site may not receive water and/or sewer during the period of substantive certification, the Council shall not require inclusionary zoning, but may require overlay zoning requiring inclusionary development (if water and sewer become available) and/or the imposition of a development fee consistent with N.J.A.C. 5:93-8.

(c) The lack of adequate capacity, in and of itself, shall constitute a durational adjustment of the municipal housing obligation. The requirement to address the municipal housing obligation shall be deferred until adequate water and/or sewer are made available. In order to provide water and/or sewer on sites the Council determines are realistic for inclusionary development, municipalities shall adhere to the following:

1. Notwithstanding the lack of adequate water and/or sewer at the time a municipality petitions for substantive certification, the municipality shall reserve and set aside new water and/or sewer capacity, when it becomes available, for low and moderate income housing, on a priority basis;

2. Municipal officials shall endorse all applications to the DEPE or its agent to provide water and/or sewer capacity. Such endorsements shall be simultaneously submitted to the Council;

3. Where the DEPE or its designated agent approves a proposal to provide infrastructure to a site for the development of low and moderate income housing identified in the housing element, the municipality shall permit such development; and

4. Where a municipality has designated sites for low and moderate income housing that lack adequate water and/or sewer and where the DEPE or its designated agent approves a proposal to provide water and/or sewer to a site other than those designated for the development of low and moderate income housing in the housing element, the municipality shall amend its housing element and fair share housing ordinance to permit development of such site for low and moderate income housing. The amended housing element and fair share housing ordinance shall be submitted to the Council within 90 days of the site's approval by the DEPE or its agent. The Council may waive these requirements when it determines that the municipality has a plan that will provide water and/or sewer to sufficient sites to address the municipal housing obligation within the substantive certification period.

(d) Municipalities may demonstrate that the cost of providing water and/or sewer to realistic sites identified in (a)

and (b) above, is prohibitive by completing "The Costs of Providing Infrastructure" application provided by the Council (see Appendix D, incorporated herein by reference) and submit it to the Council for its review. The Council shall forward "The Costs of Providing Infrastructure" application to the DCA Division of Local Government Services for review. The Council shall consider the report of the Division of Local Government Services in determining whether to permit an adjustment due to prohibitive costs associated with providing water and/or sewer to inclusionary sites. Where the Council determines the cost associated with providing water and/or sewer to inclusionary sites is prohibitive, it shall limit the municipality's fiscal responsibility of providing water and/or sewer. However, notwithstanding any limits placed on the municipality's fiscal responsibility to provide water and/or sewer, the Council may require the municipality to designate and zone appropriate sites to accommodate the municipal housing obligation or to adopt other approaches consistent with N.J.A.C. 5:93-4.2(g). The municipality shall also adhere to the requirements outlined in (c)1 to 4 above.

5:93-4.4 Application for grants

A municipality that has demonstrated that land, water and/or sewer limits its ability to address the municipal rehabilitation component may be required to address its rehabilitation component by submitting an application for Federal and/or State housing programs. Such a municipality shall be required to apply for a county, State and/or Federal grant if the Council determines that the success of such a grant application is realistic and necessary to address the rehabilitation component.

5:93-4.5 Waivers

(a) The Council shall entertain waiver requests by motion, in accordance with N.J.A.C. 5:91-12, from municipalities seeking relief from the following requirements:

1. The use of an entire resource (land, water, sewer) in addressing the municipal housing obligation; and

2. The requirement to impose development fees on all development within the municipality.

(b) The criteria for evaluating such a waiver request shall include one or more of the following:

1. Past inclusionary practices, measured by the following criteria: jobs to housing ratio; municipal median income as compared to regional median income; and the percentage of low and moderate income households in the municipality as compared to the percentage in the housing region;

2. A demonstration of hardship. To demonstrate hardship related to the imposition of development fees, the municipality shall, at a minimum, document that the imposition of development fees would retard necessary economic development within the municipality. To dem-

onstrate hardship related to utilizing all available land, water and sewer capacity, the municipality shall (where applicable), at a minimum, document prospects for obtaining additional capacity and the public good realized by allowing competing land uses a reservation of the limited capacity; or

3. A demonstration that the municipality has actively pursued its municipal housing obligation by petitioning for certification prior to litigation.

SUBCHAPTER 5. PREPARING A HOUSING ELEMENT

5:93-5.1 Overview of a housing element

(a) Once a municipality has subtracted its credits (pursuant to N.J.A.C. 5:93-3) from its calculated need, and/or received an adjustment pursuant to N.J.A.C. 5:93-4, it shall develop a plan to address the municipal housing obligation. In addressing the need, a municipality may address its rehabilitation component through a rehabilitation program or by creating new units. The remaining portion of the municipal housing obligation may be addressed through a combination of techniques, including, but not necessarily limited to: municipally sponsored construction; inclusionary zoning; regional contribution agreements; alternative living arrangements; the purchase of ECHO housing; the creation of accessory apartments; the purchase of housing units that have never been occupied; and the purchase of housing units that have been vacant for at least 18 months. (The Council has determined that if a housing unit has been vacant for 18 months or more, it is reasonable to conclude that such a unit is not "filtering down" to low and moderate income households and that encouraging the purchase of the unit for low and moderate income households may prevent the unit from deterioration or vandalism.) This subchapter shall discuss the standards and, in some cases, limitations, of each implementation technique. It shall outline standards for senior citizen housing and rental housing. This subchapter shall also discuss the status of sites included in the housing element that addressed the 1987-1993 municipal housing obligation.

(b) A municipality's housing element shall be designed to achieve the goal of providing affordable housing to meet present and prospective housing needs, with particular attention to low and moderate income housing. The housing element shall include the municipality's strategy for addressing its present and prospective housing needs and shall contain the following:

1. 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;

2. A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for the six years subsequent to the adoption of the housing element, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;

3. An analysis of the municipality's demographic characteristics, including, but not limited to, household size, income level and age;

4. An analysis of the existing and probable future employment characteristics of the municipality;

5. 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;

6. If a development fee is imposed pursuant to N.J.A.C. 5:93-8, a copy of the spending plan as required in (c) below;

7. 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;

8. A map of all sites designated by the municipality for the production of low and moderate income housing and a listing of each site that includes its owner, acreage, lot and block;

9. The location and capacities of existing and proposed water and sewer lines and facilities relevant to the designated sites;

10. Copies of necessary applications for sewer service and water quality management plans submitted pursuant to Sections 201 and 208 of the Federal Clean Water Act, 33 U.S.C. § 1251, et seq.;

11. A copy of the most recently adopted municipal master plan and, where required, the immediately preceding, adopted master plan;

12. For each designated site, a copy of the New Jersey Freshwater Wetlands maps where available. When such maps are not available, municipalities shall provide appropriate copies of the National Wetlands Inventory maps provided by the U.S. Fish and Wildlife Service;

13. A copy of appropriate United States Geological Survey Topographic Quadrangles for designated sites; and

14. Any other documentation pertaining to the review of the municipal housing element as may be required by the Council.

(c) If a municipality intends to collect development fees, it shall prepare a plan to spend development fees that includes the following:

1. A projection of revenues anticipated from imposing fees on development, based on historic development activity;
2. A description of the administrative mechanism that the municipality will use to collect and distribute revenues;
3. A description of the anticipated use of all development fees;
4. A schedule for the creation or rehabilitation of housing units;
5. If the municipality envisions being responsible for public sector or non-profit construction of housing, a pro-forma statement of the anticipated costs and revenues associated with the development; and
6. The manner through which the municipality will address any expected or unexpected shortfall if the anticipated revenues from development fees are not sufficient to implement the plan.

5:93-5.2 Rehabilitation

(a) Each municipality shall be provided with the Council's estimate for substandard units occupied by low and moderate income households. This estimate shall be the municipality's indigenous need, unless the municipality or an objector performs the Council's Structural Conditions Survey (see Appendix D, incorporated herein by reference). Where the municipality or objector performs the Structural Conditions Survey, the Council shall review the results of the data collected and shall modify the indigenous need if it determines a modification is warranted.

(b) The purpose of a rehabilitation program is to rehabilitate substandard housing units occupied by low and moderate income households. A substandard housing unit is defined as a unit with health and safety code violations that require the repair or replacement of a major system. A major system shall include a roof, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems) and/or a load bearing structural system. Upon rehabilitation, housing deficiencies shall be corrected and the house shall be brought up to code standard. The standard for evaluating rehabilitation activity shall be the local property maintenance code, or, if none is available, the BOCA National Existing Structures Code. The rehabilitation activity shall not include luxury improvements, the purchase of appliances (with the exception of stoves) or improvements that are strictly cosmetic.

(c) A municipality that chooses to rehabilitate units shall designate an entity to administer the rehabilitation program. The municipality may designate an employee to administer the program or may enter into an agreement for a governmental agency or private consultant to administer all or some of the program.

(d) The municipality shall prepare a marketing plan for its rehabilitation program, subject to the Council's approval. The rehabilitation program shall be marketed through a combination of some, though not necessarily all, of the following: brochures; posters in prominent locations; cable television and radio announcements; notices included in utility bills; notices in municipal tax bills; notices included in municipal publications; and informational meetings with welfare organizations, urban action community groups, personnel departments of local employers, social workers, civic and religious leaders, senior citizen groups and fraternal organizations.

(e) A municipality that chooses to administer a rehabilitation program shall maintain files on each program applicant. The files may be used in responding to monitoring requests and to protect the municipality against charges of irregularity. The files shall include:

1. The name of each applicant;
2. If the applicant is not approved, the reasons for the disapproval; and
3. If the applicant is approved:
 - i. Proof of income eligibility (Federal tax return);
 - ii. The initial inspection by the building inspector;
 - iii. Bids by contractors;
 - iv. The final contract to do the work;
 - v. Progress reports;
 - vi. A copy of the final inspection; and
 - vii. The lien on the property.

(f) Rental units may not be excluded from a municipal rehabilitation program.

(g) The Council shall require six year controls on affordability on owner-occupied units and 10 year controls on affordability on rental units. The controls on affordability may be in the form of a lien filed with the appropriate property's deed. Rents in rehabilitated units may increase annually based on the standards in N.J.A.C. 5:93-9.15.

(h) A municipality that chooses to rehabilitate its rehabilitation component shall be responsible for funding its program. This requirement includes administrative and actual rehabilitation activities. A municipality shall provide \$2,000 per unit of its rehabilitation component towards administration and \$8,000 per unit for rehabilitation activity to total

\$10,000 per unit of its rehabilitation component. Given this requirement:

1. Municipalities shall provide sufficient dollars to fund one-third of the municipal rehabilitation component within one year of substantive certification. In each subsequent year of the substantive certification period, the municipality shall provide sufficient dollars to fund one-sixth of the municipal rehabilitation component.

2. Municipalities may rehabilitate substandard units that require less than \$8,000 of work, provided they also rehabilitate substandard units that require more than \$8,000 of work. Municipal rehabilitation activity shall average at least \$8,000 per unit for each two year period of substantive certification.

3. The Council may waive part or all of the funding required for administration if there is an agreement with an agency to administer the program at reduced cost.

4. Municipalities that seek a waiver from the \$8,000 rehabilitation standard may do so by presenting case studies documenting local housing conditions.

(i) Financing of rehabilitation programs shall be structured to encourage rehabilitation and continued occupancy. Low interest rates and forgivable loans are encouraged. Leveraging of private financing is also encouraged if the result is low interest loans that encourage rehabilitation. If a housing unit is sold prior to the end of the controls on affordability, at least part of the loan shall be recaptured and used to rehabilitate another housing unit.

(j) If the municipality structures a loan program to recapture money, recaptured money shall be used for another low and moderate income housing purpose or to repay a municipal bond issued to finance a low and moderate income housing activity.

(k) The municipality, as a condition of certification, shall develop a rehabilitation manual that complies with COAH's rules and summarizes the administration of the rehabilitation program. The manual shall include a copy of the lien to be used and shall describe:

1. The rehabilitation program's staff and their responsibilities;
2. Procedures for program marketing;
3. Eligible repairs and improvement;
4. The amount of money available for rehabilitation;
5. Financing terms;
6. Income qualification criteria;
7. Procedures for application intake;
8. Procedures for review and approval of work (such procedures should require interim inspection of work); and

9. The length of affordability controls.

(l) Municipalities that administer rehabilitation programs shall complete annual monitoring reports required by the Council (see N.J.A.C. 5:93-12). After reviewing the progress of rehabilitation activity, the Council may require technical assistance meetings to identify implementation techniques designed to increase rehabilitation activity. Failure to submit monitoring reports or respond to direction designed to increase rehabilitation activity may result in further Council action.

(m) A municipality receiving State aid pursuant to P.L. 1978, c.14 (N.J.S.A. 52:27D-178 et seq.) may seek a waiver from addressing its entire rehabilitation component in one six year period of substantive certification. A municipality seeking such a waiver shall demonstrate that it cannot rehabilitate the entire rehabilitation component in six years and/or that an extraordinary hardship exists, related to addressing the entire rehabilitation component in six years.

5:93-5.3 New construction; site criteria and general requirements

(a) Municipalities may create new low and moderate income units within its borders by sponsoring their construction, with or without a non-profit corporation, or by zoning sites for inclusionary development.

(b) Municipalities shall designate sites that are available, suitable, developable and approvable, as defined in N.J.A.C. 5:93-1. In reviewing sites, the Council shall give priority to sites where infrastructure is available. All sites designated for low and moderate income housing shall receive approval for consistency review, as set forth in Section 208 of the Clean Water Act, 33 U.S.C. 1251 et seq., prior to substantive certification. Where a site is denied consistency review, the municipality shall apply for an amendment to its Section 208 plan to incorporate the denied site.

(c) For each site designated for new construction of low and moderate income units, the municipality shall provide the following minimum documentation:

1. A general description of each site to be used for inclusionary development, including, but not limited to, the following: acreage, current zoning, surrounding land uses, and street access. Maps shall be submitted showing the location of all sites;

2. A description of any environmental constraints, including steep slopes, wetlands and flood plain areas. The municipality shall include calculations of the amount of acreage that is environmentally constrained and any remaining buildable acreage. Documentation shall include the appropriate wetland and flood plain maps required pursuant to N.J.A.C. 5:93-5.1;

3. Information shall be submitted regarding location, size and capacity of lines and facilities within the service area, as well as the status of the 201/208 plans. Documentation shall include maps showing the location of the sewer and water facilities; and

4. For each site, the total number of housing units; the gross and net density of the proposed development; the total number of low and moderate income units; and the number of low and moderate income units that will be for sale and for rent.

(d) Municipalities shall structure plans for new construction, conversion and gut rehabilitation (including new construction, conversion and gut rehabilitation that is part of a regional contribution agreement) that conform to the Council's rules pertaining to bedroom mix, age restriction, price stratification, rental housing, controls on affordability and affirmative marketing.

(e) Unless otherwise permitted, the Council shall not provide credit for housing that is restricted in occupancy to any specific group.

5:93-5.4 New construction; conformance with the State Development and Redevelopment Plan (SDRP)

(a) In Planning Areas 1 and 2, as designated in the SDRP, the Council shall encourage inclusionary development within centers. However, municipalities may locate inclusionary developments within the environs as defined in the SDRP.

(b) In Planning Area 3, the Council shall encourage inclusionary development within centers. Where a municipality proposes an inclusionary site within Planning Area 3 outside of a center, the Council may permit such a site if infrastructure is available or can be easily extended from Planning Area 2.

(c) In Planning Areas 4 or 5, as designated in the SDRP, the Council shall require inclusionary development to be located in centers. Where the Council determines that a municipality has not created a realistic opportunity within the development boundaries of a center to accommodate that portion of the municipal inclusionary component that the municipality proposes to address within the municipality, the Council shall require the municipality to identify an expanded center(s) or a new center(s) and submit the expanded or new center(s) to the State Planning Commission for designation.

(d) In municipalities that are divided by more than one Planning Area, the following principles shall apply:

1. The Council shall encourage and may require the use of sites in Planning Areas 1 and 2 prior to approving inclusionary sites in Planning Areas 3, 4 and 5 that lack sufficient infrastructure;

2. The Council shall encourage and may require the use of sites within Planning Area 3 prior to approving inclusionary sites in Planning Areas 4 and 5 that would require the expansion of existing infrastructure; and

3. The Council shall encourage and may require the use of sites to which existing infrastructure can easily be extended prior to approving inclusionary sites that require the creation of new infrastructure in an area not presently serviced by infrastructure.

5:93-5.5 Municipally sponsored construction and gut rehabilitation

(a) A municipality may elect to provide low and moderate income units through a municipally sponsored construction program. A municipally sponsored construction program shall address four major areas of concern. It shall document that there is municipal control of the site(s); an administrative mechanism to construct the proposed housing; a funding plan and evidence of adequate funding capacity; and timetables for construction of the units. More specifically, the following minimum documentation shall be submitted:

1. The municipality shall demonstrate that it has control or has the ability to control the site(s). Control may be in the form of outright ownership or an option on the property;

2. An administrative mechanism shall be submitted for the development indicating who will monitor construction, income qualify applicants and administer the units once they are occupied. The municipality may contract with an outside agency to provide these functions, provided a written agreement between the administrative agency and the municipality is submitted to the Council.

3. The municipality shall submit detailed information demonstrating that it has adequate funding capabilities. The documentation shall include:

i. A pro forma statement for the project; and

ii. Evidence that the municipality has adequate and stable funding. If State or Federal funds will be used, the municipality shall provide documentation indicating the funding available to the municipality and any applications still pending. In the case where an application for outside funding is still pending, the municipality shall provide a stable alternative source, such as municipal bonding, in the event that the funding request is not approved. As outside funds become available, the municipality may reduce its reliance on municipal resources; and

4. A construction schedule, or timetable, shall be submitted for each step in the development process: including preparation of a site plan, granting of municipal approvals, applications for State and Federal permits, selection of a contractor and construction. The construc-

tion schedule shall provide for construction to begin within two years of substantive certification.

5:93-5.6 Zoning for inclusionary development

(a) Municipalities that choose to provide zoning for inclusionary development shall select sites that conform to the criteria in N.J.A.C. 5:93-5.3 and shall submit the information required in N.J.A.C. 5:93-5.3.

(b) The Council's review of municipal plans to zone for inclusionary development shall include, but not necessarily be limited to: the existing densities surrounding the proposed inclusionary site; the need for a density bonus in order to produce low and moderate income housing; whether the site is approvable, available, developable and suitable pursuant to N.J.A.C. 5:93-1.3; the site's conformance with the State Development and Redevelopment Plan pursuant to N.J.A.C. 5:93-5.4; the existence of steep slopes, wetlands and floodplain areas on the site; the present ability of a developer to construct low and moderate income housing at a specific density; the length of time an inclusionary site has been zoned at a specific density and set-aside without being developed; and the number of inclusionary sites that have developed within the municipality at specific densities and set-asides.

1. When a municipality is receiving an adjustment pursuant to N.J.A.C. 5:93-4.2, the municipality shall be required to zone inclusionary sites at a minimum gross density of six (6) units per acre with a 20 percent set-aside.

2. In all other municipalities, when the review described in (b) indicates that such densities are appropriate, the Council shall require that a substantial percentage of inclusionary sites be zoned to allow market units within an inclusionary development to be constructed as single family detached units. For these sites, the Council shall generally favor a gross density of four units per acre with a 15 percent set-aside. Municipalities may also seek to zone sites for a gross density of five (5) units per acre with a 17.5 percent set-aside and six (6) units per acre or more with a 20 percent set-aside. The Council shall determine set-asides for densities between four (4) and five (5) and between five (5) and six (6) through a process of interpolation.

(c) The Council may require higher densities in circumstances including, but not limited to:

1. Where the existing zoning exceeds the density proposed by the municipality; or
2. When the Council determines that higher densities are required to provide an opportunity for inclusionary development in a specific municipality, based on the particular circumstances of that municipality.

(d) Municipalities zoning for inclusionary development shall require low and moderate income housing units to be built in accordance with the following schedule:

Minimum Percentage of Low and Moderate Income Units Completed	Percentage of Market Housing Units Completed
0	25
10	25 + 1 unit
50	50
75	75
100	<u>90</u>
	<u>100</u>

(e) The Council encourages a design of inclusionary developments that integrates the low and moderate income units with the market units.

Amended by R.1994 d.563, effective November 7, 1994.
See: 26 N.J.R. 2514(a), 26 N.J.R. 4349(b).

5:93-5.7 Regional contribution agreements

A municipality may address its housing obligation by entering into a regional contribution agreement in accordance with N.J.A.C. 5:93-6.

5:93-5.8 Alternative living arrangements

(a) Municipalities may receive credit against the municipal housing obligation for alternative living arrangements by entering into an agreement for the location of such a facility with the provider of the facility or by granting preliminary approval to a developer of an alternative living arrangement.

(b) The unit of credit for an alternative living arrangement shall be the bedroom.

5:93-5.9 Accessory apartments

(a) Municipalities may seek credit for up to 10 accessory apartments. A municipality seeking credit for accessory apartments shall:

1. Demonstrate that the housing stock lends itself to accessory apartments. The Council will favor a large (measured in square feet), older housing stock;
2. Provide at least \$10,000 per unit to subsidize the creation of the accessory apartment;
3. Demonstrate that rents of accessory apartments will average 57.5 percent of median income, including utilities. The rent shall be based on the number of bedrooms in accordance with N.J.A.C. 5:93-7.4; and
4. Demonstrate that accessory apartments will be affirmatively marketed, in accordance with N.J.A.C. 5:93-11.

(b) Accessory apartments shall be exempt from Council bedroom mix requirements (N.J.A.C. 5:93-7.3).

(c) Accessory apartments reserved for senior citizens shall be included with the 25 percent that may be reserved for senior citizens pursuant to N.J.A.C. 5:93-5.13.

(d) Controls on affordability on accessory apartments shall remain in effect for at least 10 years. To be eligible for a rental bonus (pursuant to N.J.A.C. 5:93-5.13), controls on affordability shall remain in effect for at least 30 years.

5:93-5.10 Purchase of housing units that have never been occupied and vacant housing units

(a) Municipalities may receive credit against the municipal housing obligation by purchasing housing units that have never been occupied and offering them in sound condition at affordable prices and/or rents to low and moderate income households. The sales price or rent of affordable units shall conform to the standards in N.J.A.C. 5:93-7. Municipalities that propose to purchase more than 30 percent but less than 100 percent of the business units in any one development and restrict them to low and moderate income households shall consider the impact of such a purchase on the value of the market units within the development. Municipalities shall also consider the impact of the purchase on the economic viability of any condominium or homeowners association.

(b) Municipalities may receive credit against the municipal housing obligation by purchasing housing units that have been vacant for at least 18 months and offering them in sound condition at affordable prices and/or rents to low and moderate income households. To receive such credit, the municipality shall demonstrate to the Council's satisfaction, that the housing has been vacant for at least 18 months. The sales price or rent of the affordable units shall be consistent with the standards in N.J.A.C. 5:93-7.

(c) The Council shall review plans to purchase housing units that have never been occupied and housing units that the Council has determined to be vacant for at least 18 months in a manner similar to its review of municipally sponsored construction, conversion and gut rehabilitation. Affordable low and moderate income housing created pursuant to this section shall, as best as practicable, conform to the Council's bedroom mix rules (N.J.A.C. 5:93-7.3) and shall be affirmatively marketed pursuant to N.J.A.C. 5:93-11.

5:93-5.11 Status of sites addressing the 1987-1993 municipal obligation

(a) Municipalities that received substantive certification for their 1987-1993 obligation based, in part, on the municipal choice to sponsor the construction of low and moderate income housing are responsible for constructing the low and moderate income housing. Failure of the community to satisfy the conditions of substantive certification and construct the housing shall not absolve the municipality from its responsibility.

(b) Sites zoned for inclusionary development in addressing the 1987-1993 housing obligation shall retain such zoning if:

1. The site was subject to an agreement pursuant to the Council's mediation process or part of a negotiated settlement in court; or

2. The developer of the site has filed a development application with the municipality;

(c) A municipality seeking to amend its plan to replace or delete a site used in addressing the 1987-1993 housing obligation shall follow the procedures set forth in N.J.A.C. 5:91-13.

(d) A developer seeking an amendment to the density requirements of an inclusionary site shall follow the procedures set forth in N.J.A.C. 5:91-13. In submitting such requests, the developer shall demonstrate:

1. An ability to construct low and moderate income units within a defined period of time; and

2. A plan to address the low and moderate income units required of the site as a condition of substantive certification.

5:93-5.12 Senior citizen housing

(a) Municipalities may restrict housing for senior citizens based on the following formulae:

1. For municipalities that have received substantive certification or a judgment of repose and are not seeking a vacant land adjustment:

senior citizen units = .25 (municipal precertified need - prior cycle credits - credits pursuant to N.J.A.C. 5:93-3.4 - the impact of the 20 percent cap - the impact of the 1,000 unit limitation pursuant to N.J.A.C. 5:93-14) - any units restricted to senior citizens in addressing the 1987-1993 housing obligation.

2. For municipalities that receive a vacant land adjustment:

senior citizen units = .25 (prior-cycle fair share + realistic development potential + rehabilitation component - credits pursuant to N.J.A.C. 5:93-3.4) - any units restricted to senior citizens in addressing the 1987-1993 housing obligation.

(Municipalities that have not received substantive certification or a judgment of repose shall have a prior-cycle fair share of zero for this calculation. Municipalities that received a vacant land adjustment with a previous substantive certification or judgment of repose shall have a realistic development potential of zero for this calculation.)

3. For municipalities that have never received substantive certification or a judgment of repose and are not seeking a vacant land adjustment:

senior citizen units = .25 (municipal precertified need – credits pursuant to N.J.A.C. 5:93-3 – the impact of the 20 percent cap – the impact of the 1,000 unit limitation pursuant to N.J.A.C. 5:93-14.)

(b) If the municipality is transferring housing units via a regional contribution agreement, the maximum amount of age restricted units in the sending municipality shall not exceed 25 percent of the newly constructed low and moderate income units to be created in the sending municipality. Housing units transferred via a regional contribution agreement may include senior citizen housing units provided that the sum of the newly constructed senior citizen units created in the sending and receiving municipalities does not exceed the total permitted above. This restriction shall not apply to the rehabilitation of existing age restricted units in either the sending or receiving municipality.

(c) A receiving municipality may seek a waiver to restrict more low and moderate income units to senior citizens than permitted by (a) above. In reviewing such a request, the Council shall consider the municipality's past inclusionary practices, measured by objective criteria, such as: jobs to housing ratio; municipal median income as compared to the regional median income; and the percentage of low and moderate income households in the municipality as compared to the percentage in the housing region. The Council shall also consider the waiver request within the context of the objectives of the receiving municipality's project plan.

5:93-5.13 Rental housing

(a) In addressing the 1987-1999 housing need, every municipality shall have an obligation to create a realistic opportunity to construct rental units. For a municipality not receiving an adjustment pursuant to N.J.A.C. 5:93-4.2, the rental obligation shall equal .25 (calculated need – the impact of the 1,000 unit limitation pursuant to N.J.A.C. 5:93-14—the rehabilitation component). For a municipality that receives an adjustment pursuant to N.J.A.C. 5:93-4.2, the rental obligation shall equal 25 percent of the realistic development potential.

(b) Any rental obligation (pursuant to N.J.A.C. 5:92-14.4(a) and (b)) that was a condition of substantive certification in addressing the 1987-1993 municipal fair share shall be considered as an ongoing obligation in addressing the 1987-1999 housing need.

(c) The municipal approach to addressing the rental obligation may include, but not necessarily be limited to, any combination of the following:

1. Tax credits administered by the Agency and other funding administered by the Federal government, DCA and the Agency;

2. A municipally sponsored rental development;

3. Agreements with developers for the municipality to purchase low and moderate income units and maintain them as rental units;

4. The creation of accessory apartments pursuant to N.J.A.C. 5:93-5.9;

5. Permitting inclusionary sites to be developed as sales or rental housing with a density increase if the developer chooses to build rental housing. The Council shall presumptively require a minimum density of ten units per acre and a maximum set-aside of 15 percent for rental housing. Municipalities that choose a zoning response to all or part of the rental obligation shall permit such densities and set-asides on all inclusionary sites until the requirement for rental housing has been addressed.

(d) The Council shall grant a rental bonus for rental units that are constructed and conform to the standards contained in N.J.A.C. 5:93-7. The Council may also grant the rental bonus prior to construction when it determines that the municipality has provided or received a firm commitment for the construction of rental units. A municipality may lose the benefit of the rental bonus granted in advance of the actual construction of the rental units if the municipality has not: constructed the rental units within the time periods established as a condition of substantive certification; or granted preliminary or final approval for the construction of the rental units (where a developer agreed to construct the rental units). A municipality may also lose the benefit of a rental bonus if the preliminary or final approval is no longer valid or if the developer has abandoned the development.

1. A municipality shall receive two units (2.0) of credit for rental units available to the general public.

2. A municipality shall receive one and one-third (1.33) units of credit for rental units restricted to senior citizens. However, no more than 50 percent of the rental obligation defined in (a) and (b) shall receive a bonus for rental units restricted to senior citizens unless:

i. The rental units have been constructed prior to the effective date of this rule;

ii. The development has a valid preliminary or final approval from the municipality and the developer remains committed to building rental housing as of the effective date of this rule; or

iii. The time limit for constructing the rental units as per the conditions of substantive certification has not expired.

3. No rental bonus shall be granted for rental units in excess of the rental obligation defined in (a) and (b).

(e) Municipalities that choose to transfer the rental obligation via a regional contribution agreement shall do so by creating new rental units in the receiving municipality. Municipalities that transfer the rental obligation shall receive a one unit credit for each rental unit transferred.

SUBCHAPTER 6. REGIONAL CONTRIBUTION AGREEMENTS

5:93-6.1 General provisions

(a) Municipalities may propose the transfer of up to 50 percent of their housing obligation based on the following formulae:

1. For municipalities that have received substantive certification or a judgment of repose and are not seeking a vacant land adjustment:

$$\text{RCA} = .5 (\text{municipal precredited need} - \text{prior cycle credits} - \text{credits pursuant to N.J.A.C. 5:9-3.4} - \text{the impact of the 20 percent cap} - \text{the impact of the 1,000 unit limitation to N.J.A.C. 5:93-14}) - \text{any units transferred as a result of a previously approved regional contribution agreement.}$$

2. For municipalities that receive a vacant land adjustment:

$$\text{RCA} = .5 (\text{prior-cycle fair share} + \text{realistic development potential} + \text{rehabilitation component} - \text{credits pursuant to N.J.A.C. 5:93-3.4}) - \text{any units transferred as a result of a previously approved regional contribution agreement.}$$

Municipalities that have not received substantive certification or a judgment of repose shall have a prior-cycle fair share of zero for this calculation. Municipalities that received a vacant land adjustment with a previous substantive certification or judgment of repose shall have a realistic development potential of zero for this calculation.

3. For municipalities that have never received substantive certification or a judgment of repose and are not seeking a vacant land adjustment:

$$\text{RCA} = .5 (\text{municipal precredited need} - \text{credits pursuant to N.J.A.C. 5:93-3} - \text{the impact of the 20 percent cap} - \text{the impact of the 1,000 unit limitation pursuant to N.J.A.C. 5:93-14}).$$

(b) However, a municipality may not transfer any portion of its rehabilitation component. A municipality may propose such a transfer to another municipality within its housing region by means of a contractual agreement into which two municipalities voluntarily enter. The Council shall not review a regional contribution agreement without a contractual agreement between the two municipalities.

(c) Notwithstanding the contractual agreement that initiates the review of a regional contribution, described in (a) above, the Council may require any contractual amendments it deems necessary upon reviewing the regional contribution agreement.

(d) The Council shall maintain current lists of municipalities which have stated an intent to enter into RCAs as receiving municipalities and shall provide copies of such lists to potential sending municipalities as requested.

5:93-6.2 Terms

(a) At least 50 percent of the units accepted by a receiving municipality shall be affordable to low income households. The Council may modify this requirement if it determines that the sending municipality has adequately provided for its low income housing obligation elsewhere in its housing element. In the same case of regional contribution agreements for scattered site rehabilitation of occupied units, the receiving community shall ensure, as best as practicable, that 50 percent of the rehabilitated units are occupied by low income households.

(b) A receiving municipality may use revenues collected as a result of a regional contribution for any activity approved by the Council for addressing the low and moderate income obligation. Eligible activities shall include, but are not necessarily limited to, those activities outlined in N.J.A.C. 5:93-5.

(c) All RCAs shall specify payment schedules which conform to a construction or rehabilitation schedule and which relate to the receiving municipality's ability to deliver housing units in a timely fashion.

(d) All RCAs shall require that a receiving municipality submit a proposed project plan which shall be in such form and contain such information as the Agency may require.

(e) Sending and receiving municipalities shall, as part of their contract negotiations, determine the use of transferred funds that may be in excess of the amount necessary to implement the RCA. Such funds shall either be returned to the sending community and/or utilized by the receiving community to produce additional low and moderate income housing units or for a capital expenditure ancillary to or benefiting low and moderate income households. However, if a receiving municipality can accomplish the housing activity approved as part of its project plan for less than the minimum per unit transfer pursuant to N.J.A.C. 5:93-6.4(b), the difference between the cost of the housing activity and the minimum per unit transfer shall be used within the receiving municipality. The specific use of excess funds by the receiving community need not be specified in the RCA contract, but shall be subject to Council approval.

5:93-6.3 Credits

No receiving municipality shall receive credit towards its fair share obligation for units provided pursuant to a RCA, where credit for such units has been awarded to a sending municipality.

5:93-6.4 Amount and duration of contributions

(a) In negotiating RCAs, cosmetic improvements may be included in determining the negotiated price of rehabilitating a housing unit. However, to be eligible for rehabilitation, a housing unit shall be substandard as defined in N.J.A.C. 5:93-1.3. Upon rehabilitation, housing deficiencies shall be corrected and the unit shall be brought up to code standard. The standard for evaluating rehabilitation activity shall be the local property maintenance code, or if none is available, the BOCA National Existing Structures Code (available from Building Officials and Code Administrators, Inc., 4051 West Flossmoor Road, Country Club Hills, Illinois 60478-5795)

(b) A sending municipality shall transfer at least \$20,000 to a receiving municipality for each unit transferred as part of a regional contribution agreement. This threshold has been established after consideration of:

1. The housing stock in New Jersey's urban municipalities;
2. The average cost of a regional contribution since 1986;
3. The maximum subsidies available under the Neighborhood Preservation Balanced Housing Program established pursuant to N.J.S.A. 52:27D-320; and
4. The average internal subsidization required for a developer to provide each low and moderate income unit within an inclusionary development.

(c) The receiving municipality may spend less than \$20,000 per unit in implementing the regional contribution agreement, provided the remaining funds are used for an activity approved by the Council for addressing the low and moderate income obligation. Eligible activities shall include, but are not necessarily limited to, those activities outlined in N.J.A.C. 5:93-5.

(d) RCAs shall run concurrent with the sending municipality's period of substantive certification, not to exceed six years. Contributions may be prorated in municipal appropriations concurrent with the certification period, not to exceed six years.

(e) All RCAs that include a scattered site rehabilitation program shall be structured so that the final transfer payment occurs within five years of the approval of the regional contribution agreement. All rehabilitation activity shall occur within the sending community's period of substantive certification. Rehabilitation schedules shall be structured for completion within five years of the approval of a regional contribution agreement. Rehabilitation schedules shall be subject to Council approval and shall not be structured to require a disproportionate share of rehabilitation during the latter portion of the five year period.

5:93-6.5 Monitoring and enforcement

(a) All RCAs shall require receiving municipalities to file annual reports with the Agency setting forth the progress in implementing the project to be produced under an RCA. This report shall be in such form as the Council and the Agency may from time to time require.

(b) The Council shall take such actions as may be necessary to enforce a RCA with respect to the timely implementation of a project by the receiving municipality. In implementing its enforcement responsibilities, the Council may:

1. Initiate or join a lawsuit to enforce a RCA;
2. Bar a delinquent receiving municipality from entering into further RCAs for a specified period of time;
3. Recommend that the Agency and the Department of Community Affairs withhold further assistance available under the Act; and/or
4. Take such other actions as the Council may determine necessary, including ordering a sending municipality, for good cause, to temporarily or permanently cease payment to a receiving municipality.

SUBCHAPTER 7. INCLUSIONARY DEVELOPMENTS
5:93-7.1 Purpose and scope

The purpose of this chapter is to provide standards that pertain to the creation of low and moderate income housing units. The rules that follow shall pertain to all inclusionary developments, including those created as part of a regional contribution agreement. This subchapter provides standards on: the distribution of low and moderate income units; bedroom distribution; and establishing the rents and prices of low and moderate income units.

5:93-7.2 Distribution of low and moderate income units

(a) With the exception of inclusionary developments constructed pursuant to low income tax credit regulations, at least half of all units within each inclusionary development shall be affordable to low income households.

(b) With the exception of inclusionary developments constructed pursuant to low income tax credit regulations, at least half of all rental units shall be affordable to low income households.

(c) With the exception of inclusionary developments constructed pursuant to low income tax credit regulations, at least one-third of all units in each bedroom distribution (pursuant to N.J.A.C. 5:93-73) shall be affordable to low income households.

5:93-7.3 Bedroom distribution

(a) Inclusionary developments that are not restricted to senior citizens shall be structured in conjunction with realistic market demands so that:

1. The combination of efficiency and one bedroom units is at least ten percent and no greater than 20 percent of the total low and moderate income units;
2. At least 30 percent of all low and moderate income units are two bedroom units; and
3. At least 20 percent of all low and moderate income units are three bedroom units.

(b) Low and moderate income units restricted to senior citizens may utilize a modified bedroom distribution. At a minimum, the number of bedrooms shall equal the number of senior citizen low and moderate income units within the inclusionary development. The standard can be met by creating all one bedroom units or by creating a two bedroom unit for each efficiency unit. Applications to waive this standard shall be made in accordance with N.J.A.C. 5:93 and shall be referred by the Council to the DCA Division on Aging for review and recommendations.

5:93-7.4 Establishing rents and prices of units

(a) The following criteria, in conjunction with realistic market information, shall be used in determining maximum rents and sale prices:

1. Efficiency units shall be affordable to one person households;
2. One half of all one bedroom units shall be affordable to one person households; and one half of all one bedroom units shall be affordable to two person households;
3. One half of all two bedroom units shall be affordable to two person households; and one half of all two bedroom units shall be affordable to three person households; and
4. One half of all three bedroom units shall be affordable to four person households and one half of all three bedroom units shall be affordable to five person households.

(b) Median income by household size shall be established by a regional weighted average of the uncapped Section 8 income limits published by HUD. To compute this regional income limit, the HUD determination of median county income for a family of four is multiplied by the households within the county. The resulting product for each county within the housing region is summed. The sum is divided by the estimated total households in each housing region. This quotient represents the regional weighted average of median income for a household of four. This regional weighted average is adjusted by household size based on multipliers used by HUD to adjust median income by

household size. The maximum average rent and price of low and moderate income units within each inclusionary development shall be affordable to households earning 57.5 percent of median income. The municipal ordinance shall require moderate income sales units to be available for at least three different prices and low income sales units to be available for at least two different prices.

(c) In averaging 57.5 percent under (b) above, developers and/or municipal sponsors of rental units may establish one rent for a low income unit and one rent for a moderate income unit for each bedroom distribution.

(d) Municipal ordinances regulating owner occupied and rental units shall require that low and moderate income units utilize the same heating source as market units within the inclusionary development.

(e) Municipalities shall require that the initial price of a low and moderate income owner-occupied single family housing unit be established so that after a downpayment of five percent, the monthly principal, interest, insurance, property taxes (property taxes shall be based on the restricted value of low and moderate income units) and condominium or homeowner fees do not exceed 28 percent of the eligible gross monthly income. Municipalities shall, by ordinance, require that master deeds of inclusionary developments regulate condominium or homeowner association fees or special assessments of low and moderate income purchasers at a specific percentage of those paid by market purchasers. The percentage that shall be paid by low and moderate income purchasers shall be at least one-third of the condominium or homeowner association fees paid by market purchasers. Once established within the master deed, the percentage shall not be amended without prior approval from the Council.

(f) Municipalities shall require that gross rents, including an allowance for utilities, be established so as not to exceed 30 percent of the gross monthly income of the appropriate household size referenced in (a) above. The allowance for utilities shall be consistent with the utility allowance approved by HUD for use in New Jersey.

(g) Low income housing units shall be reserved for households with a gross household income less than or equal to 50 percent of the median income approved by the Council. Moderate income housing units shall be reserved for households with a gross household income less than 80 percent of the median income approved by the Council. For example, a household earning 48 percent of median income may be placed in any low income unit; however, a household earning 53 percent may not qualify for a low income unit. A household earning 67 percent of median may be placed in any moderate income housing unit. A household earning less than 50 percent of median may be placed in a moderate income housing unit. Low and moderate income units shall not be offered to households that

are not income eligible without Council approval pursuant to N.J.A.C. 5:93-9.16.

SUBCHAPTER 8. DEVELOPMENT FEES

5:93-8.1 Purpose

(a) The New Jersey Supreme Court, in *Holmdel Builder's Ass'n v. Holmdel Township*, 121 N.J. 550 (1990) (issued December 13, 1990), determined that mandatory development fees are both statutorily and constitutionally permissible. The Court further anticipated that the Council would promulgate appropriate development fee rules specifying, among other things, the standards for these development fees. The purpose of this subchapter is to provide such guidance.

(b) Except as otherwise provided in these rules, a municipality may only collect and spend development fees through participation in the Council's substantive certification process or through a comprehensive review designed to achieve a judgment of repose. The exceptions to this rule are set forth in N.J.A.C. 5:93-8.3 through 8.6 inclusive. These exceptions are permitted because some communities have already received substantive certification; others have achieved a judgment of repose; and still others are litigating exclusionary zoning cases. Some of these municipalities have already collected fees. The Council has created a process for these municipalities to collect and/or retain fees. However, in the future, the ability to collect and spend development fees shall be limited to municipalities that petition for substantive certification. Urban aid municipalities are also considered a special case. These municipalities have historically housed a disproportionate share of New Jersey's poor and, as a result, may have exceedingly high fair share obligations that would be extremely difficult to address in a six year period. Therefore, the Council will allow these municipalities to collect fees outside of substantive certification provided the municipality adheres to the rules in this subchapter. The rules that follow provide basic requirements for collecting and spending development fees. They then provide additional requirements for municipalities in various categories.

(c) While the rules that follow shall govern those municipalities that petition for substantive certification and urban aid cities, the Council will review development fee ordinances and plan to spend money upon the request of the court with jurisdiction in an exclusionary zoning lawsuit.

5:93-8.2 Basic requirements

(a) Except as set forth in N.J.A.C. 5:93-8.3 through 8.6 inclusive, the Council shall not review or approve any development fee ordinance unless the municipality has petitioned for substantive certification.

(b) No municipality shall collect development fees unless the municipality has adopted a housing element and the Council has approved its development fee ordinance.

(c) No municipality shall spend development fees unless the Council has approved a plan for spending such fees. With the exception provided for in N.J.A.C. 5:93-8.3, municipalities that have not received substantive certification or a judgment of repose shall not spend development fees until they have received substantive certification or a judgment of repose.

5:93-8.3 Urban aid municipalities

Municipalities that qualify for State aid pursuant to P.L. 1978, c.14 (N.J.S.A. 52:27D-178 et seq.) shall not collect or spend development fees without conforming to the requirements set forth in N.J.A.C. 5:93-8.2. Council approval of the municipal development fee ordinance shall allow the municipality to collect development fees for a period specified by the Council, not to exceed six years, commencing with the Council's approval of the development fee ordinance. Notwithstanding any other provision of this chapter, these municipalities shall have one year from the Council's approval of their development fee ordinance to submit a plan for spending development fees. These municipalities may collect and spend development fees without petitioning for substantive certification.

5:93-8.4 Municipalities that collected fees and received certification

(a) This rule deals with the category of municipalities that have collected development fees prior to December 13, 1990 and have received substantive certification. These municipalities may petition the Council to review and approve an ordinance regarding development fees collected prior to December 13, 1990. The Council may approve such ordinance, provided it conforms to the procedures in N.J.A.C. 5:93-8.8, Development fee ordinance review, and N.J.A.C. 5:91-15, Procedures for retaining development fees.

(b) The municipalities in this category shall not resume collecting development fees or spend development fees without conforming to N.J.A.C. 5:93-8.2.

(c) Notwithstanding any other provision of this chapter, the municipalities in this category shall submit plans to spend the development fees (regardless of when these fees were collected) prior to the expiration of their substantive certification periods.

5:93-8.5 Municipalities that collected fees and are proceeding toward certification

(a) This rule deals with the category of municipalities that have collected development fees prior to December 13, 1990 and have petitioned for substantive certification. These municipalities may petition the Council to review and approve an ordinance regarding development fees collected prior to December 13, 1990. The Council may approve such ordinances provided they conform to the procedures in N.J.A.C. 5:93-8.8, Development fee ordinance review, and N.J.A.C. 5:91-15, Procedures for retaining development fees.

(b) The municipalities in this category shall not resume collecting development fees or spend development fees without conforming to N.J.A.C. 5:93-8.2.

(c) Notwithstanding any other provision of this chapter, municipalities in this category shall submit plans to spend the development fees and receive approval of these plans prior to receiving substantive certification.

5:93-8.6 Municipalities that have not collected fees that have received substantive certification, or are proceeding toward substantive certification

(a) This rule deals with municipalities that have not collected development fees and that have received substantive certification or are proceeding toward substantive certification. Municipalities in this category shall not collect fees until they have adopted a housing element and received the Council's approval of its development fee ordinance. No municipality in this category shall spend development fees unless the Council has approved a plan for spending such fees.

(b) Municipalities that have not received substantive certification shall submit plans for spending the development fees and receive approval for these plans prior to receiving substantive certification.

(c) Notwithstanding any provision of this chapter, municipalities in this category that have received substantive certification shall submit plans for spending the development fees prior to the expiration of the substantive certification period or period of repose.

5:93-8.7 Other municipalities that have not collected fees

(a) Except as provided for in N.J.A.C. 5:93-8.3 through 8.6 inclusive, municipalities that have not collected fees shall not collect fees until they have adopted a housing element, petitioned for substantive certification and received the Council's approval of its development fee ordinance.

(b) No municipality in this category may spend development fees unless the Council has approved a plan for spending such fees and granted substantive certification. Municipalities shall submit these plans when they petition for substantive certification. Municipalities that have petitioned for substantive certification prior to the effective date of this rule shall submit plans for spending development fees prior to receiving substantive certification.

5:93-8.8 Development fee ordinance review

(a) The Council shall not review a development fee ordinance unless the municipality has submitted:

1. A copy of an adopted housing element that complies with the Municipal Land Use Law, N.J.S.A. 40:55D et seq.;

2. A copy of the proposed ordinance designed to collect development fees;

3. A description of any changes to the municipal zoning ordinance during the previous two years;

4. A request in the form of a resolution by the governing body for the Council to review the development fee ordinance;

5. If the municipality has received a court ordered judgment of repose, a copy of the compliance plan, implementation ordinances and information regarding the period of time encompassed by the judgment of repose;

6. A description of the types of developments that will be subject to fees;

7. A description of the amount and nature of the fees imposed;

8. A statement regarding the use of density bonuses or other devices to counterbalance development fees; and

9. If development fees have been collected prior to December 13, 1990 and the municipality wishes to retain some or all of these fees, the following information must be submitted to the Council within 90 days of the effective date of this rule:

i. A copy of the ordinance pursuant to which the fees were collected; and the proposed ordinance, if any, designed to reimpose some or all of these fees;

ii. A request in the form of a resolution by the governing body for the Council to review the development fee ordinance used to collect the fees;

iii. The name of each developer that paid a development fee;

iv. The amount paid by each developer and the formula for the amount collected;

v. The equalized assessed value of each development at the time of collection;

vi. An accounting of all money collected and identification of the municipal account that houses all development fees;

vii. If any money collected through a development fee ordinance has been spent, an accounting of the expenditure; and

viii. Any other information the Council may require.

(b) Municipalities that collected fees prior to December 13, 1990, shall be able to retain such revenues or reimpose such fees to the extent that the fees collected by the municipality do not exceed the amount permitted by this chapter. Municipalities interested in retaining development fees collected prior to December 13, 1990 shall also conform to the procedures outlined in N.J.A.C. 5:91-15, Procedures for retaining development fees.

5:93-8.9 Content of plans to spend development fees

Plans to spend development fees shall consist of the information required in N.J.A.C. 5:93-5.1(c).

5:93-8.10 Development fees; residential

(a) Residential development fees shall be a maximum of one-half of one percent of the equalized assessed value for residential development, provided no increased density is permitted.

(b) Where there is a zoning change that permits increased residential development, the municipality may impose a development fee of up to six percent of the equalized assessed value for each additional unit that may be realized as a result of the rezoning.

Example: If a rezoning allowed two extra units to be constructed, the fees could equal one-half of one percent of equalized assessed value on the first unit and six percent of equalized assessed value on the two incremental units.

(c) Municipalities may allow developers of sites zoned for inclusionary development to pay a fee in lieu of building low and moderate income units, provided the Council determines the municipal housing element and fair share plan provides a realistic opportunity for addressing the municipal fair share obligation. The fee may equal the cost of subsidizing the low and moderate income units that are replaced by the development fee. For example, an inclusionary development may include a 20 percent set-aside, no set-aside and a fee that is the equivalent of a 20 percent set-aside or a combination of a fee and set-aside that is the equivalent of a 20 percent set-aside.

(d) Municipalities may collect fees exceeding those permitted in this section, provided they enter into agreements with developers that offer a financial incentive for paying higher fees. The financial incentive may be in the form of a tax abatement. No agreement may provide for a voluntary developer fee without also providing for a comparable offsetting incentive. All agreements are subject to Council approval.

5:93-8.11 Development fees; non-residential

(a) Non-residential development fees shall be a maximum of one percent of the equalized assessed value for non-residential development.

(b) Municipalities may collect fees exceeding those permitted in this section provided they enter into agreements with developers that offer a financial incentive for paying higher fees. Such agreements may include, but are not limited to, a tax abatement, increased commercial/industrial square footage, increased commercial/industrial lot coverage and/or increased commercial/industrial impervious coverage in return for an increased fee. The fee negotiated must bear a reasonable relationship to the additional commercial/industrial consideration to be received. All agreements are subject to Council approval.

5:93-8.12 Eligible exactions, ineligible exactions and exemptions

(a) Except as provided for in N.J.A.C. 5:93-8.10, inclusionary developments shall be exempt from development fees. All other forms of new construction may be subject to development fees.

(b) Development fees may be collected when an existing structure is expanded or undergoes a more intense use. The development fee that may be collected shall be calculated on the increase in the equalized assessed value of the improved structure.

(c) Municipalities shall not reduce densities from pre-existing levels and then require developers to pay development fees in exchange for an increased density.

(d) Developments that have received preliminary or final approval prior to the imposition of a municipal development fee shall be exempt from development fees unless the developer seeks a major change in the approval. Municipalities that collected development fees prior to December 13, 1990 may not retain any fees imposed subsequent to granting preliminary or final development approval, unless the developer seeks a major change in the approval.

(e) Municipalities may exempt specific types of development from fees or may impose lower fees for specific types of development, provided each classification of development is addressed consistently. For example, all retail development may be exempt from fees.

(f) Municipalities may exempt specific areas of the municipality from the imposition of fees or reduce fees in order to promote development in specific areas of the municipality.

5:93-8.13 Collection of fees

Municipalities may collect up to 50 percent of the fee on any specific development at the time of issuance of the building permit. The remaining portion may be collected at the issuance of the certificate of occupancy.

5:93-8.14 Housing trust fund

All development fees shall be deposited in a separate interest bearing housing trust fund. In establishing the housing trust fund, the municipality shall provide whatever express written authorization that may be required by the bank to permit the Council to direct the disbursement of development fees pursuant to N.J.A.C. 5:93-8.17 and 8.18.

5:93-8.15 Use of money

(a) A municipality may use revenues collected from development fees for any activity approved by the Council for addressing the municipal fair share. Such activities include, but are not limited to: rehabilitation, new construction, regional contribution agreements, purchase of land for low and moderate income housing, improvement of land to be used for low and moderate income housing, extensions and/or improvements of roads and infrastructure to low and moderate income housing sites, assistance designed to render units to be more affordable and administration of the implementation of the housing element. Municipalities are encouraged to use development fee revenues to attract other funds such as, but not limited to, available public subsidies and funds from private lending institutions.

(b) Funds shall not be expended to reimburse municipalities for past housing activities.

(c) At least 30 percent of the revenues collected from development fees shall be devoted to render units more affordable. Examples of such activities include, but are not limited to, downpayment assistance, low interest loans, and rental assistance. Development fees collected pursuant to N.J.A.C. 5:93-8.10(c) shall be exempt from this requirement. This requirement may be waived in whole or in part when the municipality demonstrates the ability to address the requirement of affordability assistance from another source.

(d) Municipalities may contract with a private or public entity to administer the implementation of any part of its housing element, including the requirement for affordability assistance.

(e) No more than 20 percent of the revenues collected from development fees shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop or implement: a rehabilitation program; a new construction program; a regional contribution agreement; a housing element; and an affirmative marketing program. Administrative funds may be used for: income qualification of households; monitoring the turnover of sale and rental units; and compliance with Council monitoring requirements. Development fees shall not be used to defray the costs of existing staff.

5:93-8.16 Monitoring

Municipalities that collect development fees shall complete and return all monitoring forms related to the collection of fees, expenditure of revenues and implementation of the plan certified by the Council or approved by the court. Quarterly financial reports, and annual program implementation and auditing reports shall be completed on forms designed by the Council.

5:93-8.17 Penalties

(a) The municipality's ability to collect fees and the Council's approval of an ordinance and spending plan shall be conditioned on compliance with all requirements of this subchapter. Occurrence of the following may result in the Council taking an action pursuant to (b) below:

1. Failure to submit a plan pursuant to N.J.A.C. 5:93-5.1(c) within the time limits imposed by the Council;
2. Failure to meet deadlines for information required by the Council in its review of a housing element, development fee ordinance, or plan for spending fees;
3. Failure to proceed through the Council's administrative process toward substantive certification in a timely manner;
4. Failure to address the Council's conditions for approval of a plan to spend development fees within the deadlines imposed by the Council;
5. Failure to address the Council's conditions for substantive certification within deadlines imposed by the Council;
6. Failure to submit accurate monitoring reports within the time limits imposed by the Council;
7. Failure to implement the plan to spend development fees within the time limits imposed by the Council, or within reasonable extensions granted by the Council;
8. Expenditure of development fees on activities not permitted by the Council;
9. Revocation of certification; or
10. Other good cause demonstrating that the revenues are not being used for the intended purpose.

(b) Consistent with this rule, any ordinance adopted by a municipality for the purpose of imposing and collecting development fees shall provide that, in the event that any of the conditions described in N.J.A.C. 5:93-8.17(a) occur, the Council shall be authorized, on behalf of the municipality, to direct the manner in which all development fees collected pursuant to that ordinance shall be expended. Such revenues shall immediately become available for expenditure once the Council has notified the municipal clerk and chief financial officer that such a condition has occurred. In furtherance of the foregoing, any such municipality shall, in establishing a bank account pursuant to N.J.A.C. 5:93-8.14, ensure that the municipality has provided whatever express written authorization may be required by the bank to permit the Council to direct the disbursement of such revenues from the account following the delivery to the bank of the aforementioned written notification provided by the Council to the municipality's clerk and chief financial officer.

(c) The Council may, after a hearing pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., revoke development fee ordinance approval for any municipality that fails to comply with the requirements of this subchapter. Where such approval has been revoked, the Council shall not approve an ordinance permitting such municipality to collect development fees for the remaining period of the substantive certification period or judgment of repose. With regard to municipalities that qualify for State aid pursuant to P.L. 1978, c.14 (N.J.S.A. 52:27D-178 et seq.) the Council shall not approve any ordinance permitting such municipalities to collect development fees for the remainder of the approval period (of up to six years) following a Council determination that they failed to comply with this subchapter.

(d) Neither loss of development fees, nor loss of the municipality's ability to collect development fees shall alter the municipality's responsibilities pursuant to substantive certification or a court ordered judgment of repose.

5:93-8.18 Designation of entities to receive development fees

(a) The Council shall solicit plans from public sector entities and non-profit agencies to create or rehabilitate affordable housing.

(b) The Council shall designate such agencies to receive revenues from development fees when the Council takes an action pursuant to N.J.A.C. 5:93-8.17.

(c) To the extent practicable, when the Council takes an action pursuant to N.J.A.C. 5:93-8.17, the Council shall assign development fee revenues to projects planned within the municipality that generated the revenues or within close proximity to the municipality (such as within the county or region).

5:93-8.19 Ongoing collection of fees

(a) Municipalities that qualify for State aid pursuant to P.L. 1978, c.14 (N.J.S.A. 52:27D-178 et seq.) and have received Council approval to collect development fees, shall not collect such fees for more than the period specified by the Council, not to exceed a six year period, unless the municipality has refiled an adopted housing element with the Council and received the Council's approval of its development fee ordinance. These municipalities shall submit a plan for spending development fees within one year of the Council's approval of their development fee ordinance. Municipalities that fail to renew their ability to collect development fees within the six year period may resume the collection of development fees by complying with the requirements of this section.

(b) Except as provided for in (a) above, the ability for all other municipalities to collect development fees shall expire with their substantive certification or judgment of repose, unless the municipality has filed an adopted housing element with the Council; petitioned for substantive certification; and received the Council's approval of its development fee ordinance. Municipalities that fail to renew their ability to collect development fees prior to the expiration of their substantive certification or judgment of repose may resume the collection of development fees by complying with the requirements of this section.

5:93-8.20 Severability

If any part of this subchapter shall be held invalid, the holding shall not affect the validity of the remaining parts of this subchapter. If any part of this subchapter is held invalid in one or more of their applications, the rules shall remain in effect in all valid applications that are severable from the invalid application.

SUBCHAPTER 9. CONTROLS ON AFFORDABILITY

5:93-9.1 Purpose and scope

(a) This subchapter is designed to provide assurances that low and moderate income units are created with controls on affordability over time and that low and moderate income people occupy these units. To that end, municipalities shall designate a municipal authority with the responsibility of ensuring the affordability of sales and rental units over time. The authority shall also be responsible for: affirmative marketing; income qualification of low and moderate income households; placing income eligible households in low and moderate income units upon initial occupancy; placing income eligible households in low and moderate income units as they become available during the period of affordability controls; and enforcing the terms of the deed restriction and mortgage loan. Municipalities shall establish a municipal authority or contract with the Department of Community Affairs Affordable Housing Management Service (AHMS).

(b) In placing households in low and moderate income units, municipalities shall utilize the following verification and certification procedures:

1. Every household member 18 years of age or over who will live in the affordable unit and receives income shall be required to provide income documentation as applicable and determined by the reviewer for the Authority. This includes income received by adults on behalf of minor children for their benefit. Household members 18 years of age or over not receiving income must produce documentation of current status.

2. Verification may include, but is not limited to, the following:

i. Four consecutive pay stubs including overtime, bonuses, or tips dated within 120 days of the interview date or a letter from employer stating present annual income figure as projected annually;

ii. A copy of regular IRS Form 1040 (Tax computation form) 1040A, or 1040 EZ as applicable and State income tax returns filed for each of the three years prior to the date of interview;

iii. A letter or appropriate reporting form verifying benefits such as Social Security, Unemployment, Welfare, Disability or Pension income (monthly or annually);

iv. A letter or appropriate reporting form verifying any other sources of income claimed by the applicant such as alimony and child support;

v. Reports that verify income from assets to be submitted by banks or other financial institutions managing trust funds, money market accounts, certificates of deposit, stocks or bonds;

vi. Evidence or reports of income from assets such as real estate or businesses that are directly held by any Household Member;

vii. Evidence or reports that verify assets that do not earn regular income such as non-income producing real estate or savings that do not earn interest; and

viii. A notarized statement of explanation in such form as to be satisfactory to the reviewer.

3. Generally, sources of annual income shall be based on regular income reported to the IRS and which can be utilized for mortgage approval. Household annual gross income shall be calculated by projecting current gross income over a 12-month period.

4. Income includes but is not limited to wages, salaries, tips, commissions, alimony, regularly scheduled overtime, pensions, social security, unemployment compensation, AFDC, verified regular child support, disability, net income from business or real estate, and income from assets such as savings, CDs, money market, mutual funds, stocks and bonds and imputed income from non-income producing assets such as equity in real estate.

5. Assets not earning a verifiable income shall have an imputed interest income using a current average annual savings interest rate. Assets not earning income includes present real estate equity. Applicants owning real estate must produce documentation of a market value appraisal and outstanding mortgage debt. The difference will be treated as the monetary value of the asset and the imputed interest added to income.

6. Income from assets that have delayed earnings, such as IRA's or annuity programs shall not be included

in current income until such payments are being received. However, these assets must be reported and verified.

7. Net rent from real estate is considered income after the monthly mortgage payment including real estate taxes and insurance is deducted. Other expenses are not deductible. In addition, the equity in the rented real estate is considered an asset and will have the imputed interest income on the calculated value of equity added to income.

8. Income does not include payments, rebates or credits received under Federal or State low income home energy assistance programs, Food Stamps, payments received for care of foster children, relocation assistance benefits, income of live-in attendants, scholarships, student loans, personal property such as automobiles, lump-sum additions to family assets such as inheritances, one-time lottery winnings, and insurance settlements except for additional income earned from these additions, and casual, sporadic or irregular gifts and bonuses.

9. Standard credit information services that provide conventional credit and tenant reports may be utilized when certifying a household with required written permission from the household. An unsatisfactory credit history or credit information that demonstrates a disproportionate debt to income ratio may result in a denial of certification. Court-ordered payments for alimony or child support to another household shall be considered a regular monthly debt whether or not it is being paid regularly.

10. Households whose total Gross Annual Income is measured at 50 percent or below 50 percent of the authorized median income guideline shall be certified as low income households and referred to units designated for low income households.

11. Households whose total gross annual income is measured above 50 percent but below 80 percent of the authorized median income shall be certified as moderate income households and referred to units designated for moderate income households.

12. Generally, households will be referred to units where predetermined total monthly housing costs correspond to the household's calculated ability to pay using 28 percent of gross monthly income as a standard for homeownership and 30 percent of gross monthly income as a standard for rental units.

13. At the discretion of the Authority, households may also be required to produce documentation of household composition for determining the correct unit size and the applicable median income guide.

14. Generally, households will be referred to available units using the following standards for occupancy:

- i. A maximum of two persons per bedroom;
- ii. Children of same sex in same bedroom;

iii. Unrelated adults or persons of the opposite sex other than husband and wife in separate bedrooms; and

iv. Children not in same bedroom with parents.

15. Households may be considered for units other than as above, but in no case shall a household be referred to a unit that provides for more than one additional bedroom per household occupancy standards as stated in (b)14 above.

16. A form for certification shall be prepared and signed by the Authority. Only households receiving certification shall be referred to Affordable Housing units.

17. Certified Households who reject an opportunity for affordable housing may be replaced on the referral list at their request and may be reinterviewed for certification when their name appears on a listing for a subsequent unit.

18. Certification shall be valid for no more than 120 days unless a valid sales contract or lease has been executed within that time period. In this event, certifications shall be valid until such time as the sales contract or lease is ruled invalid and no occupancy has occurred. Certifications may be renewed in writing at the request of a Certified Household for no more than an additional period of 120 days at the discretion of the Authority.

19. Households who are denied certification may make a written request for a redetermination. Households shall be required to produce additional documentation to support their claim. Households who are denied certification a second time may request a hearing by forwarding a written request to the Authority within 30 days following the household's receipt of a denial notification. If a written request has not been received within the 30 day time period, the ineligible determination will be final. The hearing decision shall be final.

5:93-9.2 Length of controls

(a) In developing housing elements, municipalities shall determine measures to assure that newly constructed low and moderate income sales units remain affordable to low and moderate income households for an appropriate period of not less than 20 years. The authority shall do so by requiring all conveyances of newly constructed low and moderate income sales units subject to the Act, to contain the deed restriction and mortgage lien adopted by the Council. (See Appendix E)

(b) Municipalities receiving State aid pursuant to P.L. 1978, c.14 (N.J.S.A. 52:27D-178 et seq.) that exhibit one of the characteristics delineated in N.J.A.C. 5:93-2.3(b) shall adopt measures to assure that newly constructed low and moderate income sales units remain affordable to low and moderate income households for a period of not less than 10 years. The authority shall do so by requiring all conveyances of newly constructed low and moderate income sales units subject to the Act to contain the deed restriction and mortgage lien adopted by the Council. (See Appendix E)

(c) Rehabilitated owner-occupied single family housing units that are improved to code standard shall be subject to affordability controls for at least six years.

(d) Rehabilitated renter-occupied housing units that are improved to code standard shall be subject to affordability controls for at least 10 years.

(e) Municipalities shall adopt measures to assure that newly constructed low and moderate income rental units remain affordable to low and moderate income households for a period of 30 years. Municipalities receiving State aid pursuant to P.L. 1978, c.14 (N.J.S.A. 52:27D-178 et seq.) that exhibit one of the characteristics delineated in N.J.A.C. 5:93-2.3(b) shall adopt measures to assure that newly constructed low and moderate income rental units remain affordable to low and moderate income households for a period of at least 10 years. Affordability controls on rental units may exceed the prescribed periods if the developer agrees to a longer period.

(f) Housing units created through conversion of a non-residential structure shall be considered a new housing unit and shall be subject to controls on affordability as delineated in (a), (b) and (e) above.

(g) Affordability controls on accessory apartments shall be for a period of at least 10 years. However, in order to be eligible for a rental bonus, (pursuant to N.J.A.C. 5:93-5.13) controls on affordability shall extend for a period of 30 years.

(h) Alternative living arrangements shall be controlled in a manner, suitable to the Council, that provides assurances that such a facility will house low and moderate income households for at least 10 years.

5:93-9.3 General provisions concerning uniform deed restriction liens and enforcement through certificates of occupancy or reoccupancy on sales units

(a) No municipality shall issue a certificate of occupancy for initial occupancy of a low or moderate income sales unit unless there is a written determination by the authority that the unit is to be controlled by a deed restriction and mortgage lien as adopted by the Council. The authority shall make such determination within 10 days of receipt of a proposed deed restriction and mortgage lien. Amendments to the deed restriction and lien shall be permitted only if they have been approved by the Council. A request for an amendment to the deed restriction and lien may be made by the authority, the municipality or a developer.

(b) No municipality shall permit the initial occupancy of a low or moderate income sales unit prior to issuance of a certificate of occupancy in accordance with (a) above.

(c) Municipalities shall, by ordinance, require a certificate of reoccupancy for any occupancy of a low or moderate income sales unit resulting from a resale and shall not issue such certificate unless there is a written determination by the authority that the unit is to be controlled by the deed restriction and mortgage lien prior to issuance of a certificate of occupancy, regardless of whether the sellers had executed the deed restriction and mortgage lien adopted by the Council upon acquisition of the property. The authority shall make such determination within 10 days of receipt of a proposed deed restriction and mortgage lien.

(d) The certificate of reoccupancy shall not be required in sales for which controls are allowed to expire or in which the repayment option is being exercised pursuant to N.J.A.C. 5:93-9.4.

(e) The mortgage lien and the deed restriction shall be filed with the records office of the county in which the unit is located. The lien and deed restriction shall be in the form adopted by the Council, as delineated in the Appendix E, unless amendments have been approved by the Council, for a specific municipality.

(f) The deed restriction, including the repayment clause, and the mortgage lien shall have priority over all mortgages on the property except for a first mortgage placed on the property by the mortgagee prior to the expiration of resale controls.

5:93-9.4 Option to buy sales units

(a) The deed restriction governing the deeds of low and moderate income units shall include an option permitting purchase of the affordable housing unit at the maximum allowable restricted sales price at the time of the first non-exempt sale after controls on affordability have been in effect on the unit for the period, specified in N.J.A.C. 5:93-9.2. The option to buy shall be available to the municipality, the Department of Community Affairs, the Agency, or a qualified non-profit as defined in this chapter.

(b) All deed restrictions governing low and moderate income units shall require the owner to notify the authority and the Council by certified mail of any intent to sell the unit 90 days prior to entering into an agreement for the first non-exempt sale after controls have been in effect on the housing unit for the period specified in N.J.A.C. 5:93-9.2.

(c) Upon receipt of such notice, the option to buy the unit at the maximum allowable restricted sales price or any mutually agreeable sales price that does not exceed the maximum allowable restricted sales price shall be available for 90 days. The authority shall notify the municipality, the Department of Community Affairs, the Agency, and the Council that the unit is for sale. If the municipality exercises this option, it may enter into a contract of sale. If the municipality fails to exercise this option within 90 days, the first of the other entities giving notice to the seller of its

intent to purchase during the 90 day period, shall be entitled to purchase the unit. If the option to purchase the unit at the maximum allowable restricted sales price is not exercised by a written offer to purchase the housing unit within 90 days of receipt of the intent to sell, the owner may proceed to sell the housing unit (pursuant to N.J.A.C. 5:93-9.8). If the owner does not sell the unit within one year of the date of the delivery of notice of intent to sell, the option to buy the unit shall be restored and the owner shall be required to submit a new notice of intent to sell 90 days prior to any future proposed date of sale.

(d) Any option to buy a housing unit at the maximum allowable restricted sales price shall be exercised by certified mail and shall be deemed exercised upon mailing.

5:93-9.5 Municipal option; sales units

(a) Any municipality that elects to purchase a low or moderate income unit pursuant to N.J.A.C. 5:93-9.4 may:

1. Convey or rent the housing unit to a low or moderate income purchaser or tenant at a price or rent not to exceed the maximum allowable restricted sales price or rent provided the unit is controlled by a deed restriction in accordance with Exhibit E or an alternative approved by the Council; or;
2. Convey the unit at fair market value subject to the provisions of (c) below.

(b) Municipalities that purchase low income housing units shall maintain them as low income housing units.

(c) Municipalities that elect to purchase low or moderate income housing units and convey them at a fair market value shall:

1. Notify the Council of any proposed sale and sales price 90 days before closing;
2. Notify the Council of the price differential as defined in N.J.A.C. 5:93-1.3; and
3. Deposit the price differential in an interest bearing housing trust fund devoted solely to the creation, rehabilitation or maintenance of low and moderate income housing.

(d) Money deposited in housing trust funds may not be expended until the municipality submits and the Council approves a spending plan in accordance with N.J.A.C. 5:93-5.1(c). Money deposited in housing trust funds shall be subject to the restrictions, monitoring requirements and penalties outlined in N.J.A.C. 5:93-8.15 through 17.

5:93-9.6 State option; sales units

(a) When the Department of Community Affairs or Agency elects to purchase a low or moderate income unit pursuant to N.J.A.C. 5:93-9.4, it may:

1. Convey or rent the housing unit to a low or moderate income purchaser or tenant at a price or rent not to exceed the allowable restricted sales price or rental; or

2. Convey the unit at fair market value and utilize the price differential to subsidize the construction, rehabilitation or maintenance of low and moderate income housing within the appropriate housing region.

5:93-9.7 Non-profit option; sales units

(a) Non-profit agencies may apply to the Council at any time for the right to purchase low or moderate income units subsequent to the period of controls on affordability provided the unit remains controlled by a deed restriction in accordance with Appendix E, or an alternative approved by the Council.

(b) Non-profit agencies that have been designated by the Council shall be eligible to purchase low or moderate income units pursuant to N.J.A.C. 5:93-9.4 for the sole purpose of conveying or renting the housing unit to a low or moderate income purchaser or tenant at a price or rent not to exceed the allowable restricted sales price or rental. Low income units shall be made available to low income purchasers or tenants and the housing unit shall be regulated by the deed restriction and lien adopted by the Council, and included in Appendix E, incorporated herein by reference. The term of the controls on affordability shall be the same as those required by N.J.A.C. 5:93-9.2.

5:93-9.8 Seller option; sales units

(a) An eligible seller of a low or moderate income unit which has been controlled for the period established in N.J.A.C. 5:93-9.2, who has provided notice of an intent to sell, may proceed with the sale if no eligible entity as outlined in N.J.A.C. 5:93-9.4(c) and 9.7 exercises its option to purchase within 90 days.

(b) Subject to N.J.A.C. 5:93-9.9, the seller may elect to:

1. Sell to a qualified low and moderate income household at a price not to exceed the maximum permitted sales price in accordance with existing Council rules, providing the unit is regulated by the deed restriction and lien adopted by the Council and included in Appendix E, incorporated herein by reference, for a period of at least 20 years; or

2. Exercise the repayment option and sell to any purchaser at market price, providing that 95 percent of the price differential is paid to the authority, as an instrument of the municipality, at closing.

(c) If the sale will be to a qualified low and moderate income household, the authority shall certify the income qualifications of the purchaser and shall ensure the housing unit is regulated by the deed restriction and lien required by the Council, which has been included in Appendix E, incorporated herein by reference.

(d) The authority shall examine any contract of sale containing a repayment option to determine if the proposed sales price bears a reasonable relationship to the housing unit's fair market value. In making this determination, the authority may rely on comparable sales data or an appraisal. The authority shall not approve any contract of sale where there is a determination that the sales price does not bear a reasonable relationship to fair market value. The authority shall make a determination within 20 days of receipt of the contract of sale and shall calculate the repayment option payment.

(e) The authority shall adopt an appeal procedure by which a seller may submit written documentation requesting the authority to recompute the repayment obligation if the seller believes an error has been made, or to reconsider a determination that a sales price does not bear a reasonable relationship to fair market value. A repayment obligation determination made as a result of an owner's appeal shall be a final administrative determination of the authority.

(f) The repayment shall occur at the date of closing and transfer of title for the first non-exempt transaction after the expiration of controls on affordability.

(g) Repayment proceeds shall be deposited in a housing trust fund (see N.J.A.C. 5:93-8.14) and may be used as per N.J.A.C. 5:93-8.15. Money deposited in housing trust funds may not be expended until the municipality submits and the Council approves a spending plan (See N.J.A.C. 5:93-5.1(c)).

5:93-9.9 Municipal rejection of repayment option; sales units

(a) A municipality shall have the right to determine that the most desirable means of promoting an adequate supply of low and moderate income housing is to prohibit the exercise of the repayment option and maintain controls on lower income housing units sold within the municipality beyond the period required by N.J.A.C. 5:93-9.2. Such determination shall be made by resolution of the municipal governing body and shall be effective upon filing with the Council and the authority. The resolution shall specify the time period for which the repayment option shall not be applicable. During such period, no seller in the municipality may utilize the repayment option permitted by N.J.A.C. 5:93-9.8.

(b) Municipalities that exercise the option outlined in (a) above shall:

1. Provide public notice in a newspaper of general circulation; and

2. Notify the authority and Council of its governing body's action.

(c) The authority shall ensure that the deed restriction on all affected housing units reflects the extended period of controls.

5:93-9.10 Continued application of options to create, rehabilitate or maintain low and moderate income units; sales units

When a housing unit has been maintained as a low or moderate income unit after controls have been in effect for the period specified in N.J.A.C. 5:93-9.2, the deed restriction governing the housing units shall allow municipalities, the State, non-profit agencies and sellers of low and moderate income units to again exercise all the same options as provided in this subchapter.

5:93-9.11 Eligible capital improvements prior to the expiration of controls; sales units

(a) Property owners of single family, owner-occupied housing may apply to the authority for permission to increase the maximum price for eligible capital improvements. Eligible capital improvements shall be those that render the unit suitable for a larger household. In no event shall the maximum price of an improved housing unit exceed the limits of affordability for the larger household. Property owners shall apply to the authority if an increase in the maximum sales price is sought.

(b) At resale, all items of property which are permanently affixed to the units and/or were included when the unit was initially restricted (for example, refrigerator, range, washer, dryer, dishwasher, wall to wall carpeting) shall be included in the maximum allowable resale price. Other items of property may be sold to the purchaser at a reasonable price that has been approved by the authority at the time of signing the agreement to purchase. The purchase of central air conditioning installed subsequent to the initial sale of the unit and not included in the base price may be made a condition of the unit resale provided the price has been approved by the authority. Unless otherwise permitted by the Council, the purchase of any property other than central air conditioning shall not be made a condition of the unit resale. The owner and the purchaser must personally certify at the time of closing that no unapproved transfer of funds for the purpose of selling and receiving property has taken place at resale.

5:93-9.12 Subsidy to ensure affordability prior to the expiration of controls; sales units

If the use of median income data adopted by the Council to index the cost of housing renders a unit unaffordable to a low or moderate income household at the time of resale, a municipality shall not lose credit for the housing unit, provided that adequate controls on affordability remain in

place, but the municipality may subsidize the housing unit to maintain affordability.

5:93-9.13 Impact of foreclosure on resale while controls are in place; sales units

A judgment of foreclosure or a deed in lieu of foreclosure to a financial institution regulated by State and/or Federal law or to a lender on the secondary mortgage market (including, but not limited to, the Federal National Mortgage Association, the Home Loan Mortgage Corporation, the Government National Mortgage Association or an entity acting on their behalf) shall extinguish controls on affordable housing units provided there is compliance with N.J.A.C. 5:93-9.14. Notice of foreclosure shall allow the authority, the municipality, the Department of Community Affairs, the Agency or a non-profit entity to purchase the affordable housing unit at the maximum permitted sales price and maintain it as an affordable unit for the balance of the intended period of controls. Failure to purchase the affordable housing unit shall result in the Council adding that unit to the municipal present and prospective fair share obligation. Failure of the financial institution to provide notice of a foreclosure action to the authority shall not impair any of the financial institution's rights to recoup loan proceeds; shall not negate the extinguishment of controls or the validity of the foreclosure; and shall create no cause of action against the financial institution.

5:93-9.14 Excess proceeds upon foreclosures; sales units

In the event of a foreclosure sale, the owner of the affordable housing unit shall be personally obligated to pay to the authority responsible for assuring affordability, any surplus funds, but only to the extent that such surplus funds exceed the difference between the maximum price permitted at the time of foreclosure and the amount necessary to redeem the debt to the financial institution, including costs of foreclosure.

5:93-9.15 Annual indexed increases while controls are in place; sales and rentals

(a) The price of an owner-occupied housing unit and the rents of affordable housing units may increase annually based on the percentage increase in the regional median income limit for each housing region. In no event shall the maximum resale price established by the authority be lower than the last recorded purchase price.

(b) With the exception of rentals constructed pursuant to low income tax credit regulations, the rent of a low or moderate income housing unit may be increased annually based on the percentage increase in the Housing Consumer Price Index for the United States. This increase shall not exceed nine percent in any one year. Rents for units constructed pursuant to low income tax credit regulations shall be indexed pursuant to the regulations governing low income tax credits.

5:93-9.16 Procedures for initial sales, resale prior to the expiration of controls, and rentals

(a) Low and moderate income sales units shall not be offered to non-income eligible households at initial sale without Council approval. Parties that petition the Council for such approval shall document efforts to sell housing units to income eligible households and shall adhere to the procedures outlined in N.J.A.C. 5:91-12.

(b) Persons wishing to sell affordable units shall notify the authority responsible for assuring affordability of the intent to sell. If no eligible buyer enters a contract of sale for the unit within 90 days of notification, the authority shall have the option to purchase the unit for a negotiated price that shall not exceed the maximum price permitted based on the regional increase in the median income as defined by HUD or other recognized standard adopted by the Council. If the authority does not purchase the unit, the seller may apply for permission to offer the unit to a non-income eligible household at the maximum price permitted. The seller shall document efforts to sell the unit to an income eligible household as part of this application. In reviewing the request, the authority shall consider the specific reasons for any delay in selling the housing unit and the hardship to the seller in continuing to offer the affordable unit to an income eligible applicant. The inability to sell a unit for the maximum permitted resale price shall not, in itself, be considered an appropriate reason for allowing a housing unit to be sold to a non-income eligible household. If the request is granted, the seller may offer a low income housing unit to a moderate income household and a moderate income housing unit to a household earning in excess of 80 percent of median. In no case shall the seller be permitted to receive more than the maximum price permitted. In no case shall a sale pursuant to this section eliminate the resale controls on the unit or permit any subsequent seller to convey the unit except in full compliance with the terms of this subchapter.

(c) Owners of low and moderate income rental units shall not offer rental units to non-income eligible households without prior approval of the Council. Parties that petition for such approval shall document all efforts to rent to income eligible households and demonstrate to the satisfaction of the Council that alternatives, such as a reduction in rent, is not feasible. Parties that petition the Council shall adhere to the procedures outlined in N.J.A.C. 5:91-12.

SUBCHAPTER 10. COST GENERATION**5:93-10.1 Purpose and scope**

(a) Section 14(b) of the Fair Housing Act (N.J.S.A. 52:27D-301 et seq.) incorporates the need to eliminate unnecessary cost generating features from municipal land use ordinances as a requirement of substantive certification. In order to receive and retain substantive certification, municipalities shall eliminate development standards that are not essential to protect the public welfare and to expedite (or "fast track") municipal approvals/denials on inclusionary development applications. In order to expedite the review of development applications, municipalities shall cooperate with developers of inclusionary developments in scheduling pre-application conferences. Municipal boards shall schedule regular and special monthly meetings (as needed) and provide ample time at these meetings to consider the merits of the inclusionary development application. The goal of such a schedule is to act on a development application within time limits approximating those outlined in the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) Failure to expedite the approval/denial of an inclusionary development application shall be considered a reason for revoking substantive certification.

(b) Inclusionary developments that are included in a housing element and fair share plan have proceeded through a very public process. Therefore, the focus of municipal review shall not be whether the sites are properly zoned. Rather, the focus shall be whether the design of the inclusionary development is consistent with the zoning ordinance and the mandate of the Fair Housing Act regarding unnecessary cost generating features. Municipalities shall be expected to cooperate with developers of inclusionary developments in granting reasonable variances necessary to construct the inclusionary development.

5:93-10.2 Standards

(a) In reviewing the fair share plans, the Council shall use the standards promulgated pursuant to N.J.S.A. 40:55D-40.1 through 40.7 (P.L. 1993 c.32) as a frame of reference. Municipalities that wish to impose more stringent standards shall bear the burden of justifying the need for such standards. In its review of municipal ordinances, the Council shall give special attention to:

1. The combined impact of requirements that cumulatively prevent an inclusionary development from achieving the density and set-aside necessary to address the municipal fair share. Examples of such requirements include but are not limited to: building set-backs, spacing between buildings, impervious surface requirements and open space requirements;

2. Requirements to provide oversize water and sewer mains to accommodate future development without a reasonable prospect for reimbursement;

3. Excessive road width, pavement specifications and parking requirements;

4. Excessive requirements for sidewalks and paved paths;

5. Excessive culvert and pumping station requirements; and

6. Excessive landscape, buffering and reforestation requirements.

(b) Municipal housing elements and fair share plans shall allow for phased construction and phased bonding of on-site, off-site and off-tract improvements required of inclusionary developments.

(c) The Council shall not permit restrictions on the bedroom mix of the market rate units within an inclusionary development.

5:93-10.3 Special studies/escrow accounts

(a) It is common for municipalities to require inclusionary developers to conduct special studies related to the fiscal, traffic and environmental impacts of proposed inclusionary developments. These studies are then reviewed by municipal professionals who are paid from escrow accounts funded by the inclusionary developer as a requirement of the municipal review of the development application. The Council has determined that these studies shall not be used to alter the density of sites that are part of the municipal substantive certification. Such studies may be used to foster proper design and to determine pro-rata off-site and off-tract improvements. The Council has also determined that it is unnecessary for developers of inclusionary developments to pay for the initial preparation of such a study and for its review. Therefore, municipalities that receive substantive certification shall offer inclusionary developers the option of preparing fiscal, traffic and environmental impact studies or choosing a consultant from a list of at least three professionals (prepared by the municipality) to prepare the studies. If the developer chooses a consultant from the municipally prepared list, the developer and municipality shall rely on the consultant's recommendations.

(b) Fees to review development applications shall be estimated prior to payment of filing fees. Developers shall be entitled to review all charges against any escrowed fees

and be provided with monthly accounting reports upon request.

5:93-10.4 Relief subsequent to substantive certification

(a) Developers may provide notice to the Council of the date they filed their development application with the municipality. The municipality need not have deemed the application complete for the developer to provide such notice.

(b) Developers and/or municipalities that cannot agree on specific standards that apply to a specific inclusionary development may request the Council to provide a mediator to resolve the dispute. The resulting mediation shall not require a transfer to the Office of Administrative Law pursuant to the Administrative Procedures Act.

(c) Inclusionary developers may seek an administrative order to expedite the municipal review of a development application by filing a motion pursuant to N.J.A.C. 5:91-12. Developers need not request mediation pursuant to (b) above in order to file such a motion; and the Council may hear such a motion concurrent with any such mediation.

(d) Inclusionary developers may request the Council to act as an advocate for inclusionary developments that require permits from DEPE and DOT.

5:93-10.5 Revocation of substantive certification

A Council determination, after a hearing conducted pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., that a municipality has delayed action on an inclusionary development application, required unnecessary cost generating standards or obstructed the construction of an inclusionary development may result in Council action revoking substantive certification.

SUBCHAPTER 11. AFFIRMATIVE MARKETING

5:93-11.1 The affirmative marketing plan; definition and contents

(a) The affirmative marketing plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups, regardless of sex, age or number of children, to housing units which are being marketed by a developer or sponsor of affordable housing. It is a continuing program and covers the period of deed restriction.

(b) The affirmative marketing plan shall provide the following information:

1. The name and address of the project;
2. The number of units, including the number of sales and rental units;

3. The price of sales and/or rental units;
4. The name of the rental manager and/or sales agent;
5. A description of outreach efforts to groups that are not readily reached by commercial media efforts (See N.J.A.C. 5:92-11.3 for advertising program details); and
6. A description of the random selection method that will be used to select occupants of low and moderate income housing.

(c) The affirmative marketing plan shall be a part of the fair share plan and shall be referenced by ordinance.

5:93-11.2 Training and general responsibilities

(a) The municipality shall assure the affirmative marketing of low and moderate income units. Municipalities shall designate a municipal authority to be responsible for implementing the affirmative marketing plan. A representative of the municipal authority shall attend an affirmative marketing training program approved by the Council. The municipality may contract with other agencies to administer the affirmative marketing program and the actual sales and rentals of the units. Where a municipality contracts with another agency to administer the affirmative marketing program, the municipality shall appoint a housing officer that shall act as a liaison to the contracting agency. In addition, where the contracting agency is not responsible for the entire affirmative marketing program, the municipality shall outline who or what municipal agency is responsible for the remaining portion of the affirmative marketing program.

(b) In implementing an affirmative marketing program, a municipality may delegate specific tasks to a developer of an inclusionary development provided that all applicant and sales records of low and moderate income units are returned to the municipality for reporting purposes and to aid with future resales.

(c) In implementing the affirmative marketing plan, municipalities shall be responsible for providing counseling services to low and moderate income applicants on subjects such as budgeting, credit issues, mortgage qualifications, rental lease requirements, and landlord/tenant law.

5:93-11.3 Marketing program

(a) The advertising program shall be designed to reach all segments of the eligible population within the housing region.

(b) The plan shall describe the media to be used in advertising and publicizing the availability of housing. In developing the plan, the municipality shall consider the use of language translations. The plan shall include the following:

1. The names of specific newspapers with circulation throughout the housing region;

2. The names of specific radio and television stations broadcasting throughout the housing region;

3. The names of other publications circulated within the housing region that are likely to be read by low and moderate income households, such as neighborhood oriented weekly newspapers, religious publications and organizational newsletters;

4. The names of employers throughout the housing region that will be contacted to post advertisements and distribute flyers regarding available low and moderate income housing;

5. The names of specific community and regional organizations that will aid in soliciting low and moderate income applicants. Such organizations may include non-profit, religious, governmental, fraternal, civic, and other organizations.

(c) The marketing process for available low and moderate income units shall begin at least four months prior to expected occupancy. In implementing the marketing program, there shall be at least one paid advertisement in a newspaper of general circulation within the housing region during the first week of the marketing program. Such advertisement shall include at least the following:

1. The location of the units;
2. Directions to the housing units;
3. A range of prices for the housing units;
4. The size, as measured in bedrooms, of the housing units;
5. The maximum income permitted to qualify for the housing units;
6. The location of applications for the housing units; and
7. The business hours when interested households may obtain an application for a housing unit.

(d) Applications for low and moderate income housing shall be available in several convenient locations, including, at a minimum, the municipal administrative building(s), the municipal library and at the developer's sales office. Applications shall be mailed to prospective applicants upon request.

(e) If the cost of advertising low and moderate income units are to be a developer's responsibility, the requirement shall be a condition of the municipal planning board's approval.

5:93-11.4 Marketing for initial sales and/or rent up; composition of marketing pool

(a) Households that apply for low and moderate income housing shall be screened for preliminary income eligibility by comparing their total income to the low and moderate income limits adopted by the Council. Applicants shall be notified as to their eligibility status.

(b) Having screened applicants for preliminary income eligibility, the municipal authority may analyze the income and household sizes of applicants to determine which applicants have the assets and/or income necessary to purchase or rent each available low or moderate income unit.

(c) The municipal authority shall interview each applicant and utilize the procedures outlined in N.J.A.C. 5:93-9.1 to: verify the applicant's income and household size; determine the applicant's asset availability; and review the applicant's credit history. Applicants shall be required to submit income verification for each household member 18 years or older. This process shall be utilized in establishing the final certified applicant group.

(d) The process described in (a) through (c) above may begin no sooner than one month after the advertising program outlined in N.J.A.C. 5:93-11.3 begins. Households shall be selected to proceed through the process described in (a) through (c) above through a method of random selection. Households shall be certified for low and moderate income units using the procedures outlined in N.J.A.C. 5:93-9.1. The process described in (a) through (c) shall be continued until all the low and moderate income units are occupied.

5:93-11.5 Continuing marketing activities

(a) The types of activities to be undertaken after the completion of initial occupancy of sales and rental units in order to fill vacancies resulting from normal turnover shall include:

1. Insuring a sufficient supply of income eligible applicants by continuing to implement the marketing plan throughout the housing region, as outlined in N.J.A.C. 5:93-11.3. At a minimum, the municipality shall maintain a current pool of at least five income eligible applicants for each low and moderate income unit.

2. Contacting each income eligible applicant annually to request updated information regarding income and family size.

(b) As units become available, the municipal authority shall select eligible applicants for the units, as described in N.J.A.C. 5:92-11.4(b) through (d) until the units are occupied by low and moderate income households.

5:93-11.6 Monitoring and reporting requirements

(a) Municipalities shall collect information on each applicant for low and moderate income housing on forms approved by the Council.

(b) Municipalities shall evaluate the results of their affirmative marketing activities and file a report with the Council by August 30 of each year. Such report shall include:

1. Monitoring forms approved by the Council;

2. An evaluation of the income and demographic characteristics of each applicant of low and moderate income housing, as well as the occupants of the units; and

3. An evaluation of any necessary adjustments in the affirmative marketing program as a result of the evaluation in (a) above.

(b) The Council shall review and assess the effectiveness of the municipal affirmative marketing program. If it is deemed that the affirmative marketing program is not effective, the municipality shall be required to amend the program.

5:93-11.7 Residency preference

(a) Municipalities may provide an occupancy preference for low and moderate income units created within the municipality that responds to the municipal rehabilitation component.

(b) Municipalities may provide an occupancy preference to low and moderate income households that reside or work in the housing region. Such a preference may apply to all low and moderate income units created within the municipality.

SUBCHAPTER 12. MONITORING

5:93-12.1 Completion of monitoring forms

(a) A municipality that has received substantive certification shall complete monitoring forms adopted by the Council and submit them to the Council no later than August 30 of each year. Failure to submit monitoring forms in a timely manner may result in a Council action, including:

1. The revocation of substantive certification;
2. The revocation of the certification required to collect development fees; and/or
3. Such other action as the Council may determine necessary.

SUBCHAPTER 13. SITE SPECIFIC RELIEF AND THE STATE DEVELOPMENT AND REDEVELOPMENT PLAN (SDRP)

5:93-13.1 Purpose and scope

(a) The Fair Housing Act allows municipalities two years following the filing of a housing element to petition for substantive certification. Municipalities that file housing elements with the Council prior to an exclusionary lawsuit and petition or are sued within two years of such filing shall not, except in extraordinary situations (see N.J.A.C. 5:91-4.5) be subject to the Council granting site specific relief to an objector of the municipal housing element. Municipalities that do not petition or are not sued within two years of filing a housing element may be subject to the Council granting site specific relief to one or more objectors. The process of granting such relief is outlined in N.J.A.C. 5:91.

(b) The Fair Housing Act at N.J.S.A. 52:27D-307 directs the Council to "give appropriate weight" in carrying out its duties to the implementation of the SDRP. It is the purpose of this subchapter to outline the way in which the goals and policies of the SDRP will be considered by the Council in awarding site specific relief to an objector to a municipal housing element. This process relies upon the SDRP's definitions of "Planning Areas" and "Centers." The principles outlined in the subchapter are illustrated in Appendix G.

5:93-13.2 Site-specific relief in Planning Areas 1 and 2

When considering granting site-specific relief to an objector in Planning Area 1 or 2, the Council shall grant such relief if the Council determines that the objector's site is available, approvable, developable and suitable.

5:93-13.3 Site-specific relief in Planning Area 3

(a) When considering granting site-specific relief to an objector in Planning Area 3, the Council shall determine if the realistic development potential within the development boundaries of centers and Planning Areas 1 and/or 2 is adequate to address the municipal inclusionary component.

1. If the objector's site is located within a center, the Council shall presumptively grant relief if the site is available, approvable, developable and suitable.

2. If the realistic development potential within the development boundaries of centers and Planning Areas 1 and/or 2 is adequate to address the municipal inclusionary component and the objector's site is not located in a center, the Council shall deny relief to the objector.

3. If the realistic development potential within the development boundaries of centers and Planning Areas 1 and/or 2 is not adequate to address the municipal inclusionary component:

i. The Council shall grant relief to sites that are suitable if it determines the site lies within a center or Planning Area 1 and/or 2; has access to infrastructure; or that infrastructure can be easily extended from Planning Area 2;

ii. Where the objector's site does not lie within a center or Planning Area 1 and/or 2, does not have access to infrastructure or where infrastructure cannot be easily extended from Planning Area 2, the Council shall render a decision on granting relief after consideration of:

(1) A report from the Office of State Planning that contains recommendations pertaining to the appropriateness of the area surrounding the objector's site for center designation; and

(2) The presence of other suitable sites serviced by infrastructure or to which infrastructure can easily be extended from Planning Area 2.

5:93-13.4 Site-specific relief in Planning Areas 4 and 5

(a) When considering granting site-specific relief to an objector in Planning Areas 4 and 5, the Council shall determine if the realistic development potential within the development boundaries of centers and Planning Areas 1 and/or 2 is adequate to address the municipal inclusionary component.

1. If the objector's site is located within a center, the Council shall presumptively grant relief if the site is available, approvable, developable and suitable.

2. If the realistic development potential within the development boundaries of centers and Planning Areas 1 and/or 2 is adequate to address the municipal inclusionary component, and the objector's site is not located in a center, the Council shall deny relief to the objector.

3. If the realistic development potential within the development boundaries of centers and Planning Areas 1 and/or 2 is not adequate to address the municipal inclusionary component, the Council shall render a decision on granting relief after consideration of a report from the Office of State Planning that contains recommendations pertaining to the appropriateness of the area surrounding the objector's site for center designation.

SUBCHAPTER 14. ONE THOUSAND UNIT LIMITATION

5:93-14.1 General

No municipality shall be required to address a fair share beyond 1,000 units within six years from the grant of substantive certification, unless it is demonstrated, following an objection and an evidentiary hearing, based upon the facts and circumstances of the affected municipality that it is likely that the municipality through its zoning powers could create a realistic opportunity for more than 1,000 low and moderate income units within the six year period. The facts and circumstances which shall determine whether a municipality's fair share shall exceed 1,000 units shall be a finding that the municipality has issued more than 5,000 certificates of occupancy for residential units in the six year period preceding the petition for substantive certification.

SUBCHAPTER 15. WAIVER PROVISIONS

5:93-15.1 Waiver

(a) Any party may request a waiver from a specific requirement of the Council's rules at N.J.A.C. 5:91, 5:92 and 5:93 at any time. Such a waiver may be requested as part of a municipal petition, by motion in conformance with N.J.A.C. 5:91-12, or in such other form as the Council may determine, consistent with its procedural rules at N.J.A.C. 5:91.

(b) The Council will grant waivers from specific provisions of its rules if it determines:

1. That such a waiver fosters the production of low and moderate income housing;
2. That such a waiver fosters the intent of, if not the letter of, its rules; or
3. Where the strict application of the rule would create an unnecessary hardship.

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APPENDIX A

METHODOLOGY

INTRODUCTION

The section that follows details the procedures required to calculate the municipal low- and moderate-income housing obligation in New Jersey. Included here are procedures to calculate affordable housing need as well as the changes in these procedures that are included in the second round of affordable housing numbers. These changes emerge as a result of: (1) housing data that is no longer available in the 1990 U.S. Census; (2) improvements in methodological approaches that have emerged during the first round of implementation; and (3) a desire to hone the methodology so that it better interprets the Mount Laurel affordable housing mandate.

The procedures reflect the work of three primary groups:

1. The consultants at Rutgers University, Center for Urban Policy Research (CUPR);
2. The Methodology Subcommittee of the New Jersey Council on Affordable Housing (COAH), including participating COAH staff; and
3. The Working Group of professionals experienced in low- and moderate-income housing who have met regularly and provided input at several critical steps.

The basic method of housing need determination has been continued despite its complexity because it is fair and impartial and because it embodies the most up-to-date and sophisticated procedures for housing need determination and allocation. It has been accepted by field practitioners, its procedures are understood and used by these individuals, and the method's results are both internally consistent and intuitively correct. The existing system's procedures have been challenged in numerous court cases and have prevailed in almost every instance due to their accuracy and thoroughness.

The revised 1987-1999 procedures have evolved over a year-long period in which every aspect of the methodology has been reviewed and either retained or reworked. The procedure, while accepted and understood, will continue to be reviewed for its currency and adequacy as the second round of numbers unfolds and is discussed.

**NEW JERSEY COUNCIL ON AFFORDABLE HOUSING (COAH)
AFFORDABLE HOUSING NEED NUMBERS—1987-1999**

A. Indigenous Need	42,739	
B. Reallocated Present Need	17,542	
C. Present Need	60,281	
D. Prospective Need	42,127	
E. Total Need		102,408
F. Prior-Cycle Prospective Need		38,202
G. Secondary Sources of Supply (-) and Demand (+)		
1. Demolitions		8,037
2. Filtering		- 20,185
3. Conversions		- 8,143
4. Spontaneous Rehabilitation		- 2,116
H. Pre-Credited Need		118,203
I. Reduction		- 27,846
J. Pre-1987 Credits		- 3,166
K. 20-Percent Cap		- 883
L. Calculated Need		86,308
M. Calculated Need By Region		

Region	Indigenous Need	Reallocated Present and Prospective Need*	Total
Northeast	14,307	5,394	19,701
Northwest	11,050	- 347	10,703
West Central	4,755	3,938	8,693
East Central	4,575	17,628	22,203

Region	Indigenous Need	Reallocated Present and Prospective Need*	Total
Southwest	4,332	8,683	13,015
South-Southwest	3,720	8,273	11,993
STATE TOTAL	42,739	43,569	86,308

* These numbers are net of reduction, prior-cycle credits, and the 20-percent cap.

PROCEDURES: DEVELOPING HOUSING REGIONS

Housing subregions related to journey-to-work have historically been constructed using travel times on various categories of roads during prime commuting periods. The first formal procedure for the accomplishment of this was published by the American Society of Planning Officials in 1951, following planner-economist, J.D. Carroll's work on journey-to-work analysis and its importance in planning. Points on roads outward from an employment center representing travel times would be connected to each other in the same fashion as if one were to weave together points in the spokes of a wheel. These zones of potential residence, emanating outward from the center of an employment zone, would take on an amoeba-like form as various gradations of roadways (collectors, arterials, freeways, and so on) would allow different distances to be traveled for the same travel time. The "isotime zones," as they were called, represented an estimate of all places accessible from the employment center within the time specified on the outer edge of the zone. These were termed local markets or submarkets.¹

While this procedure may have gained acceptance for the delineation of a submarket, clearly for data presentation purposes a more recognizable and permanent market area has had to be constructed. The market area, while keyed to journey-to-work, had to take into account the availability of employment and U.S. Census data to isolate centers of employment. Historically, this was available only on a county basis in the form of County Business Patterns, an annual tabulation of jobs by category in the United States published by the U.S. Department of Commerce. Recognizing the expanding scope of the market, FHA Techniques of Housing Market Analysis lists the prerequisites for housing market delineation:

The location of actual and prospective employment centers and the availability of transportation facilities of all types underlie the selection of general locational alternatives as places of residence for the working population.

The housing market area usually extends beyond city limits regardless of the magnitude of the market under consideration. In the larger markets, the market area may extend into several adjoining counties through the outward growth of the primary metropolitan area.

The actual delineation of a housing market area and submarket areas is determined primarily by Census area definitions.²

Housing Regions in New Jersey

Information on journey-to-work for New Jersey counties may be obtained from the 1990 Census to modify the 1980 Public Use Microdata Sample (PUMS) for New Jersey—a five-percent sample of all New Jersey households.³ Information can be crafted to scrutinize times traveled one-way to work (in minutes) for all those employed in households as of April 1990. Also a part of the data set are the origin and destination of the worktrip. The information to be used in the initial grouping procedure concerns worktrip origin and destination. This information is used only at the county level, i.e., for each employed member of the household, worktrip county of origin and county of destination. All modes of travel are included: automobile, bus, rail, and miscellaneous (walking, biking, and so on).

The program chosen to group counties is the CLUSTER procedure for the Statistical Analysis System (SAS) package. CLUSTER is a grouping procedure designed to help identify groups of observations that have similar attributes. It partitions the data into a smaller number of groups such that data units belonging to one group are "similar" in a certain sense, while data units belonging to different groups are "dissimilar" in the same sense. The procedure is dependent upon "distance" (value separation) between variables. It is unique in that it assumes no conceptual associations or distance values *a priori*. CLUSTER computes its own distance matrix and standardizes the matrix across the data set.⁴

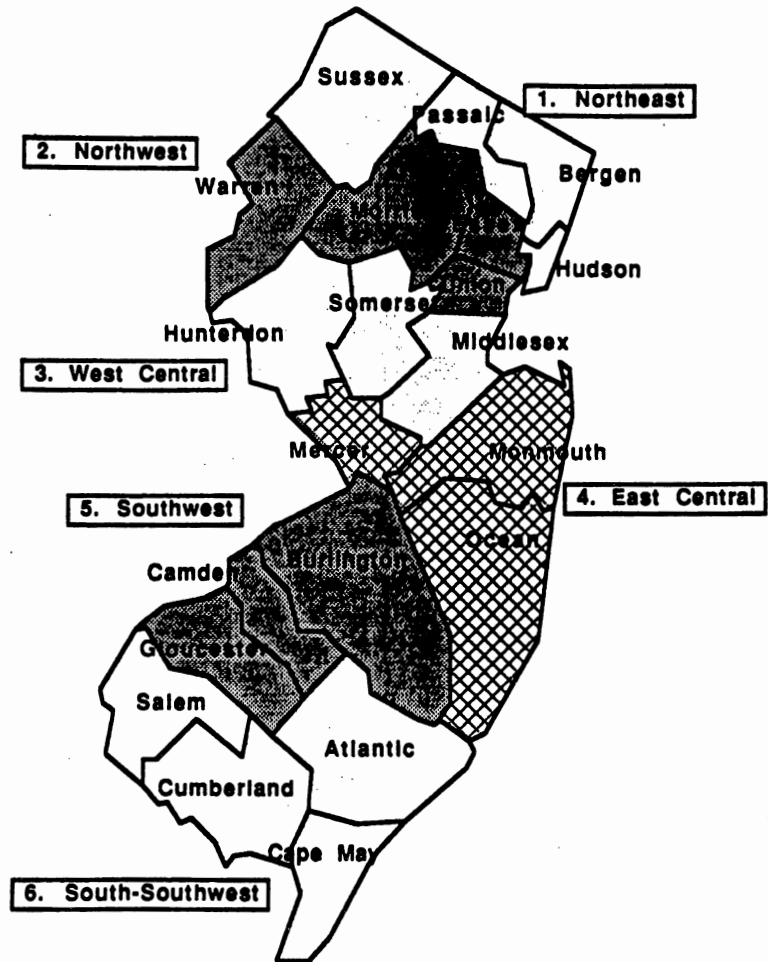
Certain controls are placed on the grouping mechanism. Counties that could be grouped based on similar commuting ties have to be contiguous. In addition, no less than two nor more than four counties are allowed to cluster as part of any group. These are the requirements of the Fair Housing Act. The lower threshold is to ensure that no single county appeared "left over"; the upper threshold was chosen to avoid large commuting distances within any one identified region.⁵

After including certain judgmental decisions regarding the size of a region and its capacity to handle need, as well as the necessary inclusion in each region of at least one central city, the journey-to-work sorting of counties takes the following form:

Group 1	Group 2	Group 3	Group 4	Group 5	Group 6
Bergen	Essex	Middlesex	Monmouth	Camden	Atlantic
Passaic	Morris	Somerset	Ocean	Gloucester	Cape May
Hudson	Union	Hunterdon	Mercer	Burlington	Cumberland
Sussex	Warren				Salem

(SEE MAP ON FOLLOWING PAGE)

**NEW JERSEY COUNCIL ON AFFORDABLE HOUSING
HOUSING REGIONS (1993-1999)**



GROUP 1 NORTHEAST	GROUP 2 NORTHWEST	GROUP 3 WEST CENTRAL	GROUP 4 EAST CENTRAL	GROUP 5 SOUTHWEST	GROUP 6 SOUTH- SOUTHWEST
BERGEN	ESSEX	MIDDLESEX	MONMOUTH	CAMDEN	ATLANTIC
PASSAIC	MORRIS	SOMERSET	OCEAN	GLOUCESTER	CAPE MAY
HUDSON	UNION	HUNTERDON	MERCER	BURLINGTON	CUMBERLAND
SUSSEX	WARREN				SALEM

The above distribution of counties reflects vacant land concentrations and growing commuting ties between Sussex and the remaining counties in Group 1, Warren and the remaining counties in Group 2, and Mercer and the remaining counties in Group 4. Within each grouping, there are sufficient vacant lands and established or growing commuting ties; also, each region has at least one established central city. This enables affordable housing need to be absorbed by regions and regional contribution agreements (RCAs) to be effected within regions.

In most cases, the commuting ties between counties of these groups are stronger among each other than between a single county of the group and another group as a whole. There may be selected instances where a single county of one group is related more intensely to a single adjacent county of another group than to members of its own group; yet overall, there are usually weaker commuting ties with the other group as a whole. The above listings provide the necessary sort of constituent New Jersey counties on both commuting ties and land sufficiency to implement affordable housing goals.

INCOME QUALIFICATION OF THE LOW- AND MODERATE-INCOME POPULATION

Data from the 1990 U.S. Census modifying the 1980 New Jersey Public Use Microdata Sample (PUMS) is again used to qualify a household according to HUD Section 8⁶ family-income requirements. The PUMS tapes contain records for a sample of housing units with information on the characteristics of each unit as well as on the people who reside in these units. Information from this file makes it possible initially to eliminate all individuals living in institutions, group quarters, or as boarders/lodgers from potential low- and moderate-income housing demand. This removes from direct count those people who comprise prison/sanitarium, college, nursing home, boarders/boarding homes, and other related populations.⁷ Sub-households and sub-families are not separately distinguished as this would double-count existing housing deterioration, and no information is available on how or if sub-families/sub-households would choose to separate in the future. Thus, one household per unit is counted. Applications for low- and moderate-income housing built under the first round of Fair Housing Act compliance (1987-1993) indicate unit sharing—parts of families and unrelated individuals seeking to reside together. This partially confirms continued, shared, or unrelated household use of new low- and moderate-income housing units.

Once these selection procedures are undertaken, the PUMS may be employed to array all households by size and income status. HUD median family income for a region is determined, and 80 percent and 50 percent are assigned to household sizes of four for the upper limits of moderate and low incomes, respectively. Each household size of more or less than four is allowed a positive or negative adjustment of the 80 percent or 50 percent of median figure to qualify for moderate- or low-income designation.⁸ (This is based on the philosophy that if you have more children/dependents or household members you can earn more and still qualify for moderate/low income; in reverse fashion, if you have fewer dependents or members, it is more difficult to qualify by establishing a lower income for qualification.)

The procedure spelled out above separates low- and moderate-income households, adjusted for household size, from all other households in the region. This relative selection of a population qualifying for housing need forms the basis of all need estimates. In subsequent steps, the housing units occupied by these households are initially checked for deterioration to determine Present Need. The number of income-defined households is then projected into the future to determine Prospective Need. The detailing of these steps is explained below.

PRESENT NEED

Indigenous Need

Indigenous Need is a component of Present Need which is the total deficient housing signaled by surrogates unique to each community. Where communities' deficient housing as a percentage of all occupied housing units exceeds the regional average, their excess need is sent to a housing pool for subsequent redistribution in the region. Housing from the pool is reallocated to all communities in the region with the exception of designated Urban Aid Cities. The Indigenous Need for communities below the regional average of housing deficiency is their tabulated deficient units. For those above the regional average, their Indigenous Need is their deficient housing capped by the regional average percent deterioration.

Recognizing the evolution of the concept of deteriorated housing from 1960 and earlier where enumerators attempted to physically identify bad housing from field survey, to the current period where deficient housing is isolated through housing-quality surrogates, information provided by the 1990 Census is used to signal housing deficiency via surrogates.⁹

Surrogates do not themselves confirm that a unit is deficient. They indicate that if a unit has these characteristics, it most likely would be independently found via field survey as deficient. Surrogates are developed by listing the characteristics of units found as deficient and viewing which characteristics consistently are associated with field-confirmed deficiency. Six housing quality surrogates are used with structure age to signal housing deficiency. The bulk of these indices represent the culmination of numerous empirical studies on factors indicative of inferior versus superior housing quality; the remainder are clear surrogates of inferior housing.¹⁰ They represent the full range of information available on housing quality from the 1990 Census. No index is slighted, and all are simultaneously employed. They include:

(a) Year Structure Built. A distinction is made between units built before 1940 and from 1940 to 1990. This pre-World War II cutoff is the classic differentiation point of new versus old housing in the literature.¹¹

(1) Persons per Room. 1.01 or more persons per room is an index of overcrowding.

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

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

(4) Heating Fuel. Inadequate heating is use of coal, coke, wood or no fuel for heating.

(5) Sewer. Inadequate sewer services are indicated by a lack of public¹² sewer, septic tank, or cesspool.

(6) Water. Inadequate water supply is indicated by a lack of either city water, drilled well, or dug well.

A unit has to have at least two characteristics to be isolated as deficient once it qualifies as housing a low- or moderate-income family. Since age is so highly correlated with structure deterioration and loss, if in 1990 the unit was more than fifty years old and had at least one other negative housing characteristic, it is selected as deficient. If, on the other hand, it was a newer unit in 1990, in the absence of the unit-age qualification, two or more negative structural characteristics signal housing deficiency. Multiple deficient characteristics in a single housing unit is an important concept. Using multiple indicators in a high probability of isolating bad housing, yet a very low probability of classifying good housing as bad.

Three variables originally used to determine inadequate housing have been replaced by three additional variables. Lack of central heat, four or more stories with no elevator, and indirect access (passing through another unit to get to one's own) are no longer reported by the U.S. Census.

Three other variables related to both structural conditions and inferior or superior housing condition replaced the indicators that are no longer reported. These are:

- (1) The use of nonstandard heating fuels or no fuel, indicating in most cases temporary or marginal housing;
- (2) Lack of public sewer, septic tank, or cesspool, indicating unsanitary sewage disposal; and
- (3) Lack of city water, a drilled well, or a dug well, also indicating a less-than-adequate water supply.

It should be realized that any of these characteristics need not signal deficiency on their own. The unit must be occupied by a poor household; be more than 50 years old and contain a single deficiency; or be similarly occupied, be 50 years old or less, but contain an additional detrimental condition, to signal deficiency. Even then, the unit may not be actually deficient, but there is a high probability that it will be subsequently lost from the stock.

This procedure for establishing housing deficiency: (1) is drawn from the literature of the field; (2) encompasses a broad array of physical insufficiency including such items as incomplete or inadequate kitchen and plumbing, crowding, inadequate heating fuels, and insufficient sewer and water resources; (3) ensures against erroneous inclusion of good units; and (4) provides a very high probability that the housing identified, at least in relative terms, is clearly less than adequate.

Due to confidentiality protection and data availability, the procedure to specify Indigenous Need can be estimated only to each of 52 subregions of the state.¹³ It is taken down to the community level by six housing quality variables avail-

able at both the subregional level and the community level. These are:¹⁴

- (1) Plumbing Facilities—nonexclusive use of complete plumbing
- (2) Persons per Room—space inadequacy, i.e., 1.01 or more persons per room
- (3) Age of Housing—housing built in 1939 or earlier
- (4) Water or Sewer Problem—deficiency in one or the other, whichever is greater
- (5) No Telephone—absence of telephone in unit
- (6) Nonstandard Heating Fuel—use of coal, coke, or wood for heating, or no fuel

The pool of low- and moderate-income families living in deficient housing once calculated at the subregional level is distributed to individual communities on the basis of their share of six indices of deficient housing at the local level to the total deficient at the regional level, also measured by these indices. At the local level, these latter variables cannot be cross-tabulated with income in the same way as information at the subregional level can. Thus, the best available information and the most rigorous procedures are used to isolate the poor living in deficient housing at the subregional level, and this is taken to the municipal level through other housing quality variables less complete in terms of isolating the income of those who live in these units, but found comparably at these two geographic levels.¹⁵

In order to address present need with some lead time appropriate for planning and implementation, present need is actually projected to be estimated as if July 1, 1993 were the 1990 period and the sample of housing deficiencies was taking place at this time. This is done by reproducing the incidence rates of deterioration associated with certain age groups and household types in 1990, and projecting these households and their associated housing conditions to the 1993 period. The new array and number of households in 1993 carry with them the deterioration noted in 1990.

As noted earlier, for communities with severe housing deficiencies, their deficiencies are capped at the regional average percentage of deficiencies as a proportion of total occupied housing. The excess over this regional percentage is distributed to all communities in the region. This is covered below.

Municipal surveys to determine Indigenous Need may be presented to the Council as an alternative method to this procedure. (See Section 10—Fair Housing act.) The Council will provide guidance as to the appropriate form and scale of such surveys.

<i>INDIGENOUS NEED BY REGION[†]</i>	
NORTHEAST	14,307
NORTHWEST	11,050
WEST CENTRAL	4,755
EAST CENTRAL	4,575

SOUTHWEST	4,332
SOUTH-SOUTHWEST	<u>3,720</u>
STATE TOTAL	<u>42,739</u>

† See earlier figure for mapped display of regions.

Reallocated Present Need

Reallocated Present Need is the share of excess deterioration in a region transferred to all communities of the region with the exception of selected Urban Aid Cities. (See Attachment.) Urban Aid Cities, almost all of which are densely populated and have a higher-than-average proportion of low- and moderate-income families living in deteriorated housing, are not expected to have this regional burden reinforced by future low- and moderate-income housing requirements.¹⁶ Therefore, when the Reallocated Present Need pool for the region is computed from an average deficiency percentage for the entire region, Urban Aid Cities are not expected to share in that pool. Instead, the excess of deficient units over the regional percentage of deficiencies is redistributed to the region to no more than the level that would bring them to the regional average. The exact procedure for redistribution is covered under Distribution of Low- and Moderate-Income Housing Need.

REALLOCATED PRESENT NEED BY REGION

NORTHEAST	7,002
NORTHWEST	5,306
WEST CENTRAL	1,477
EAST CENTRAL	1,329
SOUTHWEST	1,751
SOUTH-SOUTHWEST	<u>676</u>
STATE TOTAL	<u>17,542</u>

Present Need

Present Need is the sum of Indigenous and Reallocated Present Need in a municipality. It represents individual municipal housing responsibility reflective of its own housing inadequacy/deficiency (except where it is regionally excessive) and regional responsibilities in terms of its share of the pool of housing replacement/repair that must be undertaken by primary suburban communities due to excess deterioration found in more urban communities.

PRESENT NEED BY REGION

NORTHEAST	21,309
NORTHWEST	16,356
WEST CENTRAL	6,232
EAST CENTRAL	5,904
SOUTHWEST	6,083
SOUTH-SOUTHWEST	<u>4,396</u>
STATE TOTAL	<u>60,281</u>

DISTRIBUTION OF LOW- AND MODERATE-INCOME HOUSING NEED

Low- and moderate-income housing need is distributed to each community using three of the four economic and land-use factors listed below. These factors in the first two cases represent measures of responsibility, i.e., the labor force either existing in the community or drawn to the municipality in the future—in both cases needing housing. In the second two cases, they represent measures of capacity, i.e., the physical (land) and fiscal (income) capacity to absorb and provide for such housing.¹⁷ The last three factors are used to distribute excess Present Need (Reallocated Present Need); the first, third, and fourth factors are used to distribute Prospective Need. All factors operate individually, are equally weighted, and involve all municipalities in the region except Urban Aid municipalities. All allocations on the below variables reflect the fraction representing the community's share of the regional total.

1. Change in equalized nonresidential valuation from 1980 to 1990. This is reported in the Annual Report of the Division of Local Government Services 1980 (43rd Annual Report) and 1990 (53rd Annual Report). Change in equalized nonresidential property valuation is used in place of employment change for the reasons indicated below.

2. Equalized nonresidential valuation (commercial and industrial). This is by municipality and is also reported in the Annual Report of the Division of Local Government Services 1990 (53rd Annual Report).

Nonresidential property valuation is used as a replacement for actual employment in a municipality to avoid the zip code problem associated with the Covered Employment data. This refers to situations where the zip code address of a firm does not reflect actual location of its employment. This is true when an employer's mailing address is different from its actual location. It is assumed that where a firm pays its taxes is a good indicator of the location of the facility and thus its employment. Real property valuation (absent business personal property), through regression analysis, has been found to be an excellent surrogate for the intensity of use or number of employees in the structure. Equalized valuation through the application of an assessment-to-sales or equalization ratio is used to standardize for the differing levels of assessment relative to true or market values that exist in an individual community.

3. Undeveloped Land—Undeveloped land in the community that can accommodate development. All undeveloped land in the community is estimated through use of land satellite imagery (LANDSAT). The undeveloped land inventory is compiled via LANDSAT information prepared for the Council on Affordable Housing by the Department of Environmental Resources of Cook College at Rutgers University. It reflects photoimagery as of March 1991.

Undeveloped land is further refined by the State Development and Redevelopment Plan's Planning Areas. To be sensitive to the State Planning Commission's goals for each Planning Area, undeveloped land is weighted as follows:

PLANNING AREA	WEIGHTING	RESULT
1	1	Full count of undeveloped acres
2	1	Full count of undeveloped acres
3	0.5	Half count of undeveloped acres
4	0.0	Zero count of undeveloped acres
5	0.0	Zero count of undeveloped acres

Undeveloped land in the Pinelands growth areas (Regional Growth Areas and Pinelands Towns) are treated equivalently to Planning Area 3; all other Pinelands areas are treated equivalent to Planning Area 4 or Planning Area 5. CAFRA has regular State Plan territorial designations and is treated accordingly. Hackensack Meadowlands undeveloped acreage is treated equivalent to Planning Areas 1 and 2 within growth areas, and equivalent to Planning Areas 4 and 5 in protected or open space areas.

Vacant land by municipality has been checked with an independent source of information, the New Jersey Department of Treasury.¹⁸ This second source of information found LANDSAT to be an excellent and comprehensive source of land-use information. The LANDSAT data file, however, is the source of undeveloped land for every municipality in New Jersey. Its strengths and weaknesses apply to most municipalities alike and, accordingly, make it a very comprehensive and important source of undeveloped land information especially good for relative comparisons.

4. Aggregate Income Difference—This is an average of the following two measures:

- a. Municipal share of the regional sum of the differences between median 1993 municipal household income and an income floor (\$100 below the lowest average household income in the region)¹⁹, and
- b. Municipal share of the regional sum of the differences between median 1993 municipal household incomes and an income floor (\$100 below the lowest 1993 median household income in the region) weighted by the number of the households in the municipality.

This procedure replaces the unaltered share of aggregate income that tended to give large middle-class municipalities an overabundance of low- and moderate-income housing need because they had a lot of households with reasonably healthy incomes. The new procedure employs not income but income differences (household) which exist in municipalities from the municipality with the lowest average household income in the state.

Since this new income measure is also skewed in certain municipalities, both the straight difference from the median of the lowest municipality to the median of each other municipality, as well as this difference weighted by the number of households in the municipality, are used. The latter factor taken twice tends to dampen the extremes of the straight-difference income allocation index.

A variety of procedures were tried (including no income variable) to make the income factor both more equitable

and more responsive to locations of existing income capacity. It is believed that this procedure achieves both equity and more incisive income targeting.

Reallocated Present Need and Prospective Need shall be distributed to municipalities unless the municipality received state aid pursuant to P.L. 1978, C.14 (C.52:27D-178 et seq.) and exhibits at least one of the following (see Attachment for a listing of selected Urban Aid Cities:²⁰

- 1. Level of existing low- and moderate-income housing deficiency, according to the six housing deficiency criteria, that exceeds average regional low- and moderate-income housing deficiency for the region in which the Urban Aid municipality is located;
- 2. Population density of greater than 10,000 persons per square mile, or 14.1 per acre;
- 3. Population density of 6,000 to 10,000 persons per square mile or 9.4 to 14.1 per acre plus less than 5 percent of vacant, non-farm, municipal land as measured by the average of the percentage of vacant land valuation and vacant land parcels of all local land valuation/parcels in the 53rd Annual Report of the Division of Local Government Services 1990—Statements of Financial Condition of Counties and Municipalities (Trenton, NJ: New Jersey Department of Community Affairs, 1991).

PROSPECTIVE NEED

Population Projections

Population projections are derived from two different models from the New Jersey Department of Labor. Both of these models project population by county (21 counties) and age cohort (13 declensions) for 30 years into the future. These population models are termed the Historic Migration Model and the Economic Demographic Model.²¹ The major differences between these models are the overall levels of projected growth and the assumptions used for migration. Relatively, both the Economic Demographic Model and the Historic Migration Model project about the same level of statewide population. Their main difference is how this population is distributed to counties. In the Historic Migration Model, future migration is related to past employment growth; in the Economic Demographic Model, future migration is related to projected employment growth.

The Historic Migration Model allocates growth in a very purposeful way to places of historic growth. Counties like Bergen, Middlesex, Somerset, Ocean, and Gloucester tend to be overprojected. The Economic Demographic Model projects growth more evenly to the state's various locations, including an adequate share to the central-city counties.

The procedure employed in this analysis uses the output of both models and averages their results. Thus, the locational differences of their population distributions are dampened by the averaging procedure. Retrospectively,

averaging has given the most accurate results over time. This is intuitively probable in that locations of growth depart from history in the direction of future projections but never seem quite to attain these directions. There is tug of war between historical locations of growth and new locations of growth: Neither appears to be dominant. The Historic Migration Model, by definition, represents history. The Economic Demographic Model captures the future. Their average is the reality of not achieving either, or in another view, partially achieving each. The averaged projection dampens the distribution of this growth by allocating shares to central-city counties as well as suburban and rural counties. Each of the individual models allocates growth too regularly in one direction. The averaged projection seems to be much more on target in terms of the distributional realities of growth.

The CUPR Econometric Model is used to control the averaged population projections at the Labor Area level. The national to regional, to state, to Labor Area population step-down of a macroeconomic model sets the bounds for Labor Area totals, which thus affect county population totals. National population growth is stepped down to the state of New Jersey and then to its Labor Areas. Each of these stepdowns is a zero-sum game. If one entity increases, another must decrease to meet the result of the projection. Within Labor Areas, the New Jersey Department of Labor model projections are adjusted and then taken to the county level. Projections at the county level are undertaken using eight different age cohorts. The projections employed here are purposefully chosen to be similar to those used for the New Jersey Department of Community Affairs Comprehensive Housing Affordability Strategy (CHAS), the Impact Assessment of the New Jersey State Development and Redevelopment Plan, and the most recent transportation modeling efforts of the New Jersey Department of Transportation.

Household Projections

Household projections follow from population projections by age cohort. Household projections are accomplished by applying a headship rate (the propensity to form a household) to population growth in an age grouping. Headship rates increase with age. The growth in headship rate, however, is greatest in the younger age groups. Household headship rates vary indirectly with household size. As household size decreases, headship rates increase. This relates directly to marriages and divorces, causing households to shrink in size by forming two smaller households from a single larger household. Household growth, like population, is projected by county. Headship rates are determined by age group and county in New Jersey in 1990 and extended into the future at one-half the rate of change observed from 1980 to 1990. The aggregate growth in low- and moderate-income households is summed at the county level and sent to a regional pool to be subsequently distributed to municipalities via allocation factors.

Prospective Need

Prospective Need is the share of the total projected households that will qualify for low- and moderate-income housing. Prospective low- and moderate-income housing need is derived by projecting the population by age cohort from 1993 to 1999 and converting this to households. This takes the following steps:

1. A 1993 base is established by bounding it at one end by the age cohort distributions of the 1990 U.S. Census for New Jersey. The other end is bounded by the distribution of the projected population for 1995 by age cohort under CUPR's use of the two averaged NJDOL projections for 1995. Three-fifths of the distance from 1990 to 1995 is used to establish the 1993 age cohort distribution.
2. A July 1, 1999 projection-year end is also arrayed by age distribution. This is done in the following way:

Population by age distribution for CUPR's Model projection to the year 2000 is modified, as explained herein. One-fifth of the population change from 1995 to 2000 is subtracted from year 2000 totals to obtain a new population projection by age cohort for 1999. The age cohorts are:

Less than 25 years
25-29 years
30-34 years
35-44 years
45-54 years
55-64 years
65-74 years
75 years and over

3. Both the population age cohorts for the base year (1993) and the projection-end year (1999) are multiplied by 1990 New Jersey county-specific headship rates by age cohort.²² Two distributions of total households emerge: one for 1993 and another for 1999.

4. Total households for each period are converted to low- and moderate-income households by carrying forward the income characteristics of all households in 1990 to 1993 and 1999 by age cohort. Low- and moderate-income households are sorted by applying the Section 8 household size/income qualification criteria that were used in 1992 to a different number of households that exist in each cohort in 1993 and 1999. Thus, to the degree that age cohorts are differently composed and growing differently, the low- and moderate-income population will also change as it ages into the future.

5. Low- and moderate-income households for 1993 are subtracted from low- and moderate-income households in 1999 to obtain the change in low- and moderate-income households from 1993 to 1999. This is done for eight age cohorts specific to each of 21 counties.

6. As a change from the 1987-1993 procedure, the growth of households below age 65 is put into a statewide pool and allocated to regions of the state according to the proportional share of nonresidential ratable growth that took place in these regions from 1980 to 1990. Thus, growth in the working-age component of low- and moderate-income households was assigned to regions where jobs previously grew. On the other hand, growth in the elderly and presumably non-working population was retained in the original region where this growth took place. This procedure creates a demand to house low- and moderate-income families of working age in locations where jobs grew and a similar demand to house the elderly where their growth occurred naturally.

PROSPECTIVE NEED BY REGION

NORTHEAST	4,787
NORTHWEST	1,033
WEST CENTRAL	8,654
EAST CENTRAL	14,424
SOUTHWEST	8,993
SOUTH-SOUTHWEST	4,236
STATE TOTAL	<u>42,127</u>

TOTAL NEED

Total Need 1987-1999 is composed of Indigenous Need, Reallocated Present Need, and Prospective Need. It is the total municipal need number before demand increases for demolitions and demand reductions for secondary sources of supply are introduced. In a very few cases, negative Prospective Need in a community, reflective of reduced housing demand due to employment loss, lessens Present Need demand and, as such, reduces Total Need.

*TOTAL NEED (PRESENT AND PROSPECTIVE)
BY REGION*

NORTHEAST	26,096
NORTHWEST	17,389
WEST CENTRAL	14,886
EAST CENTRAL	20,328
SOUTHWEST	15,076
SOUTH-SOUTHWEST	8,632
STATE TOTAL	<u>102,408</u>

PRIOR-CYCLE PROSPECTIVE NEED (1987-1993)

Affordable housing need of the prior cycle is composed of Indigenous Need, Reallocated Present Need, and Prospective Need. The 1990 U.S. Census provides the most current information on housing deficiency. Thus, Present Need, or deteriorated housing (as determined in 1993) is the actual need as it is viewed today; no need is carried over. This applies to Indigenous Need and Reallocated Present Need of the prior cycle.

In the case of Prospective Need, where the need has been projected for the forthcoming period, if it is not met people are forced into more crowded housing or are obliged to pay more than 28 percent of their income for housing. Housing need is falsely reduced, and simultaneously the affordable

housing situation worsens if no new housing is built. A new calculation period could ignore the inactivity that characterized the prior cycle. This should not be allowed to happen. The current affordable housing method accounts for this by bringing forward Prior-cycle Prospective Need after it has been recalculated to reflect the most current projection information available, and after it has been netted down to true new construction need by altered secondary sources of supply, also reflecting the most current information available. The most current projection for that period allows 1990 U.S. Census figures to dampen the prior projection by 48 percent by providing a mid-period (1990) correction to prior 1987-1993 projections. Recalculated (1987-1993) demolitions are added to Prior-cycle Prospective Need before the sum is netted down by reduced secondary sources of housing supply. Secondary sources of supply, limiting prior Prospective Need, are scaled down accordingly by the ratio of lower new-period (1993-1999) to higher old-period (1987-1993) secondary source incidence rates.

PRIOR-CYCLE PROSPECTIVE NEED BY REGION

NORTHEAST	3,259
NORTHWEST	5,040
WEST CENTRAL	5,802
EAST CENTRAL	13,529
SOUTHWEST	5,865
SOUTH-SOUTHWEST	4,706
STATE TOTAL	<u>38,202</u>

SECONDARY SOURCES OF HOUSING SUPPLY AND DEMAND

Secondary sources of housing supply and demand reflect the adjustments of the housing market to the unevenness and spontaneity of primary supply and demand. As housing ages or as it falls prey to accident, natural disasters, or publicly/privately initiated changes in land use, it may become obsolete and be removed from the stock. The term for this selective pruning is demolition. Demolitions occur regularly and affect various markets differently. In strong markets, demolitions are low; in weaker markets, they are proportionally higher. In both situations, demolitions add to future housing demand.

As housing is added by private developers to the upper and middle price categories of the stock, a large share of consumers who already occupy housing within the market are attracted to this housing. When they occupy the new housing through purchase or rental agreements, they release sound housing within the local market that is inferior to the new housing that has been built. This causes the housing that they once occupied to be available to a lower round of consumers, often at a reduced price. The process is termed filtering. Filtering reduces future housing need as a greater proportion of formerly higher priced housing is now available at potentially lower prices. Filtering takes place in active housing markets, especially those receiving a significant influx of new housing.

In selected submarkets, a demand may exist for smaller units, and this need may not be responded to by normal market operations. The market adjusts to this need by creating additional smaller units from larger ones. This is termed residential conversion and most often occurs in housing stocks containing larger structures that can be adapted to smaller units yet not destroy or significantly alter the value of adjacent units in the process. The older, urban two- to four-family home is an ideal conversion unit. Four or six units may be created where only one-half this number may have existed in this type of structure previously. Often these units are termed illegal conversions, not because they are not safe, sound housing, but rather because the enlarged structure no longer conforms to the unit restrictions of the zoning ordinance.

Another characteristic of the housing market is for deficient units to be upgraded privately. This also lessens housing need as a deficient unit is replaced by a sound unit. This happens usually because a market exists for the renovated structure, usually at a higher occupancy cost than when the structure fell into disrepair. Spontaneous rehabilitation, as it is called, occurs in stronger (as measured by income), growing markets and affects only a very small proportion of the low- and moderate-income housing stock.

Procedures

In the earlier-discussed allocation and reallocation procedures, only non-Urban Aid municipalities participated. In the reductions or increases to housing need due to secondary supply and demand, all municipalities, including Urban Aid locations, participate. This is true because all municipalities have some type of housing need, and reductions apply to housing need no matter how the need is generated. Thus, when demand reductions due to filtering are calculated, the reduction for a particular location is based on the share of all multifamily units in the region.

For Urban Aid Cities, the demand reductions are taken before these areas send excess need to the reallocation pool; for all other locations, demand reductions are taken after this point. This is to prevent other less-dense, less-deteriorated, inner-ring cities from receiving a large share of reallocated need without an equivalent chance to participate in secondary demand reductions due to specific characteristics of their housing stock.

Demolitions

Demolitions are a secondary source of housing demand in that demand is created by households requiring housing because units are lost from the stock. Housing units are lost due to fire, structure abandonment, road improvements, community renewal, land-use change, and other reasons.²³ It is estimated that units lost from the low- and moderate-income stock (both reported and unreported demolitions) are about on a par with those added to the stock due to conversion. For the *entire* housing stock, the ratio of demolitions to conversions may be even higher.²⁴ It is also true that the level of demolitions is falling in New Jersey. In 1980, total reported demolitions for New Jersey municipalities were 4,000–5,000 per year; in 1985 the total was above 3,000 annually; and by 1990, the total was just over 2,200.²⁵

In order to estimate the scale of demolitions, reported demolitions for each municipality for the years 1988, 1989, and 1990 are averaged and multiplied by six to obtain a six-year demolition estimate by municipality. These are the three latest indicators of demolitions for communities.²⁶

Demolitions are adjusted for each municipality to the share of all demolitions that affect the low- and moderate-income housing sector by 120 percent of the subregional share of low- and moderate-income housing. This percentage share of all demolitions that affects low- and moderate-income families is capped at 95 percent. Total demolitions are thus tallied by individual community and the share affecting low- and moderate-income housing is estimated by a multiple of the subregional low- and moderate-income housing deficiency percentage. This latter factor recognizes that demolitions take place at a much higher rate in the low- and moderate-income housing sector than for all housing locally. Demolitions at a statewide level are essentially offset by conversions for low- and moderate-income households. This latter relationship is covered more fully in a subsequent section.

DEMOLITION HOUSING NEED BY REGION

NORTHEAST	1,986
NORTHWEST	1,976
WEST CENTRAL	343
EAST CENTRAL	1,369
SOUTHWEST	738
SOUTH-SOUTHWEST	<u>1,625</u>
STATE TOTAL	<u>8,037</u>

Filtering

Filtering is a downward adjustment of housing which recognizes that the housing requirements of lower-income groups can be served by supply additions to the higher-income sectors of the housing market.²⁷ During the course of normal market operations, middle- and upper-income households vacate existing housing for new, more desirable units, leaving their units vacant for households of lesser income. Filtering is predicated on the existence of housing surpluses, which cause housing prices to drop because of the excess of housing supply over demand.

Filtering is measured using the *American Housing Survey* over the four-year period 1985 to 1989. The *American Housing Survey* is particularly useful in that the same unit is measured at various intervals. By specifying HUD Section 8 income eligibility by household size for the years in question, two components of the household population can be specified: those that meet *Mount Laurel II* income requirements, and those that are above these requirements. Given these two income determinations at the two periods in time, a specific unit can be tracked according to the income of the household that occupied it. If it was not occupied by a *Mount Laurel* income-eligible family in the first period and was in the second period, it filtered down. If the reverse is true, it filtered up. If it was similarly occupied for both periods, it did not filter.

Viewing the same housing units, it is found that the net filtering (units moving down minus units moving up) to the lower-income population in New Jersey is about 1.1 percent over the course of the *four-year* observation period 1985–1989.²⁸ About 12.5 percent of the stock moves down, and 11.4 percent moves up. The gross figure for *six-year* net filtering is 1.65 percent of the non-deteriorated, non-low- and moderate-income housing stock, or 150 percent of the amount observed over the *four-year* period. A derivative 1.22 percent figure is the one used in the filtering calculation. It is determined by multiplying the 1.65 percent, *six-year* rate by 0.75. The latter accounts for those units that filtered down over the period and do not have the same range of affordability as those units that were continuously occupied by low- and moderate-income families. In other words, only three-quarters of the potential units available for filtering are counted, assuming that 25 percent of the units that filter down to low- and moderate-income households are beyond what these households can reasonably afford. Further, by using the non-deteriorated portion of the housing stock, the units that are counted as moving downward are assumed to be of adequate housing quality. Thus, both affordability and housing condition of the resulting units are controlled for in the filtering estimate.

Through cross-tabulation analysis, and taking into account the dominance of single-family homes in New Jersey, filtering is found to be more active in those locations that have higher percentages of older multifamily units (five units or more in a structure), and much less active in locations where there are small percentages of multifamily units, or even newer multifamily units.²⁹ Even though filtering takes place to some degree in all locations, it is much more of an urban, or older suburban (i.e., locations of older and multifamily housing), than a new suburban or exurban housing phenomenon.

Filtering for the period 1993 to 1999 is estimated by taking 1.22 percent of the 1993 non-deteriorated, non-low- and moderate-income housing stock by region and assigning this need reduction to communities within the region according to a weighted average of: (1) their share of multifamily housing units (five or more units) of the region; and

(2) their share of the pre-1940 units of the region. The former is weighted times two, and the latter times one, to avoid crediting excessive filtering to locations of older, predominantly single-family housing.

The use of multiple variables to assign the filtering credit is new for this round of numbers. It reflects more extensive analysis of the filtering phenomenon than was the case for the 1987–1993 period. The age of housing stock was added to the regression equation and showed considerable explanation power.

FILTERING HOUSING SUPPLY[†] BY REGION

NORTHEAST	– 4,895
NORTHWEST	– 4,535
WEST CENTRAL	– 2,830
EAST CENTRAL	– 3,550
SOUTHWEST	– 2,993
SOUTH-SOUTHWEST	– 1,382
STATE TOTAL	– 20,185

[†] Secondary supply sources are shown as negative demand contributors.

Residential Conversion

Conversion is the creation of dwelling units from already existing structures. Almost all conversion consists of additional dwelling units being created from other residential units, and very rarely from nonresidential units. This type, termed residential conversion, is a significant and recognized source of housing supply to low- and moderate-income families. According to the U.S. Department of Housing and Urban Development, as family size has decreased over the past two decades, residential conversion creating multiple smaller units from larger units has also increased.³⁰

Converted units are measured using the *Decennial Census* over the period 1980 to 1990. Conversions are the difference between the net change in total housing units (end minus beginning of period), minus the net of housing units constructed and demolitions lost over the period. The housing stock is always characterized by having more units measured as present at the end state versus the beginning than can be accounted for by building permits minus demolitions. This unexplained difference is termed “conversion,” most of which takes place from larger residential units.

U.S. Census information indicates that residential conversion is equivalent to 15 percent of total units constructed over the decade 1980–1990. On a percentage basis, a greater share of residential conversion units flows to the low- and moderate-income population than to the population as a whole.

Residential conversion is closely related and distributed to municipalities on the basis of their percentage of two- to four-family structures.³¹ Residential conversions influence housing supply at the regional level according to an observed share of Indigenous Need. They are distributed to

municipalities within regions according to the presence of structure types conducive to conversion, i.e., two- to four-family units.³²

Residential conversions to low- and moderate-income housing in normal markets are often on a par with demolitions for the low- and moderate-income sector. In stronger markets, conversions are more than demolitions; in weaker markets, less.

**RESIDENTIAL CONVERSION HOUSING
SUPPLY BY REGION**

NORTHEAST	- 2,530
NORTHWEST	- 2,180
WEST CENTRAL	- 930
EAST CENTRAL	- 847
SOUTHWEST	- 881
SOUTH-SOUTHWEST	- 775
STATE TOTAL	- 8,143

Spontaneous Rehabilitation

Spontaneous rehabilitation is the unsolicited private market reduction of housing need by structure rehabilitation sufficient to render the unit free of deficiencies.³³ Using the *American Housing Survey*, over four interim years between 1985 and 1989, spontaneous rehabilitation can be measured by using as a surrogate more than \$500 spent on each of three of four categories of additions, alterations, replacements, or repairs during the course of a single year.³⁴ This spontaneous rehabilitation happens to about 1.0 percent of the deficient units occupied by low- and moderate-income households annually. For a six-year period, the figure is estimated to be 6.0 percent applied to Indigenous Need at the regional level.

The key factor associated with rehabilitation of deteriorated units is wealth of the area as interpreted through a combination of weighted and unweighted income measures. Reductions for spontaneous rehabilitation are given to each municipality according to the municipality's share of a regional average income measure. In this case it is the same measure used as one of the allocation factors.³⁵ Larger, less wealthy—and smaller, more affluent—communities will experience a larger incidence of rehabilitation because in the first case, there is more opportunity for it to happen, and in the second, there is more money to support it.³⁶ Spontaneous rehabilitation cannot exceed indigenous need locally and is capped at this level.

Spontaneous rehabilitation at this juncture should not be confused with rehabilitation as a meliorative housing strategy once Calculated Need is determined. Spontaneous rehabilitation of low- and moderate-income need is a reduction before Calculated Need is tallied due to the workings of the private market. Public, publicly assisted, or private rehabilitation as a housing strategy, once need is determined, is one of several means of response to that need and has nothing to do with the need reduction determined here.

**SPONTANEOUS REHABILITATION HOUSING
SUPPLY BY REGION**

NORTHEAST	- 652
NORTHWEST	- 542
WEST CENTRAL	- 249
EAST CENTRAL	- 235
SOUTHWEST	- 229
SOUTH-SOUTHWEST	- 208
STATE TOTAL	- 2,116

PRE-CREDITED NEED

Pre-credited Need is Total Need plus Prior-cycle Prospective Need after being adjusted by secondary sources of supply and demand. It is thus the sum of Indigenous Need, Prospective Need, Prior-cycle Prospective Need, and demolitions; and net of filtering, residential conversion, and spontaneous rehabilitation. Pre-credited Need is municipal affordable housing need prior to the reduction, pre-1987 credits, and undeveloped land and 20-percent caps, to be discussed subsequently.

PRE-CREDITED NEED BY REGION

NORTHEAST	23,264
NORTHWEST	17,148
WEST CENTRAL	17,022
EAST CENTRAL	30,595
SOUTHWEST	17,576
SOUTH-SOUTHWEST	12,597
STATE TOTAL	118,203

REDUCTION FOR PRIOR-CYCLE ACTIVITIES

The Council on Affordable Housing (COAH) recognizes affordable housing efforts of communities before COAH or those affordable housing efforts that have resulted from court settlements. This recognition involves a one-for-one deduction for affordable housing units zoned or transferred by these communities. This procedure views a cumulative 1987-1999 need calculation for new housing accomplished by including prior-cycle Prospective Need, which must be decreased by prior-cycle affordable housing zoning or transfer activity. In order to estimate the level of zoning or transfer activity of the prior cycle, information has been obtained from COAH records via staff, county planning boards, and from court records via the assigned Masters (planners appointed by the courts to mediate and oversee the settlement).

The reduction for prior-cycle activities is subtracted from Pre-credited Need; it cannot reduce Pre-credited Need below zero. Any unexpended reduction is carried over to the next cycle.

REDUCTION BY REGION

NORTHEAST	- 3,070
NORTHWEST	- 5,397
WEST CENTRAL	- 7,718
EAST CENTRAL	- 8,075
SOUTHWEST	- 3,149

SOUTH-SOUTHWEST	- 437
STATE TOTAL	<u>- 27,846</u>

PRIOR-CYCLE CREDITS

The *Fair Housing Act* provides that the Council on Affordable Housing determine municipal fair share after crediting on a one-for-one basis each current unit of low- and moderate-income housing of adequate standard constructed subsequent to April 1, 1980, including any such housing constructed or acquired as part of a housing program specifically intended to provide housing for low- and moderate-income households.

A municipality may receive a one-for-one credit for each unit satisfying the criteria in *N.J.A.C. 5:92-3*. Prior-cycle credits are subtracted from municipal need after the reduction.

Prior-cycle credits cannot reduce an obligation below zero. Unexpended credits are carried over to the next affordable housing calculation cycle.

PRIOR-CYCLE CREDITS BY REGION

NORTHEAST	- 223
NORTHWEST	- 1,049
WEST CENTRAL	- 611
EAST CENTRAL	- 212
SOUTHWEST	- 1,070
SOUTH-SOUTHWEST	<u>0</u>
STATE TOTAL	<u>- 3,166</u>

TWENTY-PERCENT (20%) CAP

The 20-percent cap is a limitation of affordable housing activities for the period being projected for up to 20 percent of the existing (1993) occupied housing stock. This is termed the *community capacity*. The derivation of this limitation reflects a desire by COAH not to overwhelm local communities with affordable housing activities such that the community would experience "drastic alteration" from these activities. "Drastic alteration" has been defined as the doubling of a community's housing stock due to the presence of both inclusionary affordable housing units and simultaneously delivered market units at a ratio of 1:4. If the affordable housing component, or the "1", was more than 20 percent of existing housing units, the "4" would be more than 80 percent of existing housing units.

The sum of the inclusionary and market units would be greater than the 100 percent of existing housing units, and the community could more than double merely by meeting its affordable housing obligation through an inclusionary program.

To avoid this situation, the concept of community capacity has been instituted, which limits affordable housing produc-

tion in a municipality to 20 percent of the existing local occupied housing stock. The percentage cap thus limits affordable housing differently according to the size of the community.

Community capacity is compared to municipal need for new construction, and the difference (if community capacity is less than the municipal need for new construction), is the 20-percent cap. The 20-percent cap is subtracted from municipal need, minus prior-cycle credits. If community capacity is more than the municipal need for new construction, the 20-percent cap is zero.

20-PERCENT CAP BY REGION

NORTHEAST	- 271
NORTHWEST	0
WEST CENTRAL	0
EAST CENTRAL	- 105
SOUTHWEST	- 341
SOUTH-SOUTHWEST	- 167
STATE TOTAL	<u>- 883</u>

CALCULATED NEED

Calculated Need is the municipality's estimated obligation under the *Mount Laurel* mandate for the period 1987 to 1999. It is municipal affordable housing need *after* the prior-cycle reduction, prior-cycle credits, and the 20-percent cap. Relative to other municipalities, and taking into account existing jobs and job growth, undeveloped land, aggregate income, and what affordable housing activity has been undertaken locally this is the need that the municipality must address.

CALCULATED NEED BY REGION

NORTHEAST	19,701
NORTHWEST	10,703
WEST CENTRAL	8,693
EAST CENTRAL	22,203
SOUTHWEST	13,015
SOUTH-SOUTHWEST	<u>11,993</u>
STATE TOTAL	<u>86,308</u>

PRIOR-CYCLE VACANT LAND ADJUSTMENT COMMUNITIES

Communities that received a vacant land adjustment in the first affordable housing cycle (1987-1993) from COAH or the courts are indicated with both a Calculated Need number and a "VL" designation for the second round (1993-1999). The VL designation indicates that the Council has developed a streamlined process for these communities to receive certification. The Calculated Need is retained in the system as a goal for future affordable housing efforts as development and redevelopment occur in the community.

ATTACHMENT
URBAN AID CITIES BY COUNTY THAT MEET THE CRITERIA
SPECIFIED UNDER DISTRIBUTION OF NEED*
(FISCAL YEAR 1993)

ATLANTIC	HUDSON	PASSAIC
Pleasantville City	Bayonne City Hoboken City Jersey City City North Bergen Township Union City City West New York Town	Passaic City Paterson City
BERGEN		SALEM
Garfield City Lodi Borough		Penns Grove Borough Salem City
BURLINGTON	HUNTERDON	SOMERSET
Mount Holly Township Pemberton Township	None	None
CAMDEN	MERCER	SUSSEX
Camden City Gloucester City Pennsauken Township	Trenton City	None
CAPE MAY	MIDDLESEX	UNION
Wildwood City	Carteret Borough New Brunswick City Perth Amboy City	Elizabeth City Hillside Township Plainfield City Roselle Borough
CUMBERLAND	MONMOUTH	WARREN
Bridgeton City Millville City Vineland City	Asbury Park City Keansburg Borough Long Branch City Neptune Township	Phillipsburg Town
ESSEX	MORRIS	
Belleville Township Bloomfield Township East Orange City Irvington Township Newark City City of Orange Township	None	
GLOUCESTER	OCEAN	
Glassboro Borough Paulsboro Borough Woodbury City	Lakewood Township	

*These 45 municipalities do not receive either Reallocated Present Need or Prospective Need.

NOTES

¹ J. Douglas Carroll, Jr., "The Relation of Homes to Work Places and The Spatial Pattern of Cities," *Social Forces* 30 (1952): 271; and American Society of Planning Officials, *Relationships of the Journey to Work*, Planning Advisory Service Report No. 5 (Chicago: ASPO, April 1951).

² U.S. Department of Housing and Urban Development, Federal Housing Administration, Economic and Market Analysis Division. *FHA Techniques of Housing Market Analysis* (Washington, D.C.: U.S. Government Printing Office, August 1970).

³ U.S. Department of Commerce, Bureau of the Census, *The 1990 Census of Population and Housing; Public Use Microdata Sample: New Jersey* (Washington, D.C.: U.S. Government Printing Office, 1982).

⁴ SPSS, Inc., *SPSS Users Guide* (New York: McGraw Hill, 1988); and SAS Institute, Inc., *SAS Users Guide* (Raleigh, NC: SAS Institute, 1989).

⁵ N.J.S.A. 52:27D-301 et seq.

⁶ United States Housing Act of 1937 (42 U.S.C. 1401 et seq.), Section 3(b)(2).

⁷ U.S. Department of Commerce, Bureau of the Census, *The 1990 Census of Population and Housing; Public Use Microdata Sample: New Jersey* (1982).

⁸ 42 U.S.C. 1401, Section 3(b)(2).

⁹ See, for example, U.S. Bureau of the Census, *Measuring the Quality of Housing: An Appraisal of Census Statistics and Methods* (Washington, D.C.: Government Printing Office, 1967); and U.S. Bureau of the Census, *A Preliminary Look at the Results of the Five City Survey* (Washington, D.C., July 9, 1975).

¹⁰ Beaton, W. Patrick, "The Use of Combinatorial Indices in Housing Quality Specification." Paper presented to the October 1984 meeting of the ACSP Conference, New York. Beaton, W. Patrick, "Quality Judgments, Quality Analysis, and Housing Policy Analysis" (unpublished paper). Beaton's data are derived from the probabilities of the *Five City Study* (see Note 34).

¹¹ Burchell, Robert W. et al., *Mount Laurel II: Challenge and Delivery of Low-Cost Housing* (New Brunswick, N.J.: Center for Urban Policy Research, 1983), p. 112.

¹² Data reflecting the lack of public sewer, septic tank, or cesspool have been retained in the *American Housing Survey*. So, too, are data reflecting the lack of city water or a drilled/dug well. The retention of these data points to their growing importance as surrogates of deteriorated housing.

¹³ U.S. Department of Commerce, Bureau of the Census, *The 1990 Census of Population and Housing, Public Use Microdata Sample: New Jersey* (1982).

¹⁴ U.S. Department of Commerce, Bureau of the Census, *The 1990 Census of Population and Housing* (Washington, D.C.: U.S. Government Printing Office, 1982).

¹⁵ See *Countryside Properties, Inc. et al. v. Mayor and Council of the Borough of Ringwood and Planning Board of Ringwood et al.*, Law Division, Docket No. L-42095-81, July 24, 1984.

¹⁶ See, for example, New Jersey Department of Community Affairs, Division of State and Regional Planning, *A Revised Statewide Housing Allocation Report for New Jersey* (Trenton, NJ: Division of State and Regional Planning, 1978).

¹⁷ For discussion of fair share allocation criteria, see New Jersey Department of Community Affairs, "Fair Housing Act Issue Papers" (Trenton, NJ: Division of Housing and Development, January 10, 1986); New Jersey Department of Community Affairs, *Mount Laurel II: Methods of Calculating Municipal Fair Share* (Trenton, NJ: Division of Housing and Development, undated); Listokin, David, *Fair Share Housing Allocation* (New Brunswick, NJ: Center for Urban Policy Research, 1976); Brooks, Mary P., *Lower Income Housing: The Planner's Response* (Chicago: American Society of Planning Officials, 1972); and Burchell, Robert W. et al., *Mount Laurel II: Challenge and Delivery of Low-Cost Housing*, Chapter 7.

¹⁸ New Jersey Department of Treasury, Division of Taxation, Proper-

ty Administration Branch. "Land by Categories of Use." Trenton, NJ: New Jersey Department of Treasury, 1990, 1991.

¹⁹ This is to ensure that all pool numbers on this variable are positive.

²⁰ State of New Jersey, Department of Community Affairs, *A Revised Statewide Housing Allocation Report for New Jersey*; see also, Lerman, Carla L. et al., "Fair Share Report—Urban League of Greater New Brunswick v. Carter et al."

²¹ State of New Jersey, Department of Labor, Division of Planning and Research, Office of Demographic and Economic Analysis, *Population Projections—New Jersey and Counties: 2000-2030* (Trenton, NJ: Division of Planning and Research, August 1992).

²² U.S. Department of Commerce, Bureau of the Census, *The 1990 Census of Population and Housing; Public Use Microdata Sample: New Jersey* (1982).

²³ See Burchell, Robert W. and Listokin, David, *The Adaptive Reuse Handbook* (New Brunswick, NJ: Center for Urban Policy Research, 1981), Chapter 1, "Property Abandonment in the United States".

²⁴ Center for Urban Policy Research, analysis, *American Housing Survey 1980-1987—Metropolitan Areas of New Jersey*.

²⁵ State of New Jersey, Department of Labor, Division of Planning and Research, *Residential Building Permits* (series—annual 1990 and previous dates).

²⁶ *Ibid.*

²⁷ See, for example, Lansing, J.B. et al., "New Homes and Poor People—Study of Chains of Moves." *Geographical Analysis*, Vol. 6, No. 1 (1974), pp. 95-99; Kristof, F.S., "Federal Housing Policies—Subsidized Production, Filtration, and Objectives," *Land Economics*, Vol. 49, No. 2 (1983), pp. 163-174. See also Downs, Anthony, "New Jersey and Other Locations: The Filtering Process as a Source of Housing for Low-Income Households" (Trenton, NJ: New Jersey Council on Affordable Housing, October 1990).

²⁸ Center for Urban Policy Research, analysis of *American (Annual) Housing Survey—1985-1989—Metropolitan Areas of New Jersey*.

²⁹ *Ibid.*

³⁰ U.S. Department of Housing and Urban Development, "Additions to the Housing Supply by Means Other Than New Construction" (December 1982). Paper prepared by the Division of Housing and Demographic Analysis, Office of Policy Development and Research. See also McGough, Duane, "A Second Look at Non-New Construction Additions to Housing Supply: The Implications for the New Jersey Housing Methodology" (Trenton, NJ: New Jersey Council on Affordable Housing), October 1990.

³¹ Center for Urban Policy Research, analysis, *American Housing Survey 1980-1987—Metropolitan Areas of New Jersey*.

³² 1990 rather than 1993 is used as a base to tabulate the share of multifamily units as demolitions over the period 1990-1992 are not available by structure type. It is possible to estimate total 1993 occupied housing units, but the distribution by structure type cannot accurately be determined without demolition information by structure type.

³³ U.S. Department of Housing and Urban Development, "Additions to the Housing Supply by Means Other Than New Construction."

³⁴ Burchell et al., *Mount Laurel II, op. cit.*, Chapter 5, Part IV.

³⁵ The regional share of the summed differences from lowest statewide median household income (weighted and unweighted averages) is used to allocate the spontaneous rehabilitation credit.

³⁶ Black, J. Thomas, "Private-Market Housing Restoration in Central Cities: A ULI Survey." *Urban Land*, November 1975, p. 3; Schaaf, A.H., "Economic Feasibility Analysis for Urban Renewal Housing Rehabilitation," *Journal of the American Institute of Planners*, Vol. 35, No. 6 (November 1969), p. 399.

EXHIBIT 1
BASE DATA FOR
MUNICIPAL HOUSING NEED CALCULATION
BY MUNICIPALITY

(Part I)

EXHIBIT 1
NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
BASE DATA FOR MUNICIPAL LOW & MODERATE INCOME
HOUSING NEED CALCULATION
3-FEB-93

COUNTY	NAME	SUBREG MULTI INDEX NEED	MUNIC. SINGLE INDEX NEED	SUBREG SINGLE INDEX NEED	1993 OCCUPIED HOUSING EST.	% REG. VACANT AREA	% REG. EQUAL- NON- RESID VALUE	REG. INCOME DIFF.	% REG. EQUAL. NONRES VALUE CHANGE	FRES. NEED ALLOCA FACTOR	PROB. NEED ALLOCA FACTOR	1990 LOW- MOD INCOME SUBREG PERCENT
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	JOHNSONVILLE	364	410	4544	12695	4.109	8.293	3.840	10.987	5.414	6.312	24.0
ATLANTIC												
	ABSECON CITY	1832	462	20838	2664	1.569	.846	2.582	.871	1.666	1.674	43.0
	ATLANTIC CITY	1832	7357	20838	15612	1.012	58.788	1.583	63.973	20.454	22.189	43.0
	BRIGHTWINE CITY	1832	362	20838	5064	0.000	.325	3.135	.211	1.220	1.115	43.0
	BUENA BORO.	1832	408	20838	1700	.302	.283	.820	.189	.468	.437	43.0
	BUENA VISTA TWP.	1832	621	20838	2717	.001	.247	1.180	.163	.476	.448	43.0
	CORBIN CITY	1832	47	20838	172	0.000	.019	.549	.016	.189	.188	43.0
	EGG HARBOR TWP.	1832	997	20838	9616	15.990	4.857	5.862	5.450	8.903	9.101	43.0
	EGG HARBOR CITY	1832	746	20838	1706	1.307	.311	.921	.253	.846	.827	43.0
	ESTELL MANOR CITY	1832	137	20838	462	0.000	.025	1.078	.009	.368	.362	43.0
	FOLSOM BORO.	1832	134	20838	703	0.000	.173	1.154	.083	.442	.412	43.0
	GALLOWAY TWP.	1832	1041	20838	8440	9.477	1.406	6.312	1.189	5.731	5.659	43.0
	HAMILTON TWP.	1832	794	20838	5947	6.954	3.226	4.448	4.277	4.876	5.226	43.0
	HAMMONTON TOWN	1832	1319	20838	4523	4.185	1.523	2.636	1.338	2.781	2.720	43.0
	LINWOOD CITY	1832	313	20838	2430	.715	.743	3.617	.698	1.691	1.676	43.0
	LONGPORT BORO.	1832	75	20838	800	.027	.071	.891	.005	.310	.288	43.0
	MARGATE CITY	1832	733	20838	3885	.094	.456	3.159	.561	1.303	1.272	43.0
	MULLICA TWP.	1832	438	20838	2009	.182	.178	1.471	.144	.677	.666	43.0
	NORTHFIELD CITY	1832	483	20838	2694	1.412	1.107	2.821	.790	1.780	1.674	43.0
	PLEASANTVILLE CITY	1832	1793	20838	6065	.	.	.	.	.	0.000	43.0
	FORT REPUBLIC CITY	1832	116	20838	357	.009	.035	1.177	.015	.407	.400	43.0
	SHOWERS POINT CITY	1832	521	20838	4918	.452	1.299	2.397	1.124	1.383	1.324	43.0
	VENTNOR CITY	1832	1735	20838	4900	.201	.600	2.599	.277	1.133	1.026	43.0
	WEYMOUTH TWP.	1832	195	20838	742	0.000	.065	.893	.068	.319	.320	43.0
BERGEN												
	ALLEDALE BORO.	314	447	9239	1863	1.474	.469	1.018	.514	.987	1.002	17.7
	ALPINE BORO.	226	71	11300	542	3.777	.166	.969	.192	1.637	1.646	23.9
	BERGENFIELD BORO.	226	2152	11300	8626	.660	.719	1.293	.716	.891	.889	23.9
	BOGOTA BORO.	342	1490	13266	2771	.024	.158	.580	.120	.254	.242	38.1
	CARLSTADT BORO.	498	701	13568	2147	.439	3.575	.382	3.330	1.465	1.384	40.1
	CLIFFSIDE PARK BORO.	273	2642	13045	8978	.012	.462	1.083	.379	.519	.492	38.8
	CLOSTER BORO.	226	553	11300	2665	.656	.444	.908	.478	.669	.681	23.9
	CRENSHILL BORO.	226	499	11300	2559	.252	.333	.842	.260	.475	.451	23.9
	DEHAREST BORO.	226	316	11300	1542	.447	.082	.772	.080	.434	.433	23.9
	DUMONT BORO.	226	1562	11300	6208	.036	.256	1.108	.272	.467	.472	23.9

EAST RUTHERFORD BORO.	498	1078	13568	3267	.346	1.963	.358	2.355	.889	1.019	40.1
EDGEWATER BORO.	273	743	13045	2386	.080	.746	.494	.651	.440	.408	38.8
ELMWOOD PARK BORO.	217	1005	14469	6676	.139	.901	.762	.603	.601	.501	36.8
EMERSON BORO.	226	253	11300	2208	.179	.331	.786	.277	.435	.417	23.9
ENGLEWOOD CITY	342	3097	13266	8958	1.301	1.867	1.385	1.888	1.518	1.525	38.1
ENGLWOOD	226	90	11300	1837	.133	2.534	1.097	2.334	1.255	1.188	23.9
CLIFFS BOR											
FAIR LAWN BORO.	217	2080	14469	11391	.182	1.542	1.870	1.256	1.198	1.103	36.8
FAIRVIEW BORO.	273	1640	13045	4283	.001	.670	.398	.686	.356	.362	38.8
FORT LEE BORO.	273	1895	13045	15338	.217	2.997	2.171	3.358	1.795	1.915	38.8
FRANKLIN LAKES BORO.	314	253	9239	3122	4.174	1.168	1.875	1.464	2.406	2.504	17.7
GARFIELD CITY	217	4694	14469	10876						0.000	36.8
GLEN ROCK BORO.	314	1143	9239	3833	.762	.453	1.230	.516	.815	.836	17.7
HACKENSACK CITY	342	4106	13266	16558	.164	3.878	1.703	4.075	1.915	1.981	38.1
HARRINGTON PARK BORO	226	318	11300	1480	.256	.065	.873	.010	.398	.380	23.9
HASBROUCK HEIGHTS BO	498	1285	13568	4327	.019	.840	.735	.814	.531	.523	40.1
HAWORTH BORO.	226	274	11300	1122	.432	.210	.730	.204	.457	.455	23.9
HILLSDALE BORO.	226	645	11300	3214	1.120	.223	1.026	1.174	.789	.773	23.9
HOBOKUS BORO.	314	348	9239	1373	.791	.092	1.057	.090	.647	.646	17.7
LEONIA BORO.	273	1168	13045	3208	.188	.293	.766	.370	.416	.441	38.8
LITTLE FERRY BORO.	498	750	13568	4140	.023	.627	.719	.609	.456	.450	40.1
LOGI BORO.	217	2034	14469	8948						0.000	36.8
LYNDHURST TWP.	498	2545	13568	7104	.249	2.209	.913	2.182	1.124	1.115	40.1
MAHWAH TWP.	314	791	9239	7035	5.933	2.036	1.533	1.973	3.168	3.146	17.7
MAYWOOD BORO.	217	978	14469	3679	.014	.434	.682	.360	.377	.352	36.8
MIDLAND PARK BORO.	314	891	9239	2522	.200	.425	.653	.410	.426	.421	17.7
MONTVALE BORO.	226	230	11300	2383	1.740	2.263	1.002	2.622	1.668	1.788	23.9
MOONACHIE BORO.	498	133	13568	1086	.015	1.550	.268	1.604	.611	.629	40.1
NEW MILFORD BORO.	217	854	14469	6107	.091	.189	.942	.170	.407	.401	36.8
NORTH ARLINGTON BORO.	498	1479	13568	5565	.030	.379	.704	.367	.371	.367	40.1
NORTHVALE BORO.	226	279	11300	1511	.181	.733	.586	.529	.500	.432	23.9
NORMOOD BORO.	226	278	11300	1557	1.285	.454	.707	.446	.815	.813	23.9
OAKLAND BORO.	314	295	9239	3895	2.365	.801	1.175	.751	1.447	1.430	17.7
OLD TAPPAN BORO.	226	103	11300	1317	.879	.278	.826	.277	.661	.661	23.9
ORADELL BORO.	217	598	14469	2764	.295	.437	1.198	.346	.643	.613	36.8
FALISADES PARK BORO.	273	1601	13045	5809	.004	.706	.607	.741	.439	.451	38.8
PARAMUS BORO.	217	611	14469	7739	5.249	6.410	1.764	6.067	4.475	4.360	36.8
PARK RIDGE BORO.	226	507	11300	2953	.675	.662	.905	.816	.748	.799	23.9
RAMSEY BORO.	314	635	9239	4700	.712	1.379	1.405	1.427	1.165	1.181	17.7
RIDGEFIELD BORO.	273	1014	13045	3861	.083	.978	.649	.679	.570	.470	38.8
RIDGEFIELD PK VILLAG	273	2344	13045	4936	.138	.773	.738	.959	.550	.612	38.8
RIDGEMOOD VILLAGE	314	3059	9239	8310	1.508	1.012	2.621	1.078	1.713	1.735	17.7
RIVER EDGE BORO.	217	649	14469	4049	.493	.325	.903	.287	.574	.561	36.8
RIVER VALE TWP.	226	180	11300	3175	1.393	.222	1.100	.185	.905	.893	23.9
ROCHELLE PARK TWP.	217	536	14469	2057	.110	.772	.418	.758	.433	.429	36.8
ROCKLEIGH BORO.	226	11	11300	62	.759	.679	.484	.646	.641	.630	23.9
RUTHERFORD BORO.	498	3030	13568	6619	.031	.961	1.076	.892	.690	.666	40.1
SADDLE BROOK TWP.	217	431	14469	4902	.324	1.936	.846	1.885	1.035	1.018	36.8
SADDLE RIVER BORO.	314	139	9239	1002	1.764	.037	1.537	.041	1.113	1.114	17.7
SOUTH HACKENSACK TWP	498	153	13568	736	.007	.956	.253	.764	.405	.341	40.1
TEANECK TWP.	342	4573	13266	12908	1.232	1.330	2.550	1.409	1.704	1.731	38.1
TENAFLY BORO.	226	1580	11300	4702	1.221	.596	1.500	.530	1.106	1.084	23.9
TETERBORO BORO.	498	2	13568	9	.010	.782	.388	.609	.393	.335	40.1
UPPER SADDLE RIV BOR	314	113	9239	2331	1.956	.457	1.448	.577	1.287	1.327	17.7
WALDWICK BORO.	314	485	9239	3298	.419	.329	.951	.291	.566	.554	17.7
WALLINGTON BORO.	498	1278	13568	4696	.069	.370	.409	.289	.283	.256	40.1
WASHINGTON TWP.	226	114	11300	3100	.606	.048	1.120	.012	.591	.579	23.9
WESTWOOD BORO.	226	1089	11300	4111	.777	.672	.769	.636	.739	.727	23.9
WOODCLIFF LAKE BORO.	226	194	11300	1654	1.108	1.022	1.127	1.235	1.086	1.157	23.9

MUNICIPALITY	NO.	1152	13568	2891	.178	.454	.714	-.034	.449	.286	40.1
WOOD-RIDGE BORO.	498	1152	13568	2891	.178	.454	.714	-.034	.449	.286	40.1
WYCKOFF TWP.	314	640	9239	9072	2.361	.494	1.811	.437	1.555	1.536	17.7
BURLINGTON											
BASS RIVER TWP.	918	244	7618	568	0.000	.156	.284	.135	.147	.140	45.8
BEVERLY CITY	585	537	10938	1031	.018	1.100	.300	.081	.129	.133	37.5
BORDERTOWN CITY	585	945	10938	1828	1.058	1.463	.829	.138	1.490	1.462	42.2
BORDERTOWN TWP.	585	144	10938	3992	1.483	1.412	.549	1.155	.821	.736	37.5
BURLINGTON CITY	585	704	10938	4612	4.102	3.118	1.141	3.022	2.787	2.755	37.5
CHESTERFIELD	918	272	7618	984	.023	.180	.167	.324	.319	.319	45.8
CINCINNATI BORO.	585	446	10938	4877	1.203	2.386	1.800	2.306	1.786	1.770	37.5
DELANCO TWP.	585	499	10938	1216	.658	.681	.482	.407	.564	.516	37.5
DELANCO TWP.	585	142	7618	1753	1.272	1.372	1.480	1.294	1.361	1.335	37.5
DELANCO TWP.	585	142	7618	2091	.643	1.109	.777	.057	.509	.492	45.8
DOUGLASS PARK TWP.	585	417	10938	3256	.311	.550	.972	.464	.611	.582	37.5
EVELASH TWP.	364	344	4544	13405	1.683	3.935	4.127	5.119	3.249	3.443	24.0
FELLSBORO	585	98	10938	189	.057	.088	.353	.084	.166	.165	45.8
FLORENCE TWP.	585	1575	10938	3904	.751	.825	.933	.576	.836	.753	37.5
HAINESBORO TWP.	918	378	7618	1186	2.027	.411	.508	.400	1.049	1.045	45.8
HAINESBORO TWP.	918	309	7618	1591	1.295	.330	.559	.292	.728	.715	45.8
HANFIELD TWP.	364	1044	4544	8830	.147	1.552	1.319	1.383	1.006	.950	24.0
HARVEY LAKE TWP.	364	559	4544	7282	2.542	1.684	3.065	1.897	2.430	2.501	24.0
HEDFORD LAKES BORO.	364	148	4544	1549	.022	.069	1.195	.039	.422	.419	24.0
HOGESTOWN TWP.	364	1356	4544	4002	3.148	5.082	2.328	4.542	3.519	3.339	24.0
HUNTERS HOLLOW TWP.	918	1441	7618	3691							45.8
MCURT LAUREL TWP.	364	410	4544	12695	4.109	8.293	3.840	10.987	5.414	6.212	24.0
NEW HANOVER TWP.	918	145	7618	864	.003	.106	.295	.092	.135	.130	45.8
NORTH HANOVER TWP.	918	540	7618	3280	0.000	.285	.494	.270	.260	.255	45.8
PERCY BORO.	585	1105	10938	2909	.325	.361	.761	.295	.486	.464	37.5
PERMERTON BORO.	918	229	7618	497	0.000	.072	.285	.059	.119	.115	45.8
PERMERTON TWP.	918	1539	7618	10530						0.000	45.8
PIETERSIDE TWP.	585	1478	10938	3070	.137	.546	.563	.560	.415	.420	37.5
PIVERTON BORO.	585	626	10938	1068	.018	1.108	.668	1.109	.258	.258	45.8
RAMOTH TWP.	918	120	7618	1894	1.82	1.82	1.82	.316	.479	.457	45.8
SOUTHAMPTON TWP.	918	584	7618	4355	.387	.393	.746	.316	.479	.457	45.8
SPRINGFIELD TWP.	918	261	7618	1039	.003	.218	.644	.228	.288	.282	45.8
TABERNACLE TWP.	918	194	7618	2404	.489	.111	1.276	.098	.625	.621	45.8
WASHINGTON TWP.	918	133	7618	302	0.000	.065	.285	.004	.120	.097	45.8
WASHINGTON TWP.	918	133	7618	2504	3.019	.477	1.119	.537	1.308	1.306	45.8
WILLINGBORO	364	484	4544	11255	.448	.678	3.078	.422	1.401	1.316	24.0
WYOMINGLAND TWP.	918	117	7618	425	0.000	.143	.435	.156	.193	.197	45.8
WYOMINGLAND TWP.	918	581	7618	1268	0.000	.104	.119	.043	.075	.054	45.8

MUNICIPALITY	NO.	1350	11634	3600	.017	.574	.849	.379	.480	.415	42.2
AUDUBON BORO.	468	1350	11634	3600	.017	.574	.849	.379	.480	.415	42.2
AUDUBON PARK BORO.	468	50	11634	485	.007	.001	.137	-.072	.048	.024	42.2
BARRINGTON BORO.	468	487	11634	2678	.067	.462	.689	.234	.406	.330	42.2
BELLMAR BORO.	468	512	11634	4665	.292	1.323	.907	1.125	.841	.775	42.2
BERLIN BORO.	492	335	7425	1980	.498	.790	.699	1.422	.645	.813	38.1
BERLIN TWP.	492	318	11634	1405	.465	.218	.290	.185	.189	.178	42.2
BROOKLYN BORO.	468	468	11634	26016	.039	.218	.290	.185	.189	0.000	42.2
CHERRY HILL TWP.	1545	6364	20243	24903	1.872	16.950	7.804	18.197	8.875	9.291	29.5
CHESLAUNST BORO.	492	80	7425	492	.272	.024	.292	.020	.196	.195	38.1
CLERHON TWP.	492	732	7425	2307	.085	.249	.429	.187	.255	.234	38.1
COLLINGSWOOD BORO.	251	3100	6279	6350	.079	.781	1.019	.829	.626	.376	29.5
CIBBSBORO BORO.	492	133	7425	751	.568	.449	.630	.662	.549	.420	38.1
CLOVERBORO BORO.	492	1370	7425	19255	4.213	1.635	3.970	1.479	3.273	3.221	38.1
CLOVERBORO CITY	468	2481	11634	4577						0.000	42.2
HAZTON TWP.	251	1788	6279	6209	.131	1.140	1.264	1.046	.825	.794	29.5

CANON

HADDONFIELD BORO.	468	2210	11634	4484	.118	1.335	1.969	1.152	1.141	1.080	42.2
HADDON HEIGHTS BORO.	468	1279	11634	3025	.049	.442	.847	.407	.446	.434	42.2
HI-BELLA BORO.	492	81	7425	467	.028	.044	.150	.024	.074	.067	38.1
LAUREL SPRINGS BORO.	492	349	7425	820	.006	.137	.436	.114	.193	.185	38.1
LAMMSIDE BORO.	468	141	11634	1043	.140	.382	.333	.338	.285	.270	42.2
LINDENWOLD BORO.	492	874	7425	8202	.372	.466	1.150	.420	.662	.647	38.1
MAGNOLIA BORO.	468	450	11634	1768	.022	.241	.435	.176	.233	.211	42.2
MENCHANTVILLE BORO.	1563	861	20247	1573	.005	.224	.473	.185	.234	.221	62.6
MOUNT EPHRAIM BORO.	468	365	11634	1773	.014	.273	.530	.199	.272	.248	42.2
OAKLYN BORO.	468	795	11634	1844	.019	.222	.459	.209	.233	.229	42.2
PENNSAUKEN TWP.	1563	3023	20247	12423						0.000	62.6
FINE HILL BORO.	492	620	7425	3961	.680	.098	.731	.083	.503	.498	38.1
FINE VALLEY BORO.	492	7	7425	10	.202	.041	.924	.064	.389	.397	38.1
RUNNEMEDE BORO.	468	490	11634	3418	.076	.534	.657	.471	.422	.401	42.2
SOMERDALE BORO.	468	233	11634	2069	.064	.561	.548	.663	.391	.425	42.2
STRATFORD BORO.	492	340	7425	2698	.046	.713	.862	.649	.540	.519	38.1
TAVISTOCK BORO.	468	0	11634	11	.097	.022	2.000	.024	.706	.707	42.2
VOORHEES TWP.	492	409	7425	9602	1.603	4.932	3.102	5.483	3.212	3.396	38.1
WATERFORD TWP.	492	534	7425	3600	.552	.340	1.139	.288	.677	.660	38.1
WINSLOW TWP.	492	1243	7425	10187	4.852	1.100	2.145	1.047	2.699	2.681	38.1
WOOLLYNNE BORO.	251	417	6279	884	.004	.042	.202	.018	.083	.075	29.5
CAPE MAY											
AVALON BORO.	1105	100	15825	868	0.000	.856	1.095	.423	.650	.506	41.5
CAPE MAY CITY	1105	494	15825	1914	0.000	1.840	.879	2.016	.906	.965	41.5
CAPE MAY POINT BORO.	1105	55	15825	145	0.000	.011	.225	.013	.079	.080	41.5
DENNIS TWP.	1105	503	15825	1856	1.623	.318	2.017	.373	1.319	1.338	41.5
LOWER TWP.	1105	1205	15825	8777	3.187	1.628	2.583	1.496	2.466	2.422	41.5
MIDDLE TWP.	1105	1287	15825	5549	5.078	1.778	2.422	1.861	3.093	3.120	41.5
NORTH WILWOOD CITY	1105	493	15825	2205	0.000	1.624	.524	.469	.716	.331	41.5
OCEAN CITY CITY	1105	1685	15825	7315	0.000	2.424	3.385	1.789	1.936	1.725	41.5
SEA ISLE CITY	1105	246	15825	1230	0.000	.538	.980	.354	.506	.445	41.5
STONE HARBOR BORO.	1105	104	15825	544	0.000	.899	.881	.823	.593	.568	41.5
UPPER TWP.	1105	564	15825	3915	6.968	.962	3.750	.926	3.893	3.881	41.5
WEST CAPE MAY BORO.	1105	175	15825	473	0.000	.105	.333	.120	.146	.151	41.5
WEST WILWOOD BORO.	1105	47	15825	215	0.000	.022	.147	.019	.056	.055	41.5
WILWOOD CITY	1105	738	15825	1896						0.000	41.5
WILWOOD CREST BORO.	1105	311	15825	1641	0.000	2.431	.960	1.368	1.130	.776	41.5
WOODBINE BORO.	1105	274	15825	702	3.089	.153	.334	.164	1.192	1.196	41.5
CUMBERLAND											
BRIDGETON CITY	1459	3167	14996	6715						0.000	45.0
COMMERCIAL TWP.	1459	560	14996	1781	0.000	.126	.885	.124	.337	.336	45.0
DEERFIELD TWP.	1459	315	14996	1012	0.000	.091	.789	.073	.294	.287	45.0
DOWNE TWP.	1459	335	14996	636	0.000	.068	.467	.052	.178	.173	45.0
FAIRFIELD TWP.	1459	545	14996	1869	2.911	.097	.807	.071	1.272	1.263	45.0
GREENWICH TWP.	1459	181	14996	331	0.000	.026	.596	.017	.207	.204	45.0
HOPEWELL TWP.	1459	335	14996	1413	4.285	.088	1.503	.100	1.959	1.963	45.0
LAWRENCE TWP.	1459	348	14996	810	.000	.067	.772	.053	.280	.275	45.0
MAURICE RIVER TWP.	1459	472	14996	1257	0.000	.129	.890	.066	.340	.319	45.0
MILLVILLE CITY	1459	3118	14996	9806						0.000	45.0
SHILOH BORO.	1459	87	14996	150	0.000	.010	.443	.010	.158	.158	45.0
STOW CREEK TWP.	1459	174	14996	500	0.000	.025	.907	.021	.310	.309	45.0
UPPER DEERFIELD TWP.	1459	505	14996	2422	10.536	.582	1.847	.348	4.322	4.244	45.0
VINELAND CITY	1459	4851	14996	19045						0.000	45.0
ESSEX											
BELLEVILLE TWP.	737	4462	25506	13280						0.000	39.1
BLOOMFIELD TWP.	737	7699	25506	18158						0.000	39.1
CALDWELL BORO.	45	1137	7759	3190	.009	.347	.661	.314	.339	.320	21.0
CEDAR GROVE TWP.	45	494	7759	4114	.534	.782	1.062	.788	.793	.795	21.0
EAST ORANGE CITY	1100	12252	21021	26603						0.000	53.8

ESSEX FIELDS TWP.	45	267	7759	722	.322	.040	1.112	.039	.491	.491	21.0
FAIRFIELD TWP.	45	197	7759	2315	2.041	4.525	.949	5.254	2.505	2.748	21.0
GLEN RIDGE BORO. TWP.	737	1554	25506	2388	.016	.141	1.221	.151	.459	.462	39.1
IRVINGTON TOWN	977	8521	15607	21674	.	.	.	.	.	0.000	48.2
LIVINGSTON TWP.	45	768	7759	8687	2.154	3.561	2.890	3.400	2.869	2.881	21.0
MAPLEWOOD TWP.	977	4365	15607	7780	.800	.675	1.803	.479	1.093	1.094	48.2
HILLSBURH TWP.	45	2252	7759	6792	2.096	2.710	2.778	2.087	2.531	2.320	21.0
MONTCLAIR TWP.	737	8011	25506	14247	.319	1.204	2.567	1.315	1.363	1.400	39.1
NEWARK CITY	6803	48278	48278	87711	.	.	.	.	.	0.000	63.3
NORTH CALDWELL TWP.	45	176	7759	1927	.410	.074	1.421	.072	.635	.634	21.0
NUTLEY TWP.	737	3781	25506	10425	.040	1.908	1.375	1.826	1.108	1.080	39.1
ORANGE CITY TWP.	1100	4529	21021	11331	.	.	.	.	.	0.000	53.8
ROSELAND BORO.	45	186	7759	1821	1.610	2.289	.752	2.812	1.550	1.725	21.0
SOUTH ORANGE TWP.	977	2722	15607	5084	.079	.511	1.552	.494	.714	.708	48.2
VILL TW											
VERONA TWP.	45	1686	7759	5453	.089	.490	1.286	.411	.621	.595	21.0
WEST CALDWELL TWP.	45	594	7759	3501	1.417	1.502	1.251	1.427	1.390	1.365	21.0
WEST ORANGE TWP.	1100	4239	21021	14644	3.499	2.231	2.403	2.434	2.711	2.779	53.8
GLOUCESTER											
CLAYTON BORO.	1442	506	15315	2109	1.120	.321	.444	.216	.628	.593	41.1
DEPTFORD TWP.	1442	891	15315	8716	4.445	3.120	1.746	2.577	3.104	2.922	41.1
EAST GREENWICH TWP.	1442	388	15315	1767	4.560	.360	.891	.376	1.937	1.942	41.1
ELK TWP.	1442	337	15315	1313	2.011	.089	.427	.121	.843	.853	41.1
FRANKLIN TWP.	1442	1009	15315	4832	2.800	.483	1.043	.459	1.442	1.434	41.1
GLASSBORO BORO.	1442	1040	15315	5126	.	.	.	.	.	0.000	41.1
GREENWICH TWP.	1442	377	15315	1849	2.011	4.896	.639	4.031	2.515	2.227	41.1
HARRISON TWP.	1442	417	15315	1671	3.920	.110	.790	.086	1.606	1.599	41.1
LOGAN TWP.	1442	294	15315	1748	5.943	1.885	.794	2.590	2.907	3.109	41.1
MANTUA TWP.	1442	761	15315	3524	4.289	.624	1.088	.518	2.000	1.965	41.1
MONROE TWP.	1442	1262	15315	9529	4.901	1.439	1.642	1.403	2.660	2.648	41.1
NATIONAL PARK BORO.	1442	330	15315	1115	.179	.052	.378	.038	.203	.198	41.1
NEWFIELD BORO.	1442	193	15315	567	0.000	.168	.377	.133	.182	.170	41.1
PAULSBORO BORO.	1442	1178	15315	2418	.	.	.	.	.	0.000	41.1
PITMAN BORO.	1442	1378	15315	3399	.191	.554	.951	.461	.565	.534	41.1
SOUTH HARRISON TWP.	1442	152	15315	647	.403	.015	.523	.013	.314	.313	41.1
SNEDESBORO BORO.	1442	453	15315	731	.094	.164	.290	.116	.182	.166	41.1
WASHINGTON TWP.	1442	490	15315	13805	3.874	2.595	4.213	3.059	3.561	3.715	41.1
WENONAH BORO.	1442	343	15315	833	.096	.028	.761	.021	.295	.293	41.1
WEST DEPTFORD TWP.	1442	807	15315	7670	3.740	5.009	1.586	3.513	3.445	2.946	41.1
WESTVILLE BORO.	1442	699	15315	1837	.066	.392	.422	.313	.293	.267	41.1
WOODBURY CITY	1442	1664	15315	4158	.	.	.	.	.	0.000	41.1
WOODBURY HEIGHTS BOR	1442	236	15315	1115	.107	.373	.725	.231	.402	.354	41.1
WOOLNICH TWP.	1442	112	15315	477	3.797	.269	.436	.206	1.501	1.480	41.1
HUDSON											
BAYONNE CITY	1033	11522	21266	25950	.	.	.	.	.	0.000	50.2
EAST NEWARK BORO.	1033	321	21266	743	.001	.132	.149	.142	.094	.097	50.2
GUTTENBERG TOWN	5526	1015	39657	3695	.006	.195	.556	.168	.253	.243	63.3
HARRISON TOWN	1033	2248	21266	5041	.135	1.136	.482	1.236	.584	.618	50.2
HOBOKEN CITY	5526	9007	39657	15403	.	.	.	.	.	0.000	63.3
JERSEY CITY	5632	47248	47248	83638	.	.	.	.	.	0.000	63.3
KEARNY TOWN	1033	6107	21266	12746	4.978	3.159	1.276	2.889	3.137	3.047	50.2
NORTH BERGEN TWP.	5526	7098	39657	19541	.	.	.	.	.	0.000	63.3
SECAUCUS TOWN	1033	1069	21266	5659	4.392	6.269	1.137	7.270	3.933	4.266	50.2
UNION CITY	5526	12307	39657	21076	.	.	.	.	.	0.000	63.3
WEEHAWKEN TWP.	5526	3223	39657	5180	.216	1.555	.516	2.143	.762	.958	63.3
WEST NEW YORK TOWN	5526	7007	39657	14736	.	.	.	.	.	0.000	63.3
HUNTERDON											
ALEXANDRIA TWP.	2979	307	21228	1244	0.000	.041	.776	.033	.272	.269	40.3
BETHLEHEM TWP.	2979	273	21228	1078	0.000	.086	.945	.090	.344	.345	40.3
BLOOMSBURY BORO.	2979	178	21228	333	0.000	.060	.289	.048	.116	.112	40.3
CALIFON BORO.	2979	143	21228	403	0.000	.045	.669	.048	.238	.239	40.3
CLINTON TOWN	2979	247	21228	807	.152	.272	.663	.291	.362	.369	40.3

CLINTON TWP.	2979	441	21228	3520	4.008	1.590	1.973	1.518	2.524	2.500	40.3
DELAWARE TWP.	2979	613	21228	1609	.001	.093	.962	.056	.352	.340	40.3
EAST AMWELL TWP.	2979	458	21228	1538	0.000	.145	1.075	.172	.407	.416	40.3
FLEMINGTON BORO.	2979	683	21228	1809	.020	.721	.247	.684	.329	.317	40.3
FRANKLIN TWP.	2979	294	21228	1024	.063	.131	.801	.123	.332	.329	40.3
FRENCHTOWN BORO.	2979	326	21228	580	0.000	.092	.306	.088	.133	.131	40.3
GLEN GARDNER BORO.	2979	179	21228	750	0.000	.024	.545	.024	.189	.189	40.3
HAMPTON BORO.	2979	218	21228	577	0.000	.019	.306	.018	.108	.108	40.3
HIGH BRIDGE BORO.	2979	508	21228	1447	0.000	.070	.674	.061	.248	.245	40.3
HOLLAND TWP.	2979	405	21228	1744	0.000	.136	.593	.065	.243	.220	40.3
KINGHOOD TWP.	2979	449	21228	1178	0.000	.106	.653	.102	.253	.252	40.3
LAMBERTVILLE CITY	2979	1094	21228	1727	0.000	.281	.405	.294	.329	.333	40.3
LEBANON BORO.	2979	152	21228	427	.170	.129	.576	.141	.292	.296	40.3
LEBANON TWP.	2979	552	21228	1976	0.000	.182	.902	.199	.361	.367	40.3
MILFORD BORO.	2979	202	21228	516	0.000	.113	.303	.044	.139	.116	40.3
RAKITAN TWP.	2979	504	21228	5781	3.570	1.304	2.289	1.085	2.388	2.315	40.3
READINGTON TWP.	2979	782	21228	4781	6.019	1.208	2.071	1.451	3.099	3.180	40.3
STOCKTON BORO.	2979	121	21228	261	0.000	.024	.257	.021	.094	.093	40.3
TENNESSEE TWP.	2979	398	21228	1702	.697	.189	2.025	.186	.970	.969	40.3
UNION TWP.	2979	224	21228	1426	1.087	.400	1.017	.500	.835	.868	40.3
WEST AMWELL TWP.	2979	235	21228	849	0.000	.115	.521	.105	.212	.208	40.3
MERCER											
EAST WINDSOR TWP.	542	378	7340	8853	1.878	2.303	2.183	1.953	2.122	2.005	29.5
ENING TWP.	542	1665	7340	12167	2.296	3.917	2.191	3.417	2.801	2.635	29.5
HAMILTON TWP.	1793	5277	25835	32967	3.195	5.544	5.123	5.095	4.621	4.471	48.4
HIGHTSTOWN BORO.	542	738	7340	2007	.049	.390	.709	.350	.383	.369	29.5
HOPWELL BORO.	542	392	7340	774	0.000	.172	.561	.154	.244	.238	29.5
HOPWELL TWP.	542	688	7340	3974	4.834	1.795	1.873	1.750	2.834	2.819	29.5
LAWRENCE TWP.	1793	1104	25835	9342	1.856	7.767	3.373	7.278	3.999	3.835	48.4
PEWINGTON BORO.	542	360	7340	931	.036	.195	.921	.194	.384	.384	29.5
PRINCETON BORO.	542	1623	7340	3248	.033	1.819	.827	1.742	.893	.867	29.5
PRINCETON TWP.	542	749	7340	5226	1.539	1.159	2.091	1.384	1.596	1.671	29.5
TRENTON CITY	1793	19454	25835	30325	.	.	.	.	.	0.000	48.4
WASHINGTON TWP.	542	241	7340	2482	2.940	.507	.781	.489	1.409	1.403	29.5
WEST WINDSOR TWP.	542	506	7340	5547	5.346	4.195	2.948	4.800	4.163	4.365	29.5
MIDDLESEX											
CARTERET BORO.	1409	1569	15810	6606	.	.	.	.	.	0.000	46.0
CRANBURY TWP.	647	265	3720	892	1.635	.946	1.039	.821	1.207	1.165	37.6
DURELL BORO.	523	1024	7804	2447	.006	.257	.458	.198	.307	.287	34.4
EAST BRUNSWICK TWP.	1302	797	12043	15448	.984	4.160	4.581	4.292	3.242	3.286	43.1
EDISON TWP.	523	2530	7804	32872	2.844	12.438	6.479	13.251	7.254	7.525	34.4
HELMETTA BORO.	647	120	3720	463	.092	.050	.351	.027	.164	.156	37.6
HIGHLAND PARK BORO.	1302	2113	12043	5847	.059	.348	.790	.291	.399	.380	43.1
JAMESBURG BORO.	647	421	3720	2034	.034	.134	.511	.135	.226	.227	37.6
NETUCHES BORO.	523	1150	7804	4964	.086	.878	1.347	.832	.837	.822	34.4
MIDDLESEX BORO.	523	781	7804	4785	.235	.920	1.173	.693	.776	.700	34.4
MILLTOWN BORO.	1302	543	12043	2543	.054	.280	1.071	.227	.469	.451	43.1
MONROE TWP.	647	483	3720	9889	12.031	1.947	1.444	2.115	5.141	5.197	37.6
NEW BRUNSWICK CITY	1302	5925	12043	12762	.	.	.	.	.	0.000	43.1
NORTH BRUNSWICK TWP.	1302	934	12043	12100	1.818	3.729	2.642	3.352	2.730	2.604	43.1
OLD BRIDGE TWP.	647	1320	3720	20591	6.530	1.354	3.723	1.326	3.869	3.859	37.6
PERTH AMBOY CITY	1409	6915	15810	14354	.	.	.	.	.	0.000	46.0
PISCATAWAY TWP.	523	1659	7804	14376	3.179	7.026	3.134	6.338	4.447	4.217	34.4
PLAINSBORO TWP.	647	265	3720	7326	2.064	3.103	1.528	3.810	2.232	2.467	37.6
SAYREVILLE BORO.	1409	1402	15810	13087	2.965	2.346	2.322	2.022	2.544	2.436	46.0
SOUTH AMBOY CITY	1409	1328	15810	2960	.116	.321	.438	.249	.292	.268	46.0
SOUTH BRUNSWICK TWP.	647	589	3720	9866	7.445	6.338	2.688	7.600	5.490	5.911	37.6
SOUTH PLAINFIELD BOR	523	661	7804	6821	.700	4.243	1.781	3.704	2.241	2.062	34.4
SOUTH RIVER BORO.	1302	1731	12043	5127	.086	.329	.620	.281	.345	.329	43.1

SPOTSWOOD BORO.	647	257	3720	2991	.035	.245	.668	.208	.316	.303	37.6
WOODBRIE TWP.	1409	4595	15810	34085	2.090	11.644	5.306	11.045	6.347	6.147	46.0
MONMOUTH											
ABERDEEN TWP.	423	555	8798	6035	.272	1.087	1.460	.951	1.006	.961	31.5
ALLENHURST BORO.	731	216	13980	299	.006	.128	.573	.123	.236	.234	42.5
ALLENTOWN BORO.	757	187	5476	471	.000	.069	.513	.106	.194	.207	27.0
ASSURY PARK CITY	731	2989	13980	6925	.	.	.	.	.	0.000	42.5
ATL. HIGHLANDS BORO.	423	713	8798	1791	.029	.258	.649	.234	.312	.304	31.5
AVON BY THE SEA BORO.	731	488	13980	1006	.009	.154	.326	.146	.163	.161	42.5
BELMAR BORO.	731	1073	13980	2780	.037	.555	.371	.496	.321	.301	42.5
BRADLEY BEACH BORO.	731	868	13980	2051	.009	.209	.278	.230	.165	.172	42.5
BRIELLE BORO.	731	242	13980	1785	.084	.555	.884	.602	.508	.523	42.5
COLTS NECK TWP.	757	274	5476	2738	.080	.356	1.818	.307	.752	.735	27.0
DEAL BORO.	731	181	13980	467	.052	.113	.506	.109	.224	.222	42.5
EATONTOWN BORO.	531	531	9889	5585	.715	4.013	.854	4.135	1.861	1.901	39.8
ENGLISHTOWN BORO.	757	134	5476	453	.061	.109	.409	.168	.193	.213	27.0
FAIR HAVEN BORO.	531	590	9889	1903	.035	.217	1.015	.216	.422	.422	39.8
FARMINGDALE BORO.	757	122	5476	581	.006	.148	.372	.155	.175	.177	27.0
FREEHOLD BORO.	757	1383	5476	3899	.034	.934	.812	.866	.593	.571	27.0
FREEHOLD TWP.	757	450	5476	8607	5.413	2.739	2.786	2.816	3.446	3.672	27.0
HASLET TWP.	423	321	8798	7309	.239	1.198	1.932	1.132	1.123	1.101	31.5
HIGHLANDS BORO.	423	644	8798	2356	.017	.296	.361	.282	.225	.220	31.5
HOLMDEL TWP.	423	175	8798	3533	1.464	3.671	2.455	3.088	2.530	2.336	31.5
HOWELL TWP.	757	1280	5476	13357	5.259	1.949	2.870	2.080	3.359	3.403	27.0
INTERLAKE BORO.	731	198	13980	380	.014	0.000	.645	0.000	.220	.220	42.5
KEANSBURG BORO.	423	1294	8798	3878	.	.	.	.	.	0.000	31.5
KEFPORT BORO.	423	1186	8798	3235	.031	.535	.403	.392	.323	.275	31.5
LITTLE SILVER BORO.	531	278	9889	2048	.222	.400	1.253	.406	.425	.627	39.8
LOCH ARBOUR VILLAGE	731	92	13980	139	.008	.018	.552	.015	.193	.191	42.5
LONG BRANCH CITY	531	4233	9889	11651	.	.	.	.	.	0.000	39.8
MANALAPAN TWP.	757	473	5476	8920	5.119	1.449	2.812	1.706	3.126	3.212	27.0
MANASQUAN BORO.	731	702	13980	2262	.065	.568	.563	.490	.389	.373	42.5
MARLBORO TWP.	757	328	5476	8579	5.622	1.340	3.602	1.473	3.521	3.565	27.0
MATAMOROS BORO.	423	444	8798	3594	.048	.512	.999	.485	.520	.510	31.5
MIDDLETON TWP.	423	2808	8798	23379	2.971	6.043	5.783	7.414	4.932	5.389	31.5
HILLSTONE TWP.	757	362	5476	1648	.016	.256	.936	.395	.403	.449	27.0
MONMOUTH BEACH BORO.	531	250	9889	1557	.038	.129	.966	.139	.378	.381	39.8
NEPTUNE TWP.	731	2847	13980	10574	.	.	.	.	.	0.000	42.5
NEPTUNE CITY BORO.	731	502	13980	2154	.006	.443	.359	.384	.269	.250	42.5
OCEAN TWP.	731	1119	13980	9575	1.419	2.529	2.090	2.324	2.013	1.945	42.5
OCEANPORT BORO.	531	317	9889	2114	.391	.683	1.005	.348	.693	.582	39.8
RED BANK BORO.	531	1831	9889	4688	.010	1.848	.756	1.828	.871	.865	39.8
ROOSEVELT BORO.	757	128	5476	330	0.000	.017	.582	.017	.200	.200	27.0
RUNSON BORO.	531	754	9889	2423	.758	.440	1.354	.450	.851	.854	39.8
SEA BRIGHT BORO.	531	209	9889	931	0.000	.353	.467	.274	.273	.247	39.8
SEA GIRT BORO.	731	203	13980	881	.103	.185	.791	.187	.360	.360	42.5
SHRENSBURY BORO.	531	124	9889	1107	.187	1.317	.945	2.032	.816	1.054	39.8
SHRENSBURY TWP.	531	75	9889	509	0.000	0.000	.203	0.000	.068	.068	39.8
SOUTH BELMAR BORO.	731	199	13980	675	.002	.094	.222	.099	.106	.108	42.5
SPRING LAKE BORO.	731	644	13980	1392	.073	.461	.838	.458	.457	.456	42.5
SPRING LAKE HGT'S BOR	731	326	13980	2608	.113	.396	.533	.419	.347	.355	42.5
TINTON FALLS BORO.	531	282	9889	4650	3.470	1.683	1.452	1.537	2.201	2.153	39.8
UNION BEACH BORO.	423	638	8798	2001	.136	.340	.519	.286	.332	.313	31.5
UPPER FREEHOLD TWP.	757	355	5476	1117	.002	.146	.777	.133	.308	.304	27.0
WALL TWP.	731	1091	13980	7558	7.359	3.478	1.693	3.717	4.177	4.256	42.5
WEST LONG BRANCH BOR	531	417	9889	2514	.153	.779	.854	.713	.595	.573	39.8

MORRIS

BOONTON TOWN	213	1314	5306	3163	.099	.449	.619	.452	.389	.390	23.8
BOONTON TWP.	213	146	5306	1278	.005	.072	.648	.015	.242	.223	23.8
BUTLER BORO.	444	749	6103	2732	.136	.367	.700	.335	.401	.390	29.5
CHATHAM BORO.	357	1010	8275	3123	.376	.636	1.065	.652	.692	.698	24.4
CHATHAM TWP.	357	351	8275	3680	1.264	.210	1.573	.196	1.016	1.011	24.4
CHESTER BORO.	975	136	6713	459	0.000	.404	.438	.431	.281	.290	28.7
CHESTER TWP.	975	256	6713	1980	.027	.158	1.244	.167	.476	.479	28.7
DEVILLE TWP.	444	1019	6103	4984	7.276	.979	1.365	1.030	3.207	3.224	29.5
DOVER TOWN	975	2287	6713	5220	.255	.819	.639	.880	.571	.591	28.7
EAST HANOVER TWP.	213	251	5306	3142	3.401	2.925	1.135	3.039	2.487	2.525	23.8
FLORHAM PARK BORO.	357	240	8275	2992	4.549	2.928	1.200	2.873	2.892	2.874	24.4
HANOVER TWP.	213	421	5306	3887	5.491	4.052	1.180	3.773	3.574	3.482	23.8
HARDING TWP.	357	309	8275	1406	.029	.340	1.443	.348	.604	.607	24.4
JEFFERSON TWP.	444	932	6103	6547	.005	.308	1.196	.290	.503	.497	29.5
KINNELON BORO.	444	220	6103	2860	.969	.165	1.343	.154	.826	.822	29.5
LINCOLN PARK BORO.	444	435	6103	4003	1.378	.511	.991	.550	.960	.973	29.5
MADISON BORO.	357	1518	8275	5490	.502	1.212	1.339	1.265	1.018	1.035	24.4
MEDFORD BORO.	357	288	8275	1755	0.000	.275	1.153	.335	.476	.496	24.4
MEDFORD TWP.	357	220	8275	1648	.002	.060	1.522	.050	.528	.525	24.4
MINE HILL TWP.	975	288	6713	1235	1.616	.067	.492	.087	.725	.732	28.7
MONTVILLE TWP.	213	727	5306	5068	3.752	1.677	1.928	1.808	2.453	2.496	23.8
MORRIS TWP.	357	1031	8275	7314	4.283	3.383	2.506	3.863	3.391	3.551	24.4
MORRIS PLAINS BORO.	357	426	8275	1963	.502	1.476	.878	1.596	.952	.992	24.4
MORRISTOWN TOWN	357	2211	8275	6787	.394	3.070	.953	3.547	1.472	1.631	24.4
MOUNTAIN LAKES BORO.	213	467	5306	1254	1.158	.289	1.452	.362	.966	.991	23.8
MOUNT ARLINGTON BORO.	975	194	6713	1320	0.000	.119	.433	.155	.184	.196	28.7
MOUNT OLIVE TWP.	975	986	6713	8434	.002	1.193	1.296	1.637	.830	.978	28.7
NETCONG BORO.	975	389	6713	1337	0.000	.123	.310	.107	.144	.139	28.7
PAR-TROY HILLS TWP.	213	1980	5306	10686	9.547	9.547	3.060	11.485	7.385	8.031	23.8
PASSAIC TWP.	357	672	8275	2817	.000	.273	1.114	.187	.463	.434	24.4
PEQUANNOCK TWP.	444	517	6103	4354	2.386	.558	1.086	.469	1.343	1.314	29.5
RANDOLPH TWP.	975	532	6713	7215	5.776	.937	2.021	1.039	2.912	2.945	28.7
RIVERDALE BORO.	444	225	6103	866	1.568	.385	.349	.434	.767	.783	29.5
ROCKAWAY BORO.	444	622	6103	2338	.465	.551	.560	.528	.525	.518	29.5
ROCKAWAY TWP.	444	699	6103	7100	4.466	1.779	1.638	1.486	2.628	2.530	29.5
ROXBURY TWP.	975	885	6713	6714	4.178	1.128	1.603	1.124	2.303	2.302	28.7
VICTORY GARDENS BORO.	975	88	6713	496	.005	.010	.188	.002	.068	.065	28.7
WASHINGTON TWP.	975	672	6713	5167	0.000	.293	1.725	.305	.673	.677	28.7
WHARTON BORO.	444	686	6103	2085	1.223	.300	.495	.219	.673	.646	29.5

OCEAN

BARNEGAT TWP.	570	357	6808	4377	1.838	.252	.704	.257	.931	.933	53.3
BARNEGAT LIGHT BORO.	570	35	6808	346	0.000	.210	.297	.212	.169	.170	53.3
BAY HEAD BORO.	557	226	7368	549	.047	.195	.639	.187	.294	.291	46.4
BEACH HAVEN BORO.	570	171	6808	677	0.000	.527	.208	.426	.245	.211	53.3
BEACHWOOD BORO.	570	397	6808	3224	.259	.116	.731	.112	.369	.367	53.3
BERKELEY TWP.	570	640	6808	19083	3.341	1.086	.342	1.675	1.590	1.786	53.3
BRICK TWP.	557	1320	7368	26502	1.198	3.507	3.514	3.617	2.740	2.776	46.4
DOVER TWP.	557	1377	7368	28872	5.433	7.190	4.217	6.398	5.614	5.349	46.4
EAGLEWOOD TWP.	570	183	6808	560	0.000	.152	.199	.169	.117	.122	53.3
HARVEY CEDARS BORO.	570	39	6808	183	0.000	.070	.243	.047	.105	.097	53.3
ISLAND HEIGHTS BORO.	557	188	7368	574	.052	.077	.366	.065	.165	.161	46.4
JACKSON TWP.	570	973	6808	11794	12.914	1.773	2.276	1.862	5.654	5.684	53.3
LACEY TWP.	570	499	6808	8579	1.331	1.570	1.221	1.566	1.374	1.373	53.3
LAKELAND BORO.	570	273	6808	1049	.068	.142	.143	.159	.117	.123	53.3
LAKELAND TWP.	557	2256	7368	17207						0.000	46.4
LAVALLETTE BORO.	557	153	7368	1125	0.000	.208	.248	.320	.152	.190	46.4
LITTLE EGG HARBOR TW	570	383	6808	5342	0.000	.370	.679	.388	.350	.356	53.3
LONG BEACH TWP.	570	189	6808	1726	0.000	.645	.295	.392	.314	.229	53.3
MANCHESTER TWP.	570	431	6808	20023	3.032	.767	.300	.637	1.366	1.323	53.3
MANTOLOKING BORO.	557	55	7368	172	0.000	.080	.641	.055	.231	.232	46.4
OCEAN TWP.	570	222	6808	2216	1.373	.242	.304	.251	.643	.643	53.3
OCEAN GATE BORO.	570	244	6808	883	.012	.024	.159	.022	.065	.064	53.3
PINE BEACH BORO.	570	126	6808	771	.038	.039	.378	.024	.152	.147	53.3

PLUNSTED TWP.	570	380	6808	2187	.013	.123	.597	.119	.244	.243	53.3
POINT PLEASANT BORO.	557	590	7368	7251	.062	1.103	1.288	1.116	.818	.822	46.4
PT PLEASANT BEACH BO	557	674	7368	2130	.076	1.352	.414	2.086	.614	.859	46.4
SEASIDE HEIGHTS BORO.	557	280	7368	1072	0.000	.744	.021	.510	.255	.177	46.4
SEASIDE PARK BORO.	557	249	7368	854	0.000	.338	.247	.271	.195	.173	46.4
SHIP BOTTOM BORO.	570	148	6808	678	0.000	.443	.166	.353	.203	.173	53.3
SOUTH TONS RIVER BOR	570	153	6808	1097	.094	.129	.292	.097	.171	.161	53.3
STAFFORD TWP.	570	585	6808	5499	2.662	1.166	.575	1.253	1.468	1.497	53.3
SURF CITY BORO.	570	79	6808	690	0.000	.292	.144	.270	.145	.138	53.3
TUCKERTON BORO.	570	301	6808	1312	0.000	.134	.170	.117	.101	.096	53.3
PASSAIC											
BLOOMINGDALE BORO.	755	587	12245	2789	3.388	.114	.652	.092	1.384	1.377	29.2
CLIFTON CITY	1969	8770	19507	29174	1.419	7.102	2.998	6.769	3.840	3.729	51.8
HALEDON BORO.	755	911	12245	2536	.201	.216	.350	.161	.256	.238	29.2
HANTHORNE BORO.	755	2277	12245	6865	.412	.815	.973	.649	.733	.678	29.2
LITTLE FALLS TWP.	755	1030	12245	4273	.820	.764	.737	.858	.774	.805	29.2
NORTH HALEDON BORO.	755	517	12245	2548	1.268	.125	.672	.119	.688	.686	29.2
PASSAIC CITY	1969	10737	19507	18727	.	.	.	.	.	0.000	51.8
PATERSON CITY	3714	22560	22560	43743	.	.	.	.	.	0.000	63.3
POMPTON LAKES BORO.	755	613	12245	4003	1.547	.336	.809	.307	.897	.887	29.2
PROSPECT PARK BORO.	755	1064	12245	1795	0.000	.095	.286	.087	.127	.125	29.2
RINGWOOD BORO.	755	475	12245	4056	.017	.132	1.118	.114	.422	.416	29.2
TOTOMA BORO.	755	718	12245	3491	2.529	2.252	.676	2.331	1.819	1.845	29.2
WANAGUE BORO.	755	666	12245	3197	7.482	.203	.682	.157	2.789	2.774	29.2
WAYNE TWP.	755	1283	12245	15974	14.146	6.076	3.297	6.542	7.846	8.002	29.2
WEST MILFORD TWP.	755	1609	12245	8680	.011	.388	1.636	.322	.679	.657	29.2
WEST PATERSON BORO.	755	495	12245	4316	2.265	.883	.741	.961	1.296	1.322	29.2
SALEM											
ALLOWAY TWP.	1105	375	15825	959	0.000	.037	1.241	.027	.426	.423	41.5
CARNEYS POINT TWP.	1105	716	15825	3156	6.737	.549	2.114	.549	3.133	3.133	41.5
ELMER BORO.	1105	307	15825	545	0.000	.110	.751	.094	.287	.282	41.5
ELSIK BORO.	1105	198	15825	490	0.000	.028	.958	.046	.329	.335	41.5
LOMER ALLOWAYS CR TW	1105	290	15825	663	0.000	.708	.980	.503	.563	.494	41.5
MANNINGTON TWP.	1105	206	15825	527	0.000	.362	.816	.355	.393	.390	41.5
OLDMANS TWP.	1105	233	15825	571	6.405	.382	1.031	.283	2.606	2.573	41.5
PENNS GROVE BORO.	1105	820	15825	1696	.	.	.	.	.	0.000	41.5
PENNSVILLE TWP.	1105	1070	15825	5310	5.292	3.061	3.602	2.445	3.985	3.780	41.5
PILES GROVE TWP.	1105	272	15825	1090	.000	.163	1.764	.134	.642	.633	41.5
PITTSBURGH TWP.	1105	672	15825	2733	.002	.335	1.840	.360	.726	.734	41.5
QUINTON TWP.	1105	287	15825	952	0.000	.087	.766	.060	.285	.276	41.5
SALEM CITY	1105	1252	15825	2585	.	.	.	.	.	0.000	41.5
UPPER PITTSBURGH TWP.	1105	347	15825	1073	0.000	.126	1.167	.107	.431	.425	41.5
WOODSTOWN BORO.	1105	500	15825	1276	0.000	.190	1.107	.182	.432	.429	41.5
SOMERSET											
BEDMINSTER TWP.	673	321	7780	3629	.172	1.579	1.738	1.532	1.163	1.148	30.8
BERNARDS TWP.	673	599	7780	6599	4.412	2.820	3.157	2.139	3.463	3.236	30.8
BERNARDSVILLE BORO.	673	605	7780	2485	.389	.590	1.659	.593	.879	.880	30.8
BOUND BROOK BORO.	673	1502	7780	3699	.085	.308	.455	.172	.283	.237	30.8
BRANCHBURG TWP.	277	272	6230	3907	2.978	1.257	2.098	1.185	2.111	2.087	32.0
BRIDGEMATER TWP.	673	1087	7780	11563	6.299	5.648	4.142	5.731	5.363	5.390	30.8
FAR HILLS BORO.	673	116	7780	251	.001	.098	.623	.111	.241	.245	30.8
FRANKLIN TWP.	277	1414	6230	16763	4.558	5.946	4.039	7.259	4.848	5.285	32.0
GREEN BROOK TWP.	673	180	7780	1447	.997	.658	.977	.666	.877	.880	30.8
HILLSBOROUGH TWP.	277	663	6230	10780	7.040	1.157	3.416	1.147	3.871	3.868	32.0
HANVILLE BORO.	277	812	6230	4152	.075	.459	.521	.258	.352	.285	32.0
MILLSTONE BORO.	277	48	6230	170	.102	.011	.541	.010	.218	.218	32.0
MONTGOMERY TWP.	277	303	6230	3216	3.728	1.345	2.134	1.247	2.402	2.370	32.0

613	2294	7780	7333	.041	.959	1.118	.474	.873	.544	30.8
NORTH PLAINFIELD BOR.										
PEARACK	673	325	7780	784	0.000	1.272	.852	1.104	.708	652
PEARACK BO										
GLASTONBORO	277	777	6230	2305	.339	1.130	.419	.953	.629	32.0
GLASTONBORO BOR.										
ROCKY HILL	277	90	6230	281	.111	.020	.644	.024	.263	22.0
ROCKY HILL BOR.										
ROSEVILLE	277	1417	6230	4557	.092	1.019	.670	.889	.594	32.0
ROSEVILLE BOR.										
SOOPE BORO	277	435	6230	1617	.001	.087	.443	.065	.177	17.0
SOOPE BORO BOR.										
SHOCK PT	673	552	7780	3523	6.164	2.350	2.237	3.133	3.983	30.8
SHOCK PT BOR.										
WATCHUNG BORO.	673	198	7780	1764	1.537	1.065	1.780	1.044	1.465	30.8
WATCHUNG BORO BOR.										

SUSSEX

810	139	9373	269	0.000	.042	.180	.041	.074	.074	31.3
ANDOVER BORO.										
ANDOVER TWP.	810	285	9373	1799	0.000	.223	.598	.212	.274	27.0
ANDOVER TWP BOR.										
BAURCHVILLE	810	178	9373	384	0.000	.151	.192	.147	.114	31.3
BAURCHVILLE BOR.										
BEAK TWP.	810	385	9373	2792	0.000	.124	.809	.140	.211	31.3
BEAK TWP BOR.										
FRANKFORD TWP.	810	507	9373	1768	0.000	.128	.521	.148	.216	31.3
FRANKFORD TWP BOR.										
FRANKLIN BORO.	810	661	9373	1906	0.000	.197	.310	.193	.169	31.3
FRANKLIN BORO BOR.										
FREDON TWP.	810	166	9373	946	0.000	.040	.509	.041	.183	31.3
FREDON TWP BOR.										
GREEN TWP.	810	158	9373	887	0.000	.037	.499	.037	.179	31.3
GREEN TWP BOR.										
HANBURG BORO.	810	223	9373	193	0.000	.086	.340	.089	.142	31.3
HANBURG BORO BOR.										
HARTFORD TWP.	810	273	9373	1027	0.000	.117	.449	.102	.203	31.3
HARTFORD TWP BOR.										
HOATCONG BORO.	810	271	9373	2008	0.000	.110	.449	.102	.203	31.3
HOATCONG BORO BOR.										
HOATCONG TWP.	810	665	9373	5555	0.000	.105	1.013	.108	.373	31.3
HOATCONG TWP BOR.										
LAFAYETTE TWP.	810	207	9373	668	0.000	.186	.424	.221	.204	31.3
LAFAYETTE TWP BOR.										
MONTAGUE TWP.	810	194	9373	1061	0.000	.080	.272	.063	.117	31.3
MONTAGUE TWP BOR.										
NEWTON TWP.	810	1084	9373	3032	0.000	.334	.315	.329	.216	31.3
NEWTON TWP BOR.										
ODDSEBURN	810	199	9373	907	0.000	.040	.039	.131	.105	31.3
ODDSEBURN BOR.										
SHARLTON TWP.	810	274	9373	651	0.000	.040	.270	.037	.087	31.3
SHARLTON TWP BOR.										
STANTON TWP.	810	760	9373	3456	0.000	.34	1.448	.036	.874	31.3
STANTON TWP BOR.										
STANHOPE BORO.	810	283	9373	1336	0.000	.052	.429	.041	.161	31.3
STANHOPE BORO BOR.										
STILLMATER TWP.	810	474	9373	1537	0.000	.037	.441	.035	.160	31.3
STILLMATER TWP BOR.										
SUSSEX BORO.	810	407	9373	880	0.000	.082	1.04	.089	.062	31.3
SUSSEX BORO BOR.										
VERNON TWP.	810	918	9373	7258	0.000	.561	1.344	.494	.635	31.3
VERNON TWP BOR.										
WALPACK TWP.	810	22	9373	37	0.000	.003	.001	.004	.001	31.3
WALPACK TWP BOR.										
WANTAGE TWP.	810	575	9373	3125	0.000	.229	.655	.261	.295	31.3
WANTAGE TWP BOR.										

UNION

545	329	11555	3874	1.094	2.752	1.612	2.880	1.819	1.862	32.9
BENEFIT HEIGHTS TWP										
CLARK TWP.	470	629	10892	5508	.815	1.034	1.097	.854	.992	28.8
CLARK TWP BOR.										
CRAMFORD TWP.	470	2420	10892	8144	.505	1.490	1.174	1.234	1.129	28.8
CRAMFORD TWP BOR.										
ELIZABETH CITY	1659	1931	1931	3889	.004	.186	.993	.158	.251	32.9
ELIZABETH CITY BOR.										
FARMOD BORO.	434	528	14263	7454	.016	.391	.398	.271	.258	38.8
FARMOD BORO BOR.										
HILLSIDE BORO.	434	244	14263	7077	.000	.000	.000	.000	.000	38.8
HILLSIDE BORO BOR.										
KENILWORTH	434	423	14263	2763	.620	1.489	.450	1.415	.853	38.8
KENILWORTH BOR.										
LINDER CITY.	434	311	14263	1432	2.701	7.544	1.201	4.665	3.822	2.856
LINDER CITY BOR.										
MOUNTAINSIDE BORO.	470	221	10892	2395	1.551	.867	1.196	.738	1.205	1.162
MOUNTAINSIDE BORO BOR.										
NEW PROVIDENCE BORO.	545	485	11555	4248	.409	1.213	1.308	1.093	.977	32.9
NEW PROVIDENCE BORO BOR.										
PLAINFIELD CITY BOR.	545	6670	11555	15065	. . .	. . .	. . .	. . .	. . .	32.9
PLAINFIELD CITY BOR BOR.										
RAHWAY CITY	470	2707	10892	9581	.294	1.766	1.139	1.474	1.067	28.8
RAHWAY CITY BOR.										
ROSELLE BORO.	434	2392	14263	7585	.000	.000	.000	.000	.000	38.8
ROSELLE BORO BOR.										
ROSELLE PARK BORO.	434	1852	14263	5057	.007	.299	.788	.251	.365	38.8
ROSELLE PARK BORO BOR.										
SCOTCH PLAINS TWP.	545	918	11555	7650	2.893	.618	1.810	.543	1.774	1.749
SCOTCH PLAINS TWP BOR.										
SPRINGFIELD TWP.	470	663	10892	5778	1.694	1.462	1.079	1.435	1.465	1.403
SPRINGFIELD TWP BOR.										
SUMMIT CITY UNION TWP.	545	2726	11555	7643	.732	2.015	2.217	2.018	1.654	1.655
SUMMIT CITY UNION TWP BOR.										
WESTFIELD TOWN	470	3650	10892	10256	.470	1.241	2.835	1.244	2.568	2.520
WESTFIELD TOWN BOR.										
WINFIELD TWP.	470	82	10892	691	.005	.003	.100	.003	.036	28.8
WINFIELD TWP BOR.										

WARREN

2979	175	21228	1557	0.000	.057	.634	.047	.230	.227	40.3
ALLAMUCHY TWP.										
ALPHA BORO.	2979	389	21228	971	.180	.095	.197	.097	.157	158
ALPHA BORO BOR.										
BELVIDERE TOWN	2979	518	21228	1038	0.000	.188	.203	.163	.130	122
BELVIDERE TOWN BOR.										
BLAINSTOWN TWP.	2979	417	21228	1852	0.000	.173	.607	.166	.260	258
BLAINSTOWN TWP BOR.										
FRANKLIN TWP.	2979	384	21228	848	0.000	.069	.373	.042	.148	145
FRANKLIN TWP BOR.										
FRELINGHUYSEN TWP.	2979	226	21228	625	0.000	.028	.346	.016	.125	121
FRELINGHUYSEN TWP BOR.										
GREENWICH TWP.	2979	317	21228	669	.131	.131	.302	.158	.188	197
GREENWICH TWP BOR.										
HACKETTSTOWN TOWN	2979	844	21228	3030	0.000	.636	.458	.660	.364	373
HACKETTSTOWN TOWN BOR.										
HANDNICK TWP.	2979	134	21228	406	0.000	.021	.295	.029	.105	108
HANDNICK TWP BOR.										
HANNOY TWP.	2979	514	21228	960	.360	.469	.334	1.001	.446	148
HANNOY TWP BOR.										
HOPE TWP.	2979	197	21228	461	0.000	.000	.000	.000	.000	40.3
HOPE TWP BOR.										
INDEPENDENCE TWP.	2979	283	21228	1493	0.000	.062	.443	.060	.163	162
INDEPENDENCE TWP BOR.										
KENILWORTH TWP.	2979	345	21228	907	0.000	.084	.294	.090	.126	128
KENILWORTH TWP BOR.										
LIBERTY TWP.	2979	222	21228	878	0.000	.024	.404	.025	.143	143
LIBERTY TWP BOR.										
LOHATCONG TWP.	2979	399	21228	2026	1.799	.303	.304	.351	.802	818
LOHATCONG TWP BOR.										
MANSFIELD TWP.	2979	376	21228	2849	0.000	.180	.455	.167	.212	207
MANSFIELD TWP BOR.										
OXFORD TWP.	2979	326	21228	690	0.000	.051	.215	.051	.081	809
OXFORD TWP BOR.										
PANQUARRY TWP.	2979	6	21228	6	0.000	.000	.000	.000	.000	40.3
PANQUARRY TWP BOR.										
PHILLIPSBURG TWP.	2979	3186	21228	6193	. . .	. . .	. . .	. . .	. . .	40.3
PHILLIPSBURG TWP BOR.										
POHATCONG TWP.	2979	426	21228	1323	.309	.212	.256	.282	.296	40.3
POHATCONG TWP BOR.										
WASHINGTON BORO.	2979	954	21228	2637	0.000	.281	.355	.240	.212	198
WASHINGTON BORO BOR.										
WASHINGTON TWP.	2979	408	21228	1875	0.000	.161	.618	.180	.260	266
WASHINGTON TWP BOR.										
WHITE TWP.	2979	396	21228	1337	0.000	.459	.330	.290	.263	207
WHITE TWP BOR.										

EXHIBIT 2

**BASE DATA FOR
MUNICIPAL HOUSING NEED CALCULATION
BY REGION**

Exhibit 2
BASE DATA BY HOUSING REGION

	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
COAH Region	Percent Deficient	Escom Deficient Housing Units	1993-1999 Regional Prospective Need	1993-1999 Filtering Projections	1990 Multifamily (5 Units or More) Unit Total	1990 Pre-1940 Units
Northeast	.0290	7,002	4,787	4,895	193,286	255,434
Northwest	.0250	5,306	1,033	4,535	156,893	206,403
West Central	.0180	1,477	8,654	2,830	70,199	61,647
East Central	.0120	1,329	14,424	3,550	74,459	93,848
Southwest	.0150	1,751	8,993	2,994	63,582	80,208
South-Southwest	.0220	628	4,236	1,382	41,231	58,521
New Jersey		17,542	42,127	20,185	599,650	756,061

	COLUMN G	COLUMN H	COLUMN I	COLUMN J	COLUMN K	COLUMN L
COAH Region	1993-1999 Conversion Projections	1990 2-4 Family Unit Totals	1993-1999 Spontaneous Rehabilitation Projections	1989 Regional Household Income Floor (\$)	1989 Weighted Regional Income Differences (\$)	1989 Unweighted Regional Income Differences (\$)
Northeast	2,649	218,392	710	20,515	19,234,394,000	4,393,888
Northwest	2,229	150,817	597	23,705	16,299,646,900	3,698,545
West Central	930	44,103	249	31,008	8,828,753,140	1,835,119
East Central	886	45,844	257	22,719	11,539,122,100	2,526,644
Southwest	881	27,265	236	19,015	10,120,912,300	2,557,328
South-Southwest	773	40,578	302	18,343	3,622,312,000	1,234,261
New Jersey	8,351	526,997	2,237	—	69,445,140,000	16,245,786

EXHIBIT 3
BASE DATA FOR
MUNICIPAL HOUSING NEED CALCULATION
BY MUNICIPALITY
(Part II)

EXHIBIT 3
 NEW JERSEY
 COUNCIL ON AFFORDABLE HOUSING
 BASE DATA FOR MUNICIPAL LOW & MODERATE INCOME
 HOUSING NEED CALCULATION
 3-FEB-93

COUNTY	NAME	ADJUSTED PRIOR CYCLE PROSPECTIVE NEED (1)	AVERAGE DEMOLITIONS 1988-1990 (2)	1990 MULTI- FAMILY UNITS (3)	1990 PRE- 1940 UNITS (4)	1990 2-4 FAMILY UNITS (5)	1993 REDUCTION MEDIAN HSLD. INCOME (1987- 1993) (6)	1993 REDUCTION (1987- 1993) (7)	PRIOR- CYCLE CREDITS (8)
	JOHNSONVILLE	248	5.00	2719	272	490	55927	439	101
ATLANTIC									
	ABSECON CITY	66	1.67	154	495	121	46696	0	0
	ATLANTIC CITY	1538	71.00	10725	7942	3945	22340	0	0
	BRIGHTFIRE CITY	74	23.00	1690	425	1870	39588	0	0
	BUREA BORO.	29	.67	87	416	350	30335	0	0
	BUREA VISTA TWP.	1	.33	6	420	64	31123	0	0
	CORBIN CITY	2	.67	0	41	7	35291	0	0
	EGG HARBOR TWP.	327	8.00	1096	568	304	41353	0	0
	EGG HARBOR CITY	18	.33	229	724	345	31794	0	0
	ESTELL MANOR CITY	2	.67	0	74	3	45834	0	0
	FOLSOM BORO.	0	0.00	0	51	8	44038	0	0
	GALLOWAY TWP.	103	0.00	1813	745	370	46138	221	0
	HAMILTON TWP.	113	4.00	948	632	241	44759	0	0
	HANNINGTON TOWN	146	3.67	494	1392	624	37895	0	0
	LINWOOD CITY	64	0.00	103	363	82	60618	0	0
	LONGFORD BORO.	27	8.33	241	197	61	37910	0	0
	MARGATE CITY	58	10.00	1396	1235	726	44714	0	0
	MULLICA TWP.	5	1.67	5	253	36	40438	0	0
	NORTHFIELD CITY	104	3.33	65	531	62	49086	0	0
	PLEASANTVILLE CITY	0	10.00	1585	1566	988	33041	0	0
	PORT REPUBLIC CITY	0	0.00	0	103	12	50366	0	0
	SONERS POINT CITY	79	3.33	1781	420	454	34972	0	0
	VENTNOR CITY	34	11.67	1610	2791	1870	36432	0	0
	WEYMOUTH TWP.	1	.33	45	150	26	37840	0	0
BERGEN									
	ALLENDALE BORO.	24	.33	8	537	87	86197	111	0
	ALPINE BORO.	18	1.67	0	95	8	116964	0	0
	BERGENFIELD BORO.	32	3.00	1356	2320	1444	50284	0	0
	BOGOTA BORO.	9	0.00	460	1773	523	50677	0	0
	CARLSTADT BORO.	66	5.67	136	875	1303	43408	0	0
	CLIFFSIDE PARK BORO.	50	19.33	4445	3180	3307	44660	0	0
	CLOSTER BORO.	27	6.33	15	654	219	68810	0	0
	CRESSKILL BORO.	17	2.33	42	531	113	66319	0	0
	DEMAHEST BORO.	14	2.00	2	340	41	74966	0	0
	DUNMONT BORO.	13	0.00	714	1842	923	53654	0	0
	EAST RUTHERFORD BORO	23	.67	920	1405	1744	37306	0	0
	EDGEWATER BORO.	13	1.33	1435	816	734	48496	41	0
	ELMWOOD PARK BORO.	24	5.00	663	1026	2629	42073	0	0
	ENGERSON BORO.	25	1.00	16	288	115	67559	0	0
	ENGLEWOOD CITY	53	1.00	2606	3211	1536	51434	0	0
	ENGLEWOOD CLIFFS BOR	51	14.67	14	88	40	91805	0	0
	FAIR LAWN BORO.	55	1.67	633	2396	1483	54624	0	0
	FAIRVIEW BORO.	20	6.67	1144	1713	2488	36131	0	0
	FORT LEE BORO.	128	22.00	11080	1567	2345	51034	0	0

FRANKLIN LAKES BORO.	62	7.67	0	239	42	111091	0	0
GARFIELD CITY	0	4.67	1394	3521	7528	34814	0	0
CLEN ROCK BORO.	30	2.00	87	1388	103	72574	0	0
HACKENSACK CITY	143	26.33	11174	3701	2575	42874	0	0
HARRINGTON PARK BORO	13	.33	6	375	43	83282	0	0
HASBROUCH HEIGHTS BO	25	.67	710	1528	732	49139	0	0
HAMORTH BORO.	11	.67	0	315	8	79235	0	0
HILLSDALE BORO.	24	2.33	150	785	149	68243	0	0
HONOKUS BORO.	10	.33	3	428	49	98957	0	0
LEWIS BORO.	7	0.00	478	1370	557	56908	0	10
LITTLE FERRY BORO.	14	2.33	1646	611	1198	49395	0	0
LODI BORO.	0	8.33	1985	1932	4782	36642	0	0
LYNDHURST TWP.	37	2.67	854	3109	3472	45100	0	0
MAHWAH TWP.	7	6.00	1623	856	354	62115	368	0
MAYWOOD BORO.	15	.33	377	1108	843	50160	0	0
MIDLAND PARK BORO.	18	1.33	189	1089	438	56354	0	0
MONTVALE BORO.	55	3.00	221	236	179	77289	0	0
MOONACIE BORO.	25	0.00	6	122	138	42300	0	0
NEW MILFORD BORO.	12	0.00	706	851	1547	49060	0	0
NORTH ARLINGTON BORO	14	3.00	1139	2000	2459	43376	0	0
NORTHVALE BORO.	32	1.67	2	296	243	62210	0	0
NORWOOD BORO.	19	5.00	120	301	116	70213	119	0
OAKLAND BORO.	48	3.67	20	273	89	69722	222	0
OLD TAPPAN BORO.	21	0.00	6	119	27	82909	95	0
ORADELL BORO.	22	0.00	132	625	105	82856	0	0
PALISADES PARK BORO.	15	1.00	1902	1571	2448	39621	0	0
PARAMIS BORO.	185	0.00	2	602	399	64894	697	0
PARK RIDGE BORO.	27	4.33	300	597	373	65758	33	36
RAMSEY BORO.	59	7.33	496	789	333	72149	202	0
RIDGEFIELD BORO.	13	3.00	418	1169	1803	47827	0	0
RIDGEFIELD PK VILLAG	15	.67	1322	2780	1670	46710	0	40
RIDGEWOOD VILLAGE	89	2.33	774	3776	750	82743	0	137
RIVER EDGE BORO.	20	2.00	377	693	643	57339	0	0
RIVER VALE TWP.	22	0.00	253	188	105	73125	0	0
ROCHELLE PARK TWP.	21	.67	218	646	228	46144	9	0
ROCKLEIGH BORO.	9	0.00	0	14	0	80543	11	0
RUTHERFORD TWP.	68	5.67	1550	3734	1566	51149	0	0
SADDLE BROOK TWP.	29	.33	540	514	944	50690	0	0
SADDLE RIVER BORO.	24	6.00	1	155	3	149228	0	0
SOUTH HACKENSACK TWP	10	.67	0	157	45	42825	0	0
TEANECK TWP	57	4.00	1992	5428	870	62258	0	0
TENAFLY BORO.	43	6.00	381	1852	451	75616	0	0
TETERBORO BORO.	63	0.00	0	3	2	69990	0	0
UPPER SADDLE RIV BOR	45	6.00	2	131	13	103620	117	0
WALDWICK BORO.	19	1.67	3	493	293	64924	0	0
WALLINGTON BORO.	20	5.00	1259	1474	2488	35565	0	0
WASHINGTON TWP.	16	1.00	14	106	33	74847	0	0
WESTWOOD BORO.	27	2.67	868	1365	698	53533	0	0
WOODCLIFF LAKE BORO.	34	3.67	0	231	35	97537	0	0
WOOD-RIDGE BORO.	8	1.67	362	1392	464	56684	0	0
WYCKOFF TWP.	45	1.00	9	768	184	83495	232	0
BURLINGTON								
BASS RIVER TWP.	1	.33	1	196	8	35100	0	0
BEVERLY CITY	20	0.00	28	643	223	33333	0	0
BORDENTOWN CITY	12	1.67	276	1091	425	42625	0	0
BORDENTOWN TWP.	75	1.00	562	218	160	48804	175	0
BURLINGTON CITY	45	6.33	512	1834	450	32789	0	100
BURLINGTON TWP.	208	2.67	1566	535	333	43580	0	0
CHESTERFIELD TWP.	24	.33	0	287	36	56270	0	0
CINNAHURSON TWP.	149	.67	90	483	63	56242	0	0
DELANCO TWP.	17	.33	23	577	150	40660	35	0
DELRAN TWP.	100	1.33	905	448	186	51230	0	0
EASTAMPTON TWP.	16	0.00	352	103	222	46882	0	0
EDGEWATER PARK TWP.	14	.33	1148	338	244	45413	0	0
EVESHAM TWP.	240	3.33	2521	242	424	56844	0	0
FIELDSDORO BORO.	2	.67	0	113	16	42625	0	0
FLORENCE TWP.	79	.33	479	1776	332	41540	144	0
HAINESPORT TWP.	38	1.33	0	282	28	41974	0	0
LIBERTON TWP.	28	3.33	890	281	74	45056	0	0
MANSFIELD TWP.	42	0.00	6	291	35	41412	89	0
MAPLE SHADE TWP.	51	2.00	4006	1025	785	36250	0	0
MEDFORD TWP.	181	3.33	713	627	185	65817	0	0
MEDFORD LAKES BORO.	17	0.00	0	168	7	67220	0	0
MOORESTOWN TWP.	311	.33	567	1850	370	60317	648	16
MOUNT HOLLY TWP.	0	2.33	351	1449	409	36880	53	0
MOUNT LAUREL TWP.	248	5.00	2719	272	480	55927	839	0
NEW HANOVER TWP.	0	0.00	72	71	204	33931	0	0
NORTH HANOVER TWP.	1	.33	638	246	163	32364	0	0
PALMYRA BORO.	28	1.00	460	1312	354	41167	0	0
PENBEATON BORO.	2	1.00	92	237	97	35621	0	0
PENBEATON TWP.	0	6.00	859	651	413	39006	0	0
RIVERSIDE TWP.	8	0.00	281	1726	528	34890	0	0
RIVERTON BORO.	5	0.00	92	769	170	49533	0	0

SHAWONG TWP.	24	2.00	0	88	15	60903	0	0
SOUTHAMPTON TWP.	40	1.00	1	465	39	35113	112	0
SPRINGFIELD TWP.	23	1.33	25	245	41	49662	43	0
TABERNACLE TWP.	37	1.33	2	101	28	60536	0	0
WASHINGTON TWP.	1	.33	1	107	9	37715	0	0
WESTAMPTON TWP.	53	2.00	104	90	16	57182	0	0
WILLINGBORO TWP.	123	2.67	39	67	12	51833	0	0
WOODLAND TWP.	0	0.00	0	68	27	45178	0	0
WRIGHTSTOWN BORO.	9	4.00	395	157	112	24288	0	0
CAMDEN								
AUDUBON BORO.	8	0.00	454	2061	532	40627	0	0
AUDUBON PARK BORO.	2	0.00	0	39	5	27015	0	0
BARRINGTON BORO.	2	.67	495	548	296	40080	0	0
BELLAMAR BORO.	59	0.00	743	377	232	38376	0	0
BERLIN BORO.	87	0.00	36	335	284	44251	174	0
BERLIN TWP.	27	3.33	173	277	82	42145	0	0
BROOKLAWN BORO.	12	.33	49	491	45	34547	0	0
CAMDEN CITY	0	57.67	4357	12673	3310	19125	0	0
CHERRY HILL TWP.	987	1.67	3734	868	761	59875	0	0
CHESILHURST BORO.	8	0.00	0	67	16	36662	0	0
CLEMENTON BORO.	27	.33	657	677	153	33309	0	0
COLLINGSWOOD BORO.	33	2.67	1850	3604	1318	36329	0	0
GIBBSBORO BORO.	47	.67	6	135	20	52250	100	0
GLOUCESTER TWP.	168	5.00	4001	1059	958	45346	0	338
GLOUCESTER CITY	0	4.00	532	2871	486	31898	0	0
HADDON TWP.	31	1.33	1200	2017	676	39836	0	0
HADDONFIELD BORO.	127	1.33	277	2748	424	62243	0	0
HADDON HEIGHTS BORO.	18	.33	308	1608	421	43099	0	0
HI-HELLA BORO.	1	0.00	363	38	22	27872	0	0
LAUREL SPRINGS BORO.	9	0.00	137	383	107	41447	0	0
LAWNSIDE BORO.	11	0.00	111	111	79	34834	35	0
LINDENWOLD BORO.	57	9.00	4317	509	517	34972	0	0
MAGNOLIA BORO.	16	.67	356	427	98	35628	0	0
MERCHANTVILLE BORO.	7	.67	296	1087	325	38079	0	0
MOUNT EPHRAIM BORO.	21	0.00	132	426	185	39214	0	0
OAKLYN BORO.	6	.33	313	956	278	36156	0	0
PENNSAUREN TWP.	0	3.33	989	3159	1155	39707	0	0
PINE HILL BORO.	21	1.33	1437	463	180	36497	0	0
PINE VALLEY BORO.	5	0.00	0	12	0	86535	0	0
RUNNEMEDE BORO.	29	2.00	772	500	258	36313	13	0
SOMERDALE BORO.	69	.33	403	239	126	38344	0	0
STRATFORD BORO.	42	0.00	726	263	91	45259	0	0
TAVISTOCK BORO.	1	0.00	0	0	0	165001	0	0
VOORHEES TWP.	186	6.33	3146	284	201	56847	0	0
WATERFORD TWP.	42	.67	43	521	148	48040	0	0
WINSLOW TWP.	127	7.00	1170	873	325	43908	0	404
WOOLYHNE BORO.	2	0.00	22	472	163	29160	0	0
CAPE MAY								
AVALON BORO.	123	38.00	290	564	929	40807	0	0
CAPE MAY CITY	47	1.33	761	1187	715	30316	0	0
CAPE MAY POINT BORO.	17	5.33	2	210	85	25437	0	0
DENNIS TWP.	152	2.00	2	375	17	46346	0	0
LOWER TWP.	188	14.33	464	1283	265	23235	0	0
MIDDLE TWP.	312	1.67	86	1019	324	33576	0	0
NORTH WILDWOOD CITY	83	21.67	1023	1695	2634	24873	0	0
OCEAN CITY CITY	280	97.33	2176	4158	8601	35220	0	0
SEA ISLE CITY CITY	77	24.00	833	604	2035	35440	0	0
STONE HARBOR BORO.	72	22.67	402	495	737	39755	0	0
UPPER TWP.	133	.67	1	493	244	49458	0	0
WEST CAPE MAY BORO.	5	0.00	6	349	139	26788	0	0
WEST WILDWOOD BORO.	18	6.00	20	141	240	22734	0	0
WILDWOOD CITY	0	75.33	2032	2631	2368	18452	0	0
WILDWOOD CREST BORO.	39	7.33	718	975	1858	32675	0	0
WOODBINE BORO.	31	1.00	102	196	69	25793	0	0
CUMBERLAND								
BRIDGETON CITY	0	0.00	1118	2923	1094	24087	0	0
COMMERCIAL TWP.	16	5.33	3	495	51	30937	0	0
DEERFIELD TWP.	28	.67	1	313	58	33474	0	0
DOWNE TWP.	2	.67	0	356	15	29118	0	0
FAIRFIELD TWP.	16	1.33	2	343	42	29496	0	0
GREENWICH TWP.	2	.67	1	189	5	34834	0	0
ROPERWELL TWP.	21	0.00	3	346	59	42746	0	0
LAURENCE TWP.	0	0.00	8	364	23	34637	0	0
MAURICE RIVER TWP.	5	1.67	3	383	40	33702	0	0
HILLVILLE CITY	0	6.33	1707	3054	1257	34393	216	0

	SHILOH BORO.	0	0.00	0	120	10	32875	0	0
	STON CREEK TWP.	0	0.00	0	161	8	40944	0	0
	UPPER DEERFIELD TWP.	43	0.00	265	361	63	39985	0	0
	VINELAND CITY	0	13.67	2718	3921	2079	33806	0	0
ESSEX									
	BELLEVILLE TWP.	0	5.00	3576	4803	4772	42358	0	0
	BLOOMFIELD TWP.	0	2.33	3966	9278	6931	43804	0	0
	CALDWELL BORO. TWP.	19	0.00	1226	1368	644	51038	0	0
	CEDAR GROVE TWP.	39	.67	565	578	393	61010	0	67
	EAST ORANGE CITY	0	15.33	15025	10046	8021	28491	0	0
	ESSEX FIELDS TWP.	11	.33	1	329	13	111182	0	0
	FAIRFIELD TWP.	157	2.00	5	208	72	70876	0	0
	GLEN RIDGE BORO. TWP.	17	.33	202	1887	107	83403	25	0
	IRVINGTON TOWN	0	22.00	8823	7137	10683	33582	0	0
	LIVINGSTON TWP.	200	.33	15	848	61	81841	0	0
	MAPLEWOOD TWP.	50	1.33	508	5329	1581	63325	11	0
	MILLBURN TWP.	141	2.00	632	2792	547	91602	0	0
	MONTCLAIR TWP.	2	1.00	3875	9627	3668	57686	0	110
	NEWARK CITY	0	237.00	43615	36014	43398	23815	0	0
	NORTH CALDWELL TWP.	23	1.00	3	212	36	101317	0	0
	NUTLEY TWP.	63	1.00	2342	4438	2000	47489	0	0
	ORANGE CITY TWP.	0	10.67	3664	3673	3669	30031	0	0
	ROSELAND BORO.	90	.33	307	228	72	65919	162	0
	SOUTH ORANGE VILL TM	64	2.00	1089	3316	476	70772	53	0
	VERONA TWP.	37	.33	1521	1988	540	60773	0	0
	WEST CALDWELL TWP.	97	18.00	227	727	119	72512	0	0
	WEST ORANGE TWP.	167	2.33	2220	4906	2936	54755	0	0
GLOUCESTER									
	CLAYTON BORO.	38	3.67	213	501	174	34528	0	0
	DEPTFORD TWP.	226	14.33	1454	752	254	42073	0	150
	EAST GREENWICH TWP.	53	0.00	25	462	97	53006	163	0
	ELK TWP.	39	.33	0	284	36	37623	0	0
	FRANKLIN TWP.	13	5.00	59	742	145	40732	0	0
	GLASSBORO BORO.	0	2.00	1296	951	668	37640	0	0
	GREENWICH TWP.	73	0.00	12	436	129	42875	0	0
	HARRISON TWP.	33	2.67	192	458	79	49972	93	0
	LOGAN TWP.	126	1.00	5	299	33	49463	0	0
	MANVUA TWP.	92	1.67	112	811	104	47125	217	0
	MONROE TWP.	164	13.67	839	986	375	39161	0	0
	NATIONAL PARK BORO.	12	1.00	8	399	99	36557	0	0
	NEWFIELD BORO.	0	0.00	2	224	51	40382	0	0
	PAULSBORO BORO.	0	1.33	172	1273	440	25650	0	0
	PITMAN BORO.	23	1.33	278	1709	470	44150	12	0
	SOUTH HARRISON TWP.	0	0.00	0	126	18	47682	0	0
	SWEDESBORO BORO.	17	0.00	8	546	138	34406	0	0
	WASHINGTON TWP.	173	1.33	1724	350	225	56653	0	0
	WENONAH BORO.	6	0.00	11	410	64	57934	0	0
	WEST DEPTFORD TWP.	113	2.00	1821	663	330	42251	204	0
	WESTVILLE BORO.	27	.33	290	765	339	34826	0	0
	WOODBURY CITY	0	2.67	655	1941	777	31892	0	62
	WOODBURY HEIGHTS BOR	20	.33	15	289	52	52635	0	0
	WOOLWICH TWP.	49	.67	0	134	8	44647	0	0
HUDSON									
	BAYONNE CITY	0	15.00	7353	13219	14398	35149	0	0
	EAST NEWARK BORO.	2	0.00	62	341	562	34222	0	0
	GUTTENBERG TOWN	33	6.00	2709	929	1314	44638	0	0
	HARRISON TOWN	16	4.33	1148	2135	3231	37366	0	0
	HOBOKEN CITY	0	9.00	11329	11000	5163	38360	0	0
	JERSEY CITY	0	125.67	39547	46091	37932	31959	0	0
	KEARNY TOWN	6	2.33	2253	7369	6940	41624	0	0
	NORTH BERGEN TWP.	0	32.33	8552	7675	8243	36807	0	0
	SECAUCUS TOWN	157	2.33	1250	1258	2189	56995	634	0
	UNION CITY	0	1.33	11090	11173	9394	28220	0	0
	WEBSTER TWP.	0	0.00	2300	3964	2635	38188	0	0
	WEST NEW YORK TOWN	0	.33	9329	6632	4958	28997	0	0
HUNTERDON									
	ALEXANDRIA TWP.	0	0.00	4	293	38	58915	0	0
	BETHLEHEM TWP.	10	0.00	0	193	18	66621	0	0
	BLOOMSBURY BORO.	8	.67	16	217	37	44868	0	0
	CALIFON BORO.	0	0.00	8	166	28	62294	0	0
	CLINTON TOWN	23	.33	105	298	135	58136	64	0
	CLINTON TWP.	91	3.00	329	436	138	74710	0	0
	DELANARE TWP.	0	0.00	13	615	73	62479	0	0
	EAST ANNELL TWP.	3	1.33	22	443	87	66800	0	0
	FLEMINGTON BORO.	45	0.00	579	790	571	38687	0	0
	FRANKLIN TWP.	9	0.00	1	308	51	61692	14	0
	FRENCHTOWN BORO.	0	0.00	73	391	142	44496	0	0

GLEN GARDNER BORO.	0	0.00	280	182	86	53693	0	0
HAMPDEN BORO.	0	0.00	81	270	120	44481	0	0
HIGH BRIDGE BORO.	15	0.00	40	535	167	53976	19	0
HOLLAND TWP.	0	0.00	10	283	66	49682	0	0
KINGWOOD TWP.	1	.33	3	390	92	54949	0	0
LAMBERTVILLE CITY	0	0.00	174	1379	346	43879	0	0
LEBANON BORO.	8	.33	13	186	76	57713	0	0
LEBANON TWP.	0	0.00	3	458	99	58040	0	0
MILFORD BORO.	0	0.00	29	238	116	44631	0	0
RAKITAN TWP.	141	1.00	328	421	168	67676	358	0
READINGTON TWP.	91	1.00	240	702	184	68803	183	0
STOCKTON BORO.	0	0.00	4	145	49	43683	0	0
TENNSBURY TWP.	28	0.00	1	426	23	95745	57	0
UNION TWP.	0	0.00	183	186	70	65846	7	0
WEST AMHILL TWP.	0	0.00	10	230	45	52021	0	0
MERCER								
EAST WINDSOR TWP.	169	1.33	3468	180	524	54834	0	0
ENING TWP.	164	2.67	2149	1810	772	47510	0	0
HAMILTON TWP.	284	7.00	5905	5933	2425	46390	0	0
HIGHTSTOWN BORO.	21	1.00	639	790	284	50129	0	0
HOPENELL BORO.	0	.33	12	488	180	53453	0	0
HOPENELL TWP.	86	1.00	56	733	97	72074	200	0
LAWRENCE TWP.	362	2.67	1866	1222	624	56138	623	161
PENNINGTON BORO.	0	0.00	38	438	68	70603	0	0
PRINCETON BORO.	236	1.00	818	1949	671	47401	3	0
PRINCETON TWP.	108	2.00	738	828	541	68517	217	0
TRENTON CITY	0	45.33	6403	20094	6251	28291	0	0
WASHINGTON TWP.	90	.67	470	232	57	49855	152	51
WEST WINDSOR TWP.	259	2.00	1318	432	122	84598	569	0
MIDDLESEX								
CARTERET BORO.	0	5.00	312	1540	1806	44295	0	0
CRANBURY TWP.	93	4.33	9	341	63	72395	143	0
DUNELLEN BORO.	4	0.00	151	1253	672	48812	0	0
EAST BRUNSWICK TWP.	391	1.33	2216	639	491	64646	723	0
EDISON TWP.	525	.67	9597	1661	1758	55082	324	0
HELMETTA BORO.	14	1.00	151	147	15	47082	0	0
HIGHLAND PARK BORO.	27	1.67	2262	2413	1452	43563	0	0
JAMESBURG BORO.	7	.33	346	388	375	46128	0	0
NETUCHEN BORO.	55	1.67	457	1350	485	58549	82	1
MIDDLESEX BORO.	71	.67	609	856	484	52407	0	0
MILLTOWN BORO.	34	.67	52	644	317	59424	0	0
MONROE TWP.	75	.67	682	433	1111	46406	127	0
NEW BRUNSWICK CITY	0	8.33	4230	5082	5081	31118	0	0
NORTH BRUNSWICK TWP.	244	3.67	3458	647	1100	54890	489	0
OLD BRIDGE TWP.	213	6.33	5194	871	1430	52230	152	203
PERTH AMBOY CITY	0	3.67	3574	5904	6358	31215	0	0
PISCATAWAY TWP.	420	7.00	3348	1273	1096	55496	623	109
PLAINSBORO TWP.	88	4.33	4850	128	434	51606	247	0
SAYREVILLE BORO.	127	1.33	2820	1482	936	50663	0	0
SOUTH AMBOY CITY	17	0.00	260	1617	845	41726	0	0
SOUTH BRUNSWICK TWP.	305	4.00	1876	533	369	59735	575	94
SOUTH PLAINFIELD BOR	173	6.00	10	748	422	56318	375	0
SOUTH RIVER BORO.	20	0.00	485	2013	1036	41798	0	0
SPOTSWOOD BORO.	31	1.00	408	230	96	47244	0	0
WOODBIDGE TWP.	618	11.67	7235	4568	2986	50068	0	0
MONMOUTH								
ABERDEEN TWP.	152	3.00	881	521	342	55493	237	0
ALLENHURST BORO.	14	1.33	25	315	43	60071	0	0
ALLENTOWN BORO.	1	.67	88	214	42	51820	0	0
ASBURY PARK CITY	0	5.33	3892	2731	1773	22829	0	0
ATL. HIGHLANDS BORO.	62	0.00	341	823	188	49175	0	0
AVON BY THE SEA BORO	14	0.00	188	822	178	39263	0	0
BELMAR BORO.	62	5.67	974	1802	746	34834	0	0
BRADLEY BEACH BORO.	28	6.67	846	1481	521	33373	0	0
BRIELLE BORO.	83	1.33	24	336	255	58833	0	0
COLTS NECK TWP.	103	1.67	12	247	52	82631	149	0
DEAL BORO.	25	.33	50	423	45	53625	0	0
EATONTOWN BORO.	296	.33	2327	464	657	40550	0	0
ENGLISHTOWN BORO.	36	0.00	7	155	81	47819	0	0
FAIR HAVEN BORO.	73	1.67	3	708	21	62972	0	0
FARMINGDALE BORO.	0	0.00	192	141	75	44516	0	0
FREEHOLD BORO.	141	6.33	818	1454	573	44360	0	0
FREEHOLD TWP.	488	7.00	1099	352	244	64632	923	0
HAZLET TWP.	246	2.33	392	278	135	55752	0	0
HIGHLANDS BORO.	29	.33	840	772	396	35600	0	0
HOLMDEL TWP.	391	4.33	11	164	34	92372	626	0
HOMELL TWP.	427	12.33	436	1007	276	52703	827	0
INTERLAKEN BORO.	8	0.00	0	244	0	63411	0	0
KEANSBURG BORO.	0	10.00	577	1382	815	34946	0	0

KEYPORT BORO.	14	2.00	1088	1327	530	34767	0	0
LITTLE SILVER BORO.	104	.33	33	350	45	70709	0	0
LOCH ARBOUR VILLAGE	2	0.00	4	129	2	61146	0	0
LONG BRANCH CITY	0	9.67	5109	4556	2793	33762	0	0
HAWAIIAN TWP.	241	7.00	1429	378	160	63831	765	0
HANASQUAN BORO.	107	2.33	96	1173	359	43242	0	0
HARLBORO TWP.	455	6.67	155	242	89	77043	670	0
HATAHAN BORO.	103	3.67	1131	530	389	50763	0	0
MIDDLETOWN TWP.	828	6.33	2186	3221	726	59458	0	0
HILLSTONE TWP.	7	4.33	1	313	22	62320	6	0
HONKOUTH BEACH BORO.	36	1.67	783	336	87	64585	0	0
HEPTUNE TWP.	0	2.33	1733	3602	1489	41702	0	0
HEPTUNE CITY BORO.	22	.67	628	545	201	36127	0	0
OCEAN TWP.	672	1.00	2725	1216	400	51573	0	0
OCEANFORT BORO.	65	.33	119	395	94	60637	0	0
RED BANK BORO.	339	17.67	1600	2039	1108	40567	0	0
ROOSEVELT BORO.	0	0.00	3	153	15	60204	0	0
RUNSON BORO.	130	6.00	2	967	69	70370	0	0
SEA BRIGHT BORO.	18	.67	483	294	151	46995	0	0
SEA CIRT BORO.	51	4.33	22	395	19	64525	0	0
SHRENSBURY BORO.	116	0.00	2	151	6	69214	0	0
SHRENSBURY TWP.	10	0.00	212	52	49	34907	0	0
SOUTH BELMAR BORO.	17	2.00	75	401	101	35281	0	0
SPRING LAKE BORO.	71	2.00	49	1057	94	60708	0	0
SPRING LAKE HGTS BOR	50	.33	715	431	162	40766	0	0
TINTON FALLS BORO.	296	4.33	617	283	174	57187	550	0
UNION BEACH BORO.	41	1.33	1	678	105	42819	0	0
UPPER FRESHOLD TWP.	0	0.00	2	338	61	60840	0	0
WALL TWP.	415	8.67	556	1281	213	50931	722	0
WEST LONG BRANCH BOR	139	.67	128	482	157	52177	0	0
MORRIS								
BOONTON TOWN	16	.33	300	1525	909	49454	0	0
BOONTON TWP.	7	0.00	0	191	17	66084	23	0
BUTLER BORO.	8	.33	287	860	480	55462	0	0
CHATHAM BORO.	41	6.33	291	1253	317	68342	23	0
CHATHAM TWP.	39	.33	853	369	99	83157	89	0
CHESTER BORO.	0	0.00	15	169	33	61803	3	0
CHESTER TWP.	2	1.00	7	235	27	90750	0	0
DEVILLE TWP.	123	6.33	271	1146	150	65696	388	0
DOVER TOWN	22	0.00	796	2197	1380	42704	0	0
EAST HANOVER TWP.	106	.33	5	270	38	71078	266	0
FLORHAM PARK BORO.	143	2.33	43	273	100	75295	280	0
HANOVER TWP.	132	2.33	53	441	126	66757	245	0
HARDING TWP.	46	1.00	3	372	16	114515	0	0
JEFFERSON TWP.	35	7.33	168	823	244	53778	0	0
KIRKELON BORO.	22	0.00	1	237	16	83029	81	0
LINCOLN PARK BORO.	29	3.33	866	476	227	59159	100	0
MADISON BORO.	59	2.33	860	1764	875	62126	0	0
MENDHAM BORO.	0	0.00	48	340	114	89560	0	16
MENDHAM TWP.	10	0.00	5	260	27	113186	18	0
NINE HILL TWP.	17	1.00	23	313	62	56321	76	0
MONTVILLE TWP.	111	3.33	206	755	134	82307	280	0
MORRIS TWP.	99	5.00	731	1251	492	81536	283	0
MORRIS PLAINS BORO.	90	.67	178	526	62	71243	0	0
MORRISTOWN TOWN	225	2.00	2531	2464	1970	47023	0	0
MOUNTAIN LAKES BORO.	23	0.00	0	568	8	119335	0	0
MOUNT ARLINGTON BORO	9	1.67	216	238	116	51665	0	0
MOUNT OLIVE TWP.	61	4.00	3435	823	411	50411	182	0
NETCONG BORO.	3	0.00	418	466	239	43604	0	0
PAR-TROY HILLS TWP.	339	2.33	6928	1312	791	55522	497	230
PASSAIC TWP.	44	0.00	99	757	229	73358	85	0
PEQUANNOCK TWP.	60	.33	207	586	197	60428	166	0
RANDOLPH TWP.	108	2.33	1314	432	569	70843	221	106
RIVERSDALE BORO.	13	0.00	11	245	130	49775	59	0
ROCKAWAY BORO.	24	1.00	359	720	287	51413	0	0
ROCKAWAY TWP.	178	22.67	662	717	264	62384	412	0
ROXBURY TWP.	114	4.67	111	953	374	63232	375	0
VICTORY GARDENS BORO	2	0.00	207	27	79	39875	0	0
WASHINGTON TWP.	30	2.33	247	652	142	75410	149	4
WHARTON BORO.	17	.33	198	811	545	49720	43	0
OCEAN								
BARNEGAT TWP.	173	3.67	16	224	130	40116	0	0
BARNEGAT LIGHT BORO.	38	6.33	39	72	187	41750	0	0
BAY HEAD BORO.	22	1.67	18	569	55	60580	0	0
BEACH HAVEN BORO.	44	6.00	333	555	681	34508	0	0
BEACHWOOD BORO.	80	2.67	11	340	71	44642	0	0
BRIDGE TWP.	327	7.33	506	431	108	25331	0	0
DOVER TWP.	537	19.33	2566	1122	659	42616	0	0
EAGLEWOOD TWP.	1319	57.00	2819	1152	953	44774	835	0
HARVEY CEDARS BORO.	19	2.67	3	169	17	34448	0	0
HARVEY CEDARS BORO.	19	3.67	1	96	140	39359	0	0

ISLAND HEIGHTS BORO.	10	0.00	25	288	15	44229	0	0
JACKSON TWP.	344	11.67	734	596	316	49159	0	0
LACEY TWP.	345	6.33	17	355	55	41137	0	0
LAKELAKE BORO.	48	1.67	37	245	160	29872	0	0
LAKEMOOD TWP.	0	7.33	4005	1263	1768	32132	0	0
LAVALLETT BORO.	60	4.33	128	503	597	34899	0	0
LITTLE EGG HARBOR TM	131	5.00	275	132	82	37357	0	0
LONG BEACH TWP.	45	2.67	92	482	2193	34952	0	0
MANCHESTER TWP.	218	5.00	625	155	2837	24914	0	0
MANVOKING BORO.	22	1.00	2	186	4	66780	0	0
OCEAN TWP.	123	4.00	28	231	19	33923	0	0
OCEAN GATE BORO.	8	.33	23	350	103	31134	0	0
PIKE BEACH BORO.	21	0.00	2	180	39	43450	0	0
PLUNSTED TWP.	7	2.67	35	281	174	44879	0	0
POINT PLEASANT BORO.	215	10.67	582	682	480	44878	0	0
PT PLEASANT BEACH BO	64	2.33	162	1078	429	38279	0	0
SEASIDE HEIGHTS BORO	23	0.00	827	528	1094	23782	0	0
SEASIDE PARK BORO.	16	6.67	276	910	692	35903	0	0
SHIP BOTTOM BORO.	46	4.67	120	513	558	32125	0	0
SOUTH TONS RIVER BOR	27	.33	43	58	15	37149	0	0
STAFFORD TWP.	301	8.00	54	378	307	34858	0	0
SURF CITY BORO.	27	4.67	2	185	823	30810	0	0
TUCKERTON BORO.	49	4.00	170	277	83	30603	0	0
PASSAIC								
BLOOMINGDALE BORO.	16	1.67	379	631	341	54237	117	0
CLIFTON CITY	174	6.00	4040	10012	10950	43895	0	0
HALEDON BORO.	4	0.00	244	1033	1481	39684	0	0
HAWTHORNE BORO.	26	2.00	536	2696	2519	47420	0	0
LITTLE FALLS TWP.	32	4.00	902	1196	776	49467	0	0
NORTH HALEDON BORO.	17	.67	48	536	276	57188	0	0
PASSAIC CITY	0	12.00	8891	8923	6935	29326	0	0
PATERSON CITY	0	56.00	12435	17518	23879	29656	0	0
POMPTON LAKES BORO.	18	.33	801	679	347	53750	0	0
PROSPECT PARK BORO.	1	0.00	10	1275	1435	39316	0	0
RINGWOOD BORO.	3	1.33	2	536	48	66029	0	0
TOTOMA BORO.	44	1.67	79	858	795	30940	0	0
WANAQUE BORO.	13	2.00	85	742	550	52981	0	0
WAYNE TWP.	231	18.33	1572	1357	740	45219	0	0
WEST MILFORD TWP.	27	2.67	166	1376	220	58007	0	0
WEST PATERSON BORO.	18	3.33	876	547	1253	49426	0	0
SALEM								
ALLOWAY TWP.	0	0.00	0	343	38	42718	0	0
CARNEYS POINT TWP.	47	2.33	605	826	210	38933	0	0
ELMER BORO.	1	.67	2	369	105	36584	0	0
ELSIMBORO TWP.	9	.67	0	226	14	42363	0	0
LOWER ALLOWAYS CR TW	2	.67	0	284	10	40628	0	0
HANNINGTON TWP.	1	.33	1	189	15	38375	0	0
OLDMANS TWP.	56	1.00	1	219	31	43030	0	0
PENNS GROVE BORO.	0	8.00	253	693	365	23573	0	0
PENNSVILLE TWP.	54	4.67	586	1041	289	41827	0	0
FILESGROVE TWP.	4	1.33	22	278	39	51005	0	0
PITTSBORO TWP.	23	1.33	6	518	32	38196	0	0
QUINTON TWP.	2	.67	9	233	37	33444	0	0
SALEM CITY	0	0.00	616	1110	473	18810	0	0
UPPER PITTSBORO TWP	5	1.67	1	385	31	40120	0	0
WOODSTOWN BORO.	0	.33	209	569	254	37299	0	0
SOMERSET								
BEDMINSTER TWP.	67	1.33	903	369	153	68799	177	0
BERNARDS TWP.	216	.67	909	644	336	77000	475	0
BERNARDSVILLE BORO.	50	3.00	102	733	257	75522	82	0
BOUND BROOK BORO.	4	2.33	437	1653	1418	40795	0	0
BRANDBURG TWP.	93	2.00	55	290	106	74616	197	0
BRIDGEWATER TWP.	220	1.33	1047	1076	510	49886	493	0
FAR HILLS BORO.	13	1.00	4	137	35	61806	20	0
FRANKLIN TWP.	362	7.00	3735	1145	1085	58630	492	182
GREEN BROOK TWP.	63	1.33	0	202	31	64304	154	0
HILLSBOROUGH TWP.	116	5.00	1587	559	323	64976	182	0
HANVILLE BORO.	2	1.00	182	859	1213	41430	0	0
HILLSTONE BORO.	0	0.00	0	59	17	58616	0	0
MONTICHERY TWP.	63	6.33	163	331	85	80827	315	0
NORTH PLAINFIELD BO	35	.33	2084	2555	1754	46062	0	13
PEAPACK GLADSTONE BO	23	1.00	30	402	128	66082	28	9
RARITAN BORO.	55	1.00	97	905	866	42671	75	0
ROCKY HILL BORO.	1	.33	10	111	35	62498	0	0
SOMERVILLE BORO.	170	3.00	1412	1408	959	43634	10	0
SOUTH BOUND BROOK BO	4	.67	288	429	400	45460	0	0
WARREN TWP.	161	3.67	7	606	97	79606	333	0
WATCHUNG BORO.	59	2.00	6	232	52	87042	123	0

SUSSEX								
ANDOVER BORO.	0	0.00	32	168	49	40734	0	0
ANDOVER TWP.	26	.67	140	244	52	59749	0	0
BRANCHVILLE BORO.	1	.67	35	215	58	41164	0	0
BYRAM TWP.	0	0.00	14	440	42	62371	0	0
FRANKFORD TWP.	6	3.00	7	400	57	55000	0	0
FRANKLIN BORO.	0	0.00	161	772	259	40305	0	0
FREDON TWP.	9	.33	0	165	35	63936	0	0
GREEN TWP.	0	0.00	0	148	21	64038	0	0
HAMBURG BORO.	2	1.00	169	224	127	49041	0	0
HANPTON TWP.	17	1.33	3	172	21	51814	0	0
HARDYSTON TWP.	0	0.00	240	219	46	51163	0	0
HOPATCONG BORO.	26	13.00	24	652	143	53023	0	0
LAFAYETTE TWP.	2	1.00	0	188	50	60819	0	0
MONTAGUE TWP.	0	.33	145	173	137	42797	0	0
NEWTOWN TOWN	27	.67	842	1340	579	35996	41	0
OGDENSBURG BORO.	1	.33	27	227	87	51190	0	0
SANDYSTON TWP.	2	1.00	1	232	17	41156	0	0
SPARTA TWP.	6	3.33	24	961	268	69325	17	0
STARHOPE BORO.	0	.33	90	286	157	52731	0	0
STILLMATER TWP.	0	0.00	37	421	43	51693	0	0
SUSSEX BORO.	0	.33	314	455	245	29590	0	0
VERNON TWP.	4	1.67	905	622	149	56086	0	0
WALPACK TWP.	0	0.00	0	31	0	20625	0	0
WANTAGE TWP.	3	1.33	105	445	112	52165	0	0
UNION								
BERKELEY HEIGHTS TWP	70	.67	8	375	73	82634	190	0
CLARK TWP.	51	.67	771	434	251	55104	23	0
CRANFORD TWP.	114	3.67	655	3128	990	59916	0	0
ELIZABETH CITY	0	25.33	15326	16862	16971	20594	0	0
FARMWOOD BORO.	24	1.33	5	582	79	66739	0	0
GARMOOD BORO.	17	.67	86	643	693	45208	0	0
HILLSIDE TWP.	0	1.67	327	2882	2372	45306	0	0
KEWILMORTH BORO.	39	1.00	8	453	591	43971	0	0
LINDEN CITY.	99	6.67	2200	3438	5002	39502	0	0
MOUNTAINSIDE BORO.	49	0.00	4	245	23	82092	0	0
NEW PROVIDENCE BORO.	91	.33	421	499	474	68662	65	0
PLAINFIELD CITY	0	5.00	3740	5972	4230	42309	0	153
RAHWAY CITY	80	4.00	1807	3002	1921	44854	0	0
ROSELLE BORO.	0	4.33	1685	2450	1713	44474	0	0
ROSELLE PARK BORO.	16	.33	1356	2057	982	47701	0	0
SCOTCH PLAINS TWP.	88	4.33	689	1015	528	64013	218	0
SPRINGFIELD TWP.	80	0.00	1118	754	706	53512	0	0
SUMMIT CITY	121	5.33	1423	3296	1074	73110	0	0
UNION TWP.	157	11.00	1457	4235	3899	46931	94	233
WESTFIELD TOWN	98	4.00	672	4480	1179	73436	0	0
WINFIELD TWP.	1	0.00	4	72	488	31682	0	0
WARREN								
ALLAMUCHY TWP.	1	.33	72	135	60	61926	0	0
ALPHA BORO.	10	0.00	109	475	117	37938	0	0
BELVIDERE TOWN	0	0.00	139	554	173	28052	0	0
BLAIRSTOWN TWP.	0	0.00	5	362	148	57511	0	0
FRANKLIN TWP.	5	0.00	0	391	51	51802	7	0
FRELINGHUYSEN TWP.	0	0.00	0	223	27	51938	0	0
GREENWICH TWP.	32	0.00	1	333	72	47936	56	0
HACKETTSTOWN TOWN	66	.33	775	952	445	43238	0	0
HARDWICK TWP.	0	0.00	0	118	9	49912	0	0
HARDWY TWP.	18	.67	0	357	40	47905	36	21
HOPE TWP.	0	0.00	0	208	17	57514	0	0
INDEPENDENCE TWP.	8	0.00	260	272	107	49775	0	40
KNOWLTON TWP.	8	.33	3	327	45	45375	0	0
LIBERTY TWP.	0	0.00	12	214	39	53801	0	0
LOPATCONG TWP.	18	0.00	477	368	69	39895	22	40
MANSFIELD TWP.	12	1.33	1173	303	134	43850	0	0
OXFORD TWP.	0	0.00	19	325	56	40810	0	18
PANAMAQUARRY TWP.	0	0.00	0	26	6	33459	0	0
PHILLIPSBURG TOWN	0	.33	895	3780	1270	30018	0	0
PORTCONG TWP.	33	0.00	7	439	65	44620	0	0
WASHINGTON BORO.	11	0.00	666	1176	479	40153	0	9
WASHINGTON TWP.	35	.33	51	402	63	57942	91	0
WHITE TWP.	3	1.33	167	390	53	44924	0	0

TECHNICAL APPENDIX B

Estimating Undeveloped Land in New Jersey Using
Thematic Mapper Satellite Data, 1990
Census Data and the TIGER Files

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Introduction

The Council on Affordable Housing (COAH) has been required to develop fair share housing allocations for low and moderate income families for municipalities state-wide. The development of these allocations is based upon a number of factors including the amount of undeveloped land available within each region.

The conversion of land in New Jersey from undeveloped to developed status is a complex, dynamic process. Traditional methods of estimating land cover that rely on extensive field survey and mapping and the manual interpretation of aerial photography are both extremely expensive and time consuming. Developing reliable state-wide estimates of land cover, including land categorized as developed or undeveloped, in an extremely short time frame required the use of automated and computerized techniques.

Given these constraints, the Cook College Remote Sensing Center (CCRSC), Rutgers University, served as a consultant to COAH to develop these state-wide estimates. A number of types of digital information were used in this process. The analysis relied upon a combination of image processing and geographic information system (GIS) techniques to generate estimates of the amount of undeveloped and developed land present in the state of New Jersey. Simply put, geographic information systems are: computer hardware and software systems that allow the efficient, rapid development of a spatial data base and that permit the analysis of this information in an objective, automated manner.

Overview of the Methods Used in the Analysis

As stated above, image processing and GIS techniques were used to generate land cover estimates for the state of New Jersey. The ERDAS image processing and ARC/INFO and GRASS GIS software packages were used in the development of the data base and subsequent analysis. The following represents an overview of the methods that were used and provides a description of key terms and concepts. A more extensive, technical description of the process is provided in the **Methods and Procedures** section of this report.

The GIS data base that was developed for this analysis contained the following data layers:

- (1) Landsat Thematic Mapper digital data providing 30 meter coverage of the entire state;
- (2) US Department of Commerce 1990 Census of Population and Housing information and the associate digital TIGER files;
- (3) Municipal, county, and state digital boundary files obtained from the NJ DEPE;
- (4) Planning area digital boundary files obtained from the State Planning Commission; and
- (5) Pineland Management Area digital boundary files obtained from the NJ DEPE.

Satellite digital information has been used extensively in this country and throughout the world to monitor the environment in a cost effective, timely fashion. Landsat data has been used for a number of applications, including: identification and monitoring of agricultural crops, forest monitoring and disease detection, coastal zone monitoring, and for the generation of land cover information. Satellite data is the only spatial data providing complete coverage of New Jersey that is collected in a regular, systematic manner and that can be used in an unbiased way to generate consistent land cover information.

Landsat Thematic Mapper (TM) satellite data was selected by COAH as the best available information for the development of the fundamental land cover data layer for the GIS data base used in this analysis. TM data is acquired by a U.S. satellite system operated under the control of the EOSAT Corporation and is available in digital format. The digital data consists of spectral information that represent the amount of light (i.e. electromagnetic energy) reflected from a portion of the earth's surface in 6 narrow spectral bands and a 7th channel or band that represents radiated heat.

This spectral information is collected for pixels having a 30 meter ground resolution, with the exception of the thermal channel which has a 120 meter ground resolution. Thus, the satellite data used in this analysis has an inherent spatial resolution of 30 meters; however, each 30 meter pixel is classified into a land cover class based upon its spectral signature.

The processing of Landsat TM data to yield a thematic land cover map required a number of steps. The digital data was first formatted to provide coverage of the entire state and then processed to generate a desired classification map. The classification map produced through this process aggregates land cover into two classes—undeveloped and developed. Undeveloped land was defined for the purpose of this study as land presently vacant, being forested, open, or in an agricultural use. Developed land was defined as land that is either presently developed or land that may comprise a surface water body.

It is important to understand that the information derived from the TM satellite data represents land cover estimates and not land use estimates. The crucial difference between these two concepts relates to the inherent use of satellite data to generate land cover information (e.g. existing land cover, such as forest, grassland, built-up, or water classes) and not land use information (e.g. existing commercial land uses, such as a shopping center, versus an office building complex, or a manufacturing complex). Implicit in this distinction is the fact that the roof of a large commercial building may have the same spectral signature as that of the roof of an industrial plant, manufacturing facility, or warehouse. Consequently, the machine processing of the satellite data cannot be used to make these types of distinctions between land cover types at this level of analysis.

This distinction is of great importance in interpreting the results of this analysis. One of the problems associated with generating land cover estimates for New Jersey was the discrimination of residentially developed land from undeveloped land. This problem was most apparent in urban and suburban areas where either street tree and residential landscape plantings have created a landscape that has essentially a closed forest canopy or where residential housing units have been constructed in forested areas and the forest canopy remains substantially intact.

Given the 30 meter spatial resolution of the TM data, these areas would have been subject to misclassification as being forested or undeveloped if this were the only information available. This problem was addressed through the use of the 1990 census data and the TIGER files to identify areas that, although they may appear forested or undeveloped based upon their spectral properties as determined using TM data alone, can be considered to be developed based upon the density of housing units present. A more complete description of the processing of the census data and the use of the TIGER file spatial information is provided below.

Following the generation of a land cover data layer using the TM digital satellite data and a housing density data layer derived from the 1990 US Census data and associated TIGER files, the GRASS GIS software was used to determine the amount of developed and undeveloped land present state-wide. The tables that were developed provide estimates by county and by municipality and were cross classified by both the State Planning Commission's Planning Areas and the COAH housing regions. The results represent repeatable, unbiased estimates of undeveloped land throughout the state and multi-county regions.

Methods and Procedures

Landsat TM Image Processing

In order to generate land cover estimates for New Jersey, relatively cloud free Landsat Thematic Mapper (TM) data was required. The Thematic Mapper sensor onboard the LANDSAT platform acquired three cloud free images for Path 14, Rows 31, 32, and 33 on March 17, 1991. These scenes were acquired from EOSAT and provided data for the entire state. The ERDAS image processing and GIS software package was used for the satellite image processing and classification procedures.

Digital data providing complete coverage of the state was extracted from the delivered computer compatible tapes (CCTs) and stored in ERDAS format. The entire digital satellite data set for New Jersey had an approximate size of 300 Megabytes (Mbs), which would have been difficult to process as one file. A decision was made to divide the state into upper and lower regions to facilitate storage and processing. This division also corresponded to the approximate physiographic boundaries for the state with the upper region covering the Highlands, Ridge and Valley, and Piedmont provinces to the north, and the lower region covering the Coastal Plain to the south. It was also felt that this division would aid in the determination of land cover classes, since vegetation and landscape types vary significantly between these groups of provinces.

The upper and lower subsets were created through the merger of the three corresponding scenes. Thematic Mapper scenes contain a certain amount of overlap to assure that continuous coverage of a specific geographic area is potentially available for analysis. To accomplish this edge-matching, the file coordinates in the images were changed so that the northern and southern edges of each scene corresponded to the edge or edges of the adjacent scene. An ERDAS utility was then used to patch the files together and remove areas of overlap which produced two seamless subsets.

Display of the upper image revealed that snow cover was present at higher elevations. Visual interpretation of the snow covered areas in the imagery, as well as an examination of existing maps and orthophotography, revealed that many of these areas were primarily forested, but this observation had to be verified using digital data. The Center image library contained cloud free Thematic Mapper imagery that was collected on August 15, 1988. It was determined that this data would be acceptable for generating the land cover for areas covered by snow in the March 17, 1991 imagery.

In order to eliminate the snow covered areas in the 1991 imagery and substitute the data from the 1988 imagery, a file was created that served as a mask for both data sets. The 1991 scene was displayed on the graphics device, and the analyst, using an ERDAS utility, visually interpreted the spatial distribution of the snow covered areas, digitized the boundaries directly on the screen, and then stored these results in a vector file format. The 1988 data was then coregistered to the 1991 data, so that file sizes between the two scenes would be identical and have matching pixel coordinates. Since the digitized snow boundaries were stored in vector format, this file was converted to a raster file for use as a mask for each data set. This mask was then used to cut out and eliminate the snow covered areas in the 1991 scene, which were then replaced with the corresponding data from the 1988 image.

A classification was performed independently on each of the three data sets: the masked upper region of the 1991 scene, the masked "replacement" portion of the 1988 imagery, and the lower region of the 1991 scene. Through an iterative process, the number of clusters, or training samples, that were derived from each data set varied between 50 and 100. These clusters were then input into a maximum-likelihood classification algorithm. The land cover types that each of the classes represented were then determined using a combination of visual interpretation of the satellite image as well as 7½ minute quadrangle maps and orthophotography. Each class was collapsed into one of six possible land cover types for this application: forest, nonforest vegetation, developed, bare or barren, water, and cloud.

An accuracy assessment was then developed for each of the classified data sets. An ERDAS utility was used to generate 100 random points for each file, which were then displayed on top of the corresponding image. The land cover category for each random point was then interpreted using the raw digital image and the associated aerial and orthophotography. The results of the interpretation from each of the three files were combined and then compared to the results obtained from the computer classification in the form of an error matrix.

Analysis of the results indicated that the classification produced a map having an overall accuracy of approximately 86 percent. Within each land cover class the results varied from 100 percent for the barren and water categories to 78 percent for the built-up/developed category, 81 percent for the vegetated non-forested category, and 88 percent for the forested category.

Analysis of the US 1990 Census Data and Use of the TIGER Files

The definitional problems of land cover versus land use were described above and in this project were most readily apparent when mapping residentially developed land. Residential land is frequently a mixture of different land cover types (i.e. forest, agriculture, and built-up categories). When the spatial resolution (i.e. pixel size) of the digital information that is being used to produce a land cover classification is relatively coarse (i.e. 30 meters), the fine scale combination of intermixed land cover types common to a residential neighborhood produces a mixed spectral response, and makes different types of residential land difficult to detect using satellite data alone.

The U.S. Census Bureau released the post-census TIGER files and the congressional redistricting (PL94-171) data early in 1991. The PL94-171 data contained the total number of persons and housing units for each census block. By linking these two data items and their spatial distribution, the CCRSC processed and developed in a georeferenced, digital format, a file containing the population and housing unit densities for each census block for the state of New Jersey. This file was then used to develop a housing density data layer or mask that was used to map areas having a housing density greater than a specific density threshold. In order to develop a suitable masking file using the housing density information available from the census data, housing density masks having densities of 0.5 units per acre (i.e. 1 unit per 2 acres), 1 unit per acre, and 2 units per acre were created and evaluated.

Selection of the Housing Density Mask Threshold

Selection of an appropriate threshold residential housing density for this study involved an evaluation of the use of a range of housing densities. As indicated above, the TIGER files and the 1990 census block data were used to calculate housing density by block for the entire state at densities of 0.5, 1, and 2 units per acre. The effectiveness of these housing density thresholds was evaluated for municipalities throughout the state. As an illustration of the methods that were developed, the results obtained for Highland Park and Piscataway Township, Middlesex County, are discussed below.

Highland Park is a typical, relatively small (i.e. 1,236 acre), older suburban community retaining little undeveloped land, but one having a relatively high population and housing density. Residential landscaping and street tree plantings have over time created a community that from the perspective of space and using the information available from the Thematic Mapper satellite system appears substantially forested. Piscataway Township, in contrast, is a relatively larger (i.e. 12,185 acres), developing municipality containing a greater diversity of land use activities including residential areas of varying housing density, commercial areas, agricultural land, forested land, and a portion of the Rutgers University campus.

Table 1, Developed versus Undeveloped Land Cover Estimates Using Housing Density Information, provides a summary of the results of this analysis. The results clearly indicate that the TM digital data, if used alone, would result in an under estimation of the amount of land classified as being developed in residential areas where tree cover is an important component of the spectral information that is recorded by the satellite. In contrast, the results indicate that census data can be effectively used to derive residential housing density information that can greatly reduce this potential problem of misclassification.

The results (see Table 1) indicate that the undeveloped land cover estimates derived from the TM data are significantly reduced through the use of the housing density information. In the case of Highland Park, the percentage of land classified as being undeveloped decreases from 31.9 percent when using the TM information to a low of 6.8 percent when using the 0.5 unit per acre density mask. This pattern is repeated for Piscataway where the estimated percentage of undeveloped land decreases from 56.8 percent when using the TM information to a low of 37.1 percent when the 0.5 unit per acre density mask is used.

The results reflect the degree to which Highland Park is in fact a highly developed community with little land remaining for potential development and within which residential development has taken place at a relatively high density. In contrast, the results for Piscataway reflect a different pattern of development within this community and the existence of a significant amount of undeveloped land even when housing density information is used to improve the accuracy of the estimate of remaining undeveloped land. After examining the data for these and other municipalities, it was decided that the 0.5 unit per acre density threshold yielded the most accurate estimates of undeveloped land.

Processing of the Remaining Digital Boundary Files

Digital boundary files for municipalities or minor civil divisions (MCDs), the term used for municipalities in New Jersey by the US Census, counties, and the state were obtained from the NJ Department of Environmental Protection and Energy (DEPE). These files were used to maintain consistency with existing estimates of the total amount of land within the State, counties, and MCDs. The vector boundary files were converted to raster format as an additional data layer in the GIS data base used to develop the estimates of land cover.

Digital boundary files for the state planning areas were obtained from the State Planning Commission and converted from vector to raster format and also added as a data layer to the GIS data base. Digital boundary files for the Pinelands management areas were obtained from the Pinelands Commission for land within the Pinelands region and converted from vector to raster format.

Calculation of Adjusted Developed and Undeveloped Land

Following the processing of the TM digital data, the 1990 US Census data and TIGER files, the MCD, county, and state boundary files, the state planning region boundary files, and the Pineland management area boundary files; the GIS data base required to estimate developed and undeveloped land was completed. Following the development of this data base, the GRASS GIS software package was used to calculate the amount of developed and undeveloped land within each MCD by planning area. The results were output in machine readable format and used in the calculation of housing allocation numbers by COAH and its consultants.

Summary and Conclusions

Estimates of developed and undeveloped land were calculated for New Jersey using land cover information derived from Landsat TM digital data. Further refinement of the estimates of undeveloped land was accomplished through the use of the 1990 US Census data to eliminate land that could be characterized as developed based upon existing housing density at the block level.

The estimates that were derived through this process were designed to be consistent state-wide estimates that could be used to establish reasonable regional shares within each housing region for each New Jersey municipality. It is believed that the resulting estimates are the best available and the data created represent a valuable planning tool for government, non-profit, and private sector entities at the state, county, and local levels.

Table 1. Developed versus Undeveloped Land Cover Estimates Using Housing Density Information.

	Municipality			
	Highland Park		Piscataway	
	acres	% total	acres	% total
TM land cover				
undeveloped	394	31.9%	6,921	56.8%
developed	842	68.1%	5,264	43.2%
TM with a 2 unit/acre mask				
undeveloped	200	16.2%	6,009	49.3%
developed	1,036	83.8%	6,176	50.7%
TM with 1 unit/acre mask				
undeveloped	91	7.4%	5,309	43.6%
developed	1,145	92.6%	6,876	56.4%
TM with 0.5 unit/acre mask				
undeveloped	85	6.8%	4,515	37.1%
developed	1,151	93.2%	7,670	62.9%
Total land cover	1,236	100.0%	12,185	100.0%

Note: The TM land cover estimates include the total acreage of land classified as vacant using the digital satellite data.

APPENDIX C

STRUCTURAL CONDITIONS SURVEY

The Council on Affordable Housing (COAH) has estimated the number of substandard housing units occupied by low and moderate income households in each municipality, by employing census data. This estimate is called the municipal indigenous need. COAH recognizes that its estimates may be high or low. Therefore, COAH has devised a survey for any party in COAH's process to present data to COAH that may be used to alter the census-generated indigenous need estimates.

The survey requires an exterior inspection to determine if a housing unit is substandard. It then provides for the use of census data to estimate the number of substandard units occupied by low or moderate income households.

In developing the exterior survey, COAH has divided the exterior structure of a building into seven components: (1) foundation; (2) rails, steps, stairs, porch; (3) siding and walls; (4) windows and doors; (5) eaves, soffets, gutters, leaders; (6) roof and chimney; and (7) fire escape. The foundation, siding and walls and roof and chimney are considered major systems. The remaining components are considered minor systems. Each system is to be ranked as good/excellent or fair/poor. Definitions are provided to guide the exterior inspection in Appendix A.

If one major system is determined to be fair/poor, the structure and all housing units within it are considered substandard. If two or more minor systems are determined to be fair/poor, the structure and all, the units within the structure are considered substandard.

The survey can be conducted from the street, and, in most cases, there will be no need to step on to the property. A view of the front of the structure, its two sides (one side of it is semi-detached) and a portion of the roof should provide sufficient information to complete the survey.

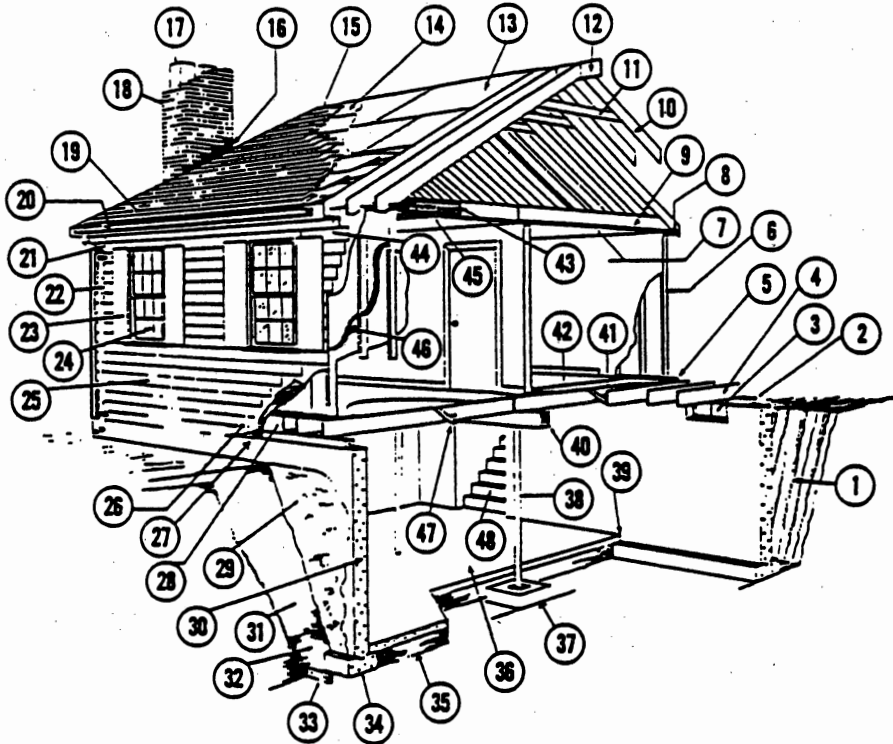
The Structural Conditions Survey shall be performed by individuals who are licensed to perform building and/or housing inspections who have received training from COAH on the implementation of the survey. Additional COAH training may be substituted for a building and/or housing

inspection license. COAH will offer training periodically on how to conduct this survey.

There may be some areas of a municipality which can be excluded from the survey. Subdivisions constructed after 1980, areas of very expensive homes, and neighborhoods that the local housing/building inspector believes are trouble free are examples of such areas. All surveys submitted to COAH will be checked by COAH staff with special attention paid to areas of the municipality not surveyed.

The exterior survey should yield an estimate of substandard units within the municipality. To estimate the number of substandard units occupied by low and moderate income households, the Council will rely on census information that is available from the Public Use Micro-Data Sample (PUMS). This data allows COAH to match household income to the census information COAH uses to estimate the indigenous need. The census has divided New Jersey into over 50 PUMS areas. Therefore, the data are sensitive to the different housing stocks found within the State.

As an example, let us assume that a municipality performs the exterior survey and finds 100 substandard units. Let us also assume that the PUMS data indicates that 82 percent of substandard units (within the geographic area defined by the PUMS) are occupied by low and moderate income households. Therefore, the survey results indicate that 82 low or moderate income households are living in substandard housing units.



RESIDENTIAL BUILDING COMPONENTS

- | | | |
|--------------------|---------------------|-----------------------|
| 1. EXCAVATION | 17. FLUE LINING | 33. DRAINAGE TILE |
| 2. SILL PLATE | 18. CHIMNEY | 34. WALL FOOTING |
| 3. BASEMENT WINDOW | 19. ROOF SHINGLES | 35. GRAVEL |
| 4. FLOOR JOIST | 20. GUTTER | 36. CONCRETE SLAB |
| 5. SHOE PLATE | 21. FACIA | 37. COLUMN FOOTING |
| 6. STUDS | 22. DOWNSPOUT | 38. PIPE COLUMN |
| 7. DRYWALL | 23. SHUTTER | 39. EXPANSION JOINT |
| 8. PLATE | 24. WINDOW | 40. GIRDER |
| 9. CEILING JOISTS | 25. WALL SHINGLES | 41. SUB-FLOOR |
| 10. RAFTERS | 26. BUILDING PAPER | 42. FINISH FLOOR |
| 11. COLLAR TIES | 27. WALL SHEATHING | 43. ATTIC INSULATION |
| 12. RIDGE RAFTER | 28. FIRE STOP | 44. SOFFIT |
| 13. ROOF SHEATHING | 29. DAMPPROOFING | 45. CEILING STRAPPING |
| 14. ROOF FELT | 30. FOUNDATION WALL | 46. WALL INSULATION |
| 15. RIDGE SHINGLES | 31. BACKFILL | 47. CROSS BRIDGING |
| 16. FLASHING | 32. DRAINAGE STONE | 48. BULKHEAD STAIRS |

STRUCTURAL CONDITIONS SURVEY

DATE:

RATE COMPONENT: GOOD/EXCELLENT = O

FAIR/POOR = X

SURVEYOR:

STREET:				COMPONENTS							DEFICIENT STRUCTURE MARK "YES" OR "NO"	COMMENTS
ADDRESS	BLOCK	LOT	NUMBER OF DWELLING UNITS	ONE "X" AND STRUCTURE IS DEFICIENT			TWO "X'S" AND STRUCTURE IS DEFICIENT					
				FOUNDATION	SIDING AND WALLS	ROOF AND CHIMNEY	WINDOWS AND DOORS	EAVES/SOFFETS GUTTERS/LEADS	RAILS/STAIRS STEPS/PORCH	FIRE ESCAPE		

DEFINITIONS FOR STRUCTURAL CONDITIONS

The following relates to structural components of a residential building. Refer to the attached diagram for component identification.

Excellent to Good—The condition of the component is like new or requires standard maintenance.

Examples:

Foundation—The component may need minor re-pointing and/or paint or the removal of shrubs or vines to protect it from deterioration.

Handrails, Steps, Stairs, Porch—A component or components may need paint and/or re-nailing or tightening.

Siding and Walls—The components may need light scraping and painting and/or re-nailing of loose siding.

Windows and Doors—The components may need light scraping and painting and appear to be operational.

Eaves, Soffets, Gutters, Leaders—The components may need light scraping and painting. Gutters may need realignment. Leaders may need re-attachment.

* Excessive cracks can mean multiple cracks affecting structural

Roof and Chimney—No immediate repair is needed on the roof. The chimney is straight but may need minor re-pointing.

Fire Escape—The component may need scraping and painting and is properly functioning.

Fair to Poor—The condition of the component requires immediate maintenance, repair or replacement. Further deterioration may adversely affect other exterior and/or interior components.

Examples:

Foundation—The component needs re-pointing, replacement of some stones, brick or blocks or some rebuilding due to: loose, broken or missing bricks or block; missing mortar; excessive cracks in the masonry*; deterioration of masonry surface; pargeting pulling away; sinking; or being out-of-plumb.

Handrails, Steps, Stairs, Porch—The components need replacement of boards, risers, joists, rafters, and/or beams, etc. due to: sagging; broken or unsound supports; a sinking integrity or a crack or cracks as wide as 1/8 inch.

or structurally unsound foundation; broken, missing or rotted boards; missing or unsound railings or balusters; broken or missing trim; missing mortar in the masonry or the masonry being generally deteriorated; excessive cracks in the masonry *; or worn steps.

Siding and Walls

Brick—The component needs re-pointing, spot replacement, reconstruction, etc. due to: sagging; bowing; being out-of-plumb; excessive cracks in the masonry *; missing bricks or missing mortar.

Stucco—The component needs patching, spot replacement, or reconstruction and painting due to deteriorated surface, cracks, holes, water damage, or bowing.

Wood—The component needs patching, spot replacement, or reconstruction and painting due to sagging, bowing, being out-of-plumb, rot, water damage, loose boards, cracked or broken boards.

Siding—The component needs spot, area or total replacement due to broken or missing siding.

Windows and Doors and Related Trim (Exclusive of Storm Doors and Windows)

Windows—The component needs putty or new glass. Other indicators of a fair/poor component include: missing or broken trim; missing or broken sill; a frame or sash out of square; rotted wood; and/or inoperable windows.

Doors—Indicators of a fair/poor door include: broken glass; a frame out of square; missing or broken trims; interior grade doors being used as exterior doors; rotted wood.

Eaves, Soffets, Gutters, Leaders—Indicators of a fair/poor component include: broken or hanging sections; holes, rot leakage and/or missing sections; significant deterioration; or animal infestation.

Roof and Chimney

Roof—The component needs moderate scattered shingle replacement, area replacement or total replacement due to: sagging; exposed paper or sheathing; hole(s); curling of shingles; blistering of rolled roofing; cracked shingles; missing shingles; rusted metal roof; and/or leakage.

Chimney—The component needs partial or total reconstruction due to: sinking; being out-of-plumb; excessive cracks *; loose, broken or missing bricks; missing mortar; deteriorated surface and/or lack of a flue.

Fire Escape—The component needs significant physical repairs or replacement and/or is not fully operational.

TECHNICAL APPENDIX D

The Cost of Providing Infrastructure

Application: The Cost of Providing Infrastructure

September 4, 1986

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I. Purpose

The purpose of this study is to provide an approach to the development of **financial evaluation forms** to be used by the Council on Affordable Housing and the Department of Community Affairs. This form will provide the necessary data to review whether necessary capital expenditures to support proposed inclusionary housing development obligations would result in "prohibitive costs" to the respective local jurisdictions.

Study Approach

The approach taken to accomplish the study's objective is to first present the theoretical background and analytical approaches that have been used to measure prohibitive costs from the perspective of a community's financial capacity. The infrastructure costs are limited to **water and sewer systems only**.

Section III presents the data requirements needed to measure prohibitive cost and a discussion of indicators that provide a perspective on municipal and financial conditions and status.

Section IV includes a series of worksheets that make up the financial evaluation form. These worksheets provide information on municipal taxes, demographic and statistical data employed to calculate indicators of economic vitality, revenues/expenditures, income data on water and sewer enterprise funds, rates charged to users of each water and sewer service system, wastewater system costs, and costs per household.

Section V presents comparative data on which to make an evaluation of prohibitive costs against generally accepted industry standards. These standards are drawn from Moody's Investors Service selected indicators of Municipal Performance for 1985.

II. Assumptions and Suggested Analytical Approach

The service area and the type of financing, general obligation, revenue bond, special district or tax increment financing will have a direct bearing on who bears the burden of the system costs. A general obligation bond or a revenue bond supported by general property taxes or user charges from an entire jurisdiction has the broadest distribution of cost impacts. An improvement district or tax increment financing district with assessment or "impact fees" levied directly against the properties who benefit from the new system costs has more narrow cost distribution effects. The boundaries of the service area and the method of revenue generation to pay for the project financing must be explicitly defined.

A municipality's ability to pay for the new infrastructure will depend on a judgment as to whether or not its indicators of financial condition indicate "fiscal stress" will result from the added community expenditure. These indicators are objective in nature as described in Section III below and should be judged against the standards of the financial and debt ratios presented in Section V. Generally, a community with poor financial and debt ratios that are below the median ratios are strong candidates for a jurisdiction likely to experience "prohibitive costs" from the new infrastructure. These are generally communities with the lowest investment grade or below investment grade ratings from national rating agencies (Moody's, Standard & Poor's and Fitch).

Many tax-exempt municipal bonds and notes are given ratings to indicate their degree of creditworthiness security from risk or default. Three major national rating agencies analyze the municipal authorities issuing bonds. They are Moody's Investors Service, Standard & Poor's Corporation, and Fitch Investors Service. (Moody's and Standard & Poor's also will rate short-term issues.) Small issues of municipal bonds and notes are often sold without a credit rating.

Creditworthiness	Moody's	Standard & Poor's and Fitch
Prime (highest quality debt)	Aaa	AAA
Excellent	Aa	AA
Good	A	A
Average	Baa	BBB
Fair	Ba	BB
Poor	B	—
Marginal	Caa	B
Default	C	D

Bonds rated between prime and average are considered "investment grade" by banks and conservative investors. Those rated below average are considered "speculative" by the same investors.

* See Karen M. Seidel "Oregon Municipal Fiscal Indicators," Bureau of Governmental Research and Service, University of Oregon, October

In addition, Standard & Poor's has added plus and minus signs to the ratings of certain securities in order to differentiate between stronger and weaker credit ratings. This was done because there were so many bonds in each category. Similarly, Moody's adds a number one to the ratings of bonds that possess the strongest bonds in a category. For example, the strongest bonds in the Aa category are rated Aa1, the strongest bonds in the A category are rated A1, and the strongest bonds in the Baa category are rated Baa1.

Consistency of Standards

It is recommended that the same standards of "prohibitive costs" be used by the Council on Affordable Housing, Local Finance Board, and Department of Environmental Protection in their evaluation of each community.

Limitations

The limitations of these suggested approaches are the difficulties in synthesizing the municipal indicators into a single decision on prohibitive cost. These limitations can be overcome with more sophisticated analysis by developing a prohibitive cost index, perhaps with the technique of multiple discriminant analysis of the indicators. This approach groups indicators into common dimensions of municipal financial capability which can then be classified according to high, average or low strength.*

III. Data Requirements

Accurate data is fundamental to accurate analysis. The selected indicators are based on techniques by credit and municipal analysts for evaluating municipal financial condition.

In some cases, a particular data item may be simply unavailable or inappropriate, in which case it should be left out. In all cases, however, it is important that data be consistent during the period under examination. If accounting or recording procedures change from one fiscal year to another, adjustments should be made so that each year's data are comparable.

Data Requirements

The data needed for analysis fall into four general categories:

- expenditure elements,
- tax base elements,
- revenue elements, and
- demographics elements.

1983.

The analysis of financial conditions is based on an examination of the trends and behavior of key indicators over time. Data are collected for the most recent five-year period for which information is complete.

Data will usually be obtained from annual financial reports and other accounting or reporting statements. A list of suggested sources appears in the Appendix.

A. Economic and Social Factors

Economic and social factors are of primary importance in assessing the creditworthiness of a jurisdiction. A strong economic base should enable an issuer to overcome some weakness in debt, legal and financial factors and to maintain a sound credit position. On the other hand, a weak or declining economy will demand that an issuer exert the utmost care in debt and financial management to protect creditworthiness. A strong credit usually shows greater than average economic diversity, wealth, and growth. Measures of economic base include total personal income, income per capita, population changes, and changes in per capita income.

Wealth

A wealthy economic base will be indicated by above-average per capita property values, personal income and wholesale and retail sales. Negative aspects here would be a high or rapidly growing proportion of the population at or below the poverty level or on welfare rolls.

Growth

A strong credit also requires a growing economic base, although not all growth is necessarily viewed as favorable. Extremely rapid growth based heavily upon speculative factors may lead to excessive build-up of debt and/or taxes which could prove unsupportable over the long run. While growth is not always a favorable sign, a decline in economic resources is viewed as a negative factor since it would be highly unusual for such a decline to be offset by a tapering of demands on the tax base. Growth rates in population should approximate the state and national averages.

Population

Population is a fundamental indicator of economic growth. Growth in population is associated with increases in retail sales and with growth in consumer-related jobs. Population increases attributable to migration are often additionally associated with construction and durable manufacturing job expansion as well as service sector expansion; particularly the components of business service, government and tourist recreation. Growth at faster rates than the national average indicates an increasing share of the U.S. market. Similarly, population growth exceeding regional rates indicates economic shifts within the region.

Personal income

Personal income is a powerful indicator of economic strength and viewed over time can reveal strong basic trends. Income is also a major fiscal resource of state governments and, therefore, is the standard against which debt and taxes are compared. If income is rising more rapidly than in the nation and/or region as a whole, shifts in economic base composition are a strong possibility. Growth in composition can be expected as can growth in government revenues from sales and income taxes.

Per Capita Income

Per capita income below the national average can be both favorable and unfavorable. Low incomes are associated with low quality public education and, consequently, low skilled labor. Low level and limited scope of government services and a low debt burden also are associated with low per capita income.

Total Nonagricultural Employment

Total employment is a powerful analytic tool, but nonagricultural employment is more useful for comparison. Relatively high growth in nonagricultural jobs is a favorable sign.

B. Debt Management

Debt factors have always played a prominent role in municipal credit both because of inherent importance and because debt figures are quantifiable measures which make inter-city comparisons easier than for other factors. Three key ratios traditionally used in the industry attempt to establish the size of a unit's debt, the burden this places upon resources, and the relationship between the servicing of this debt and the unit's overall revenues. In turn, each ratio can be viewed from three aspects in an attempt to weigh its importance in the unit's credit picture: (1) the absolute level of the ratio at that point in time as compared with traditional guidelines; (2) the level of the ratio as compared with ratios of similar types of local units; and (3) the trend of that ratio within the unit being reviewed. Three additional ratios explored in evaluating an issuer's debt management policies relate to the rate of debt retirement, the level of bond anticipation note debt and the level of the unfunded pension liability. Two other items which do not readily lend themselves to quantitative analysis but should be considered in debt analysis are (1) authorized debt and projected debt needs and (2) other significant unfunded debts and contingent liabilities such as leases.

Debt Per Capita

This ratio attempts to establish the size of the unit's debt. It is measured by dividing the unit's overall net debt by its population. Overall net debt is the total tax-supported debt of the issuer as well as its proportionate share of the debt of other governments which may tax residents of that community. When this ratio reaches \$1,000 or above, debt is considered as sizeable.

Debt/Estimated Full Value

This ratio attempts to establish the burden which debt places upon resources, and is generally calculated by dividing the unit's net debt by the estimated market value of its real property. A debt burden of 3 percent or below is generally considered low. One between 3 percent and 10 percent is moderate. When the burden reaches or exceeds 10 percent, it is considered heavy and must be closely examined to determine that it will not become unmanageable in the future. The heavier the burden, the closer the attention that must be paid to the trend of that burden, the issuer's physical plant and future borrowing plans.

Debt Service/Revenues

This ratio's purpose is to indicate the flexibility that the locality will have to meet debt service (and other fixed charges although they are not directly part of the ratio) if revenues were to decline. A ratio of 10 percent or less indicates that ample flexibility should exist to meet debt service. If the ratio exceeds this level, it may be explained by a rapid debt retirement schedule or a unit in which capital expenditures are unusually large in relation to operating expenditures. If neither is true, then the higher that ratio becomes, the more concern there is about the unit's ability to meet fixed charges if an economic downturn or some other unforeseen circumstances depress revenues.

Direct Debt Due in Ten Years

This measure indicates the amount of the issuer's long-term debt which matures in ten years. Debt to finance a project should not extend beyond the expected useful life of the project. While each issuer's schedule must be viewed in terms of the types of long-term improvements being financed, it is generally true that the more rapid recapture of debt incurring capacity places the issuer in a more flexible position. Any issuer which has less than one-third of its long-term debt maturing in ten years must be carefully reviewed as to the appropriateness of such a slow retirement schedule.

C. Financial Management

A healthy credit is marked by a consistently and realistically balanced budget as reflected in the unit's income and expense statements, a cash surplus (cash and investments exceeding current liabilities) at the last balance sheet date, and maintenance of a manageable level of short-term operating debt. Other factors considered include the unit's tax burden, level of tax collections, reliability of its revenue structure and growth rate of its expenditures. A one-year deficit or drop in property tax collections may not be of particular concern if its origin is external (a national recession) and is resolved in a satisfactory manner and time period. However, if deficits persist over good and bad times, their causes must be examined closely.

Taxes

Taxes are the largest source of government revenues and we are developing data to measure **tax burden** or the ratio of taxes from own sources to personal income. (Adjusted personal income excludes welfare transfer payments from state and local taxes.) Tax burden reveals the extent to which current levels of general revenue (excluding intergovernmental revenue) limit the private use of personal income. High tax burden is viewed as a disincentive to private investment and can be an indication of excessive government programs in the face of an unhealthy private economic sector. This measure should be studied along with the component data for revenues and personal income.

Ratios used in evaluating financial management may be categorized under two areas: operating statement and balance sheet data and tax ratios.

Average Annual Increase in Expenditures

One of the most telling indicators is how rapidly an issuer's budget is growing. An increase in expenditures which exceeds growth in the tax base substantially over a period of time will usually indicate future credit problems.

Direct Expenditures

Direct expenditures are particularly revealing of the extent of government participation in the economy. If expenditures are increasing more than revenues from own sources and Federal aid, increasing reliance on debt and/or accounting gimmicks is a possibility. Rising per capita expenditures may indicate broader scope and higher quality public services, increasing welfare burdens and/or rising public employee compensation. Below average expenditures that show a sudden surge may indicate a shift to an urban economy characterized by high-skilled industries. Per capita figures facilitate comparisons among jurisdictions and within a state over time.

Comparatively high levels of expenditures should be associated with broader, better services, and some attention should be paid to apparent adequacy and delivery efficiency—or lack thereof.

Operating Surplus (Deficit) Revenues

From the income and expense statement, it is ascertained whether revenues exceeded expenditures (operating surplus) or expenditures exceeded revenues (operating deficit). An operating surplus is considered favorable or comfortable. A large surplus is not necessarily looked for, as a particularly large one may even have negative connotations as to budgeting practices. An operating deficit of more than 5 percent of revenues is of concern and must be further examined in terms of past year's performance, the reason for it (internal or external), and the plans to resolve it.

Accumulated Surplus (Deficit) Revenues

From the balance sheet, the issuer's solvency is evaluating by measuring accumulated surplus or deficit. Generally, a surplus of any size may be considered satisfactory, though a substantial decline from the prior year is deserving of further attention as to its implications for future budgets. Investigate the source of any deficit that has been allowed to accumulate in excess of 10 percent of one year's revenues and examine the issuer's ability and plans to eliminate it.

Effective Property Tax Rebate

The effective property tax rate is an overall rate taking into account not only the property tax rate of the issuer but also those of all its overlapping tax jurisdictions. The effective property tax rate is the tax rate on true or market property, thus allowing for comparisons with other units. A problem exists in using this indicator due to the diversity in revenue structures. However, it is useful in comparing like units within a specific state.

Tax Delinquency Ratios

The property tax collection record is important because some issuers depend heavily upon property taxes; for virtually all issuers, the tax is the budget-balancer; and, because it is one of the best measures of willingness to pay. Two ratios are primarily utilized. The first measures the collections from the current year's levy against the gross levy for that year. The second measures current collections and collections from prior years combined against the current levy.

* See Government Finance Research Center, GOVRATIO User's Manual, July 1984 and U.S. EPA, Office of Water Programs, Financial Capability Guidebook, March 1984.

IV. Financial Evaluation Forms

A series of worksheets are presented with instructions on how to fill them out. The eight worksheets are based on the indicators of financial condition as follows:

- **Worksheet # 1**—Behavior of Municipal Tax Base and Tax Revenues
- **Worksheet # 2**—Expenditure Information
- **Worksheet # 3**—Demographic and Statistical Information
- **Worksheet # 4**—Water and Sewer Enterprise Fund Information
- **Worksheet # 5**—Water and Sewer Rates
- **Worksheet # 6**—Total Estimated Annual Local Wastewater System Costs
- **Worksheet # 7**—Annual Costs per Household
- **Worksheet # 8**—Bond Rating and Debt History

These forms are drawn from various publications of the Government Finance Research Center, Washington, DC.* Computer software is available at nominal cost to process and analyze these data. A data base should be created over time to facilitate comparative analysis between the subject municipality and New Jersey averages for each of the data measurements.

Worksheet #1

Since many local governments are substantially supported by property tax revenues, Worksheet #1 is designed to track the behavior of the tax base and tax revenues, and to provide an indication of the jurisdiction's tax flexibility.

Property Taxes Levied (14) and Property Taxes Receivable (15) should be readily available in the government's Combined Statement of Revenues, Expenditures, and Changes in Fund Balance. Assessed Value

(16), Assessment Ratio (17) as a percent, and Full Market Value (18) should be available from the Assessor's Office.

If your government uses different tax levies for different classes of property, you may choose either to use the data for only the largest class of property in terms of revenue or you may calculate average or weighted average data. If you select either approach on the worksheet, identify the method used to ensure that data in subsequent years is comparable.

**Worksheet #1
Tax Information (A)**

Item Number	Description	Amount (\$)				
		19__	19__	19__	19__	19__
14.	Property Tax Levy					
	Source Documents					
15.	Property Taxes Receivable					
	Source Documents					
16.	Assessed Value					
	Source Documents					
17.	Assessment Ratio	%	%	%	%	%
	Source Documents					
18.	Full Market Value					
	Source Documents					

- Instructions:
1. Enter the total for the amount of property taxes levied or billed for each year.
 2. For each year, enter the amount of property taxes outstanding at year's end (i.e., the amount uncollected for the year of the levy).
 3. Enter the Assessed Value of Taxable Real Property.
 4. Enter the Assessment Ratio as a percent.
 5. Enter the estimated full (or true) market value of taxable property.
 6. Make a note of the document name and page number from which you gathered the data. This will serve as a reference if you need to verify the information and also will help ensure consistent information in gathering data to update the analysis in future years.

NOTES: If the Assessed Value or Full Market Value is \$1,000,000,000 or more, enter the amount in \$1000's.

For the Assessment Ratio, if you have different ratios for different classes of property, use an estimated average ratio.

Worksheet #2

Worksheet #2 also examines trends in the character of expenditures across all programs. Data for aggregate Capital Outlays (39), Debt Service (40), Short-Term Interest (41), and Fringe Benefits (42) may

be found in the government's Combined Statement of Revenues, Expenditures, and Changes in Fund Balance. These amounts are compared with Total Expenditures actually incurred (43).

**Worksheet #2
Expenditure Information (B)**

Item Number	Expenditure Type	Actual Expenditures by Type				
		19__	19__	19__	19__	19__
39.	Capital Outlays					
	Source Documents					
40.	Debt Service					
	Source Documents					
41.	Short-Term Interest					
	Source Documents					
42.	Total Expenditures					
	Source Documents					

Instructions:

1. For each year, obtain the total capital expenditures for all funds except enterprise funds. Enter these amounts in the "Capital Outlays" line.
2. For each year, obtain the total of all debt service (principal and interest) payments from all governmental funds (exclude revenue bond debt service funds). Enter these amounts for Item 35, Debt Service.
3. Similarly, for all funds except enterprise-type funds, obtain the total interest paid on short-term loans; enter the amount for each year in Item 36.
4. Obtain the total expenditures on fringe benefits from all funds except enterprise funds and enter for Item 37.

Worksheet #3

This worksheet is used to assemble demographic and statistical data employed to calculate indicators of economic vitality. If the value of Building Permits (66) and Business Licenses (67) is not available, the raw number of permits and licenses issued may be used. Population (68)

and Per Capital Income (69) may be available from a local, regional, or state planning agency; a local bank; or an economic development agency. The Consumer Price Index (70) is available from the U.S. Bureau of Labor Statistics.

Worksheet #3
Demographic and Statistical Information

Item Number	Description	19__	19__	19__	19__	19__
66.	Building Permits					
	Source Document					
67.	Business Licenses					
	Source Document					
68.	Population					
	Source Document					
69.	Per Capita Income	\$	\$	\$	\$	\$
	Source Document					
70.	CPI					
	Source Document	U.S. Bureau of Labor Statistics--Annual Handbook of Labor Statistics				
71.	Municipal Employees					
	Source Document					
72.	Non-Agricultural					
	Total Employment					

Instructions:

1. For Item 66, enter number of building permits issued during each year.
2. For Item 67, enter number of business licenses issued each year.
3. For Item 68, enter estimated population for each year.
4. Enter estimated per capita income for each year for Item 69.
5. Enter Consumer Price Index each year for item 70.
6. For Item 71, enter the number of full-time equivalent employees each year.
7. For Item 72, enter the covered employment figures drawn from New Jersey Covered Employment, NJ Department of Labor.

Worksheet #4

This worksheet is used to collect income data on water and sewer funds your jurisdiction may operate. Enterprise funds are those established by a government to account for operations in a manner similar to a private business, where it is the intent to recover the costs of a service or facility through user charges. Common enterprise activities include utilities (such as water and sewer services), parking facilities, airports, and transit systems.

The names of the water and sewer enterprise funds chosen should be entered in the left-hand column of the worksheet. The net income for each year for each of the selected enterprise funds is entered in the appropriate column on the worksheet. Generally, net income is the difference between revenues and expenses and is intended to indicate

the degree to which the enterprise is self-supporting. However, some services subsidized by the general government may include "transfers in" in the calculation of gross revenue; and some profitable services may include "transfers out" in the calculation of gross expenses. To ensure that enterprise net income figures are a comparable and accurate reflection of enterprise activity, interfund transfers, unless they represent payments or receipts for services provided (for example, for shared overhead), should be eliminated from the calculation of net income.

The "Source Department" area provides space for you to note a reference to the document (and perhaps the page number) from which the data were taken (such as Annual Audit Report; Sewer Enterprise Statement of Revenues, Expenses, and Changes in Retained Earnings; etc.).

**Worksheet #4
Enterprise Fund Information (A)**

Item Number	Enterprise Fund Name	Enterprise Fund (Net) Income (\$)				
		19__	19__	19__	19__	19__
1.	Fund					
2.	Fund					
3.	Fund					
4.	Fund					
5.	Fund					

Source Documents: 19__ _____
 19__ _____
 19__ _____
 19__ _____
 19__ _____

- Instructions:**
1. Fill in the names of up to five enterprise funds (such as water, parking, airport, sewer, etc.).
 2. Enter the (net) income amount for each fund for each year.
 3. Make a note of the document name, and page number, from which you gathered the data. This will serve as a reference if you need to verify the information and also will help ensure consistent information in gathering data to update the analysis in future years.

NOTE: Enterprise funds are those that are established to account for operations that are financed and operated in a manner similar to a business enterprise — where it is often the intent to finance the operation largely through user charges. (net) Income is the difference between revenues and expenses. (Do not include transfers.)

Worksheet #5

This worksheet is used to collect data on the rates charged to users of each Enterprise Fund service identified in Worksheet #4. Rates will be found in ordinances or rate schedules and the units on which the rates are charged should be noted in the "Unit Description" column (such as per 100 gallons, 1,000 cubic feet, hour, etc.). If the rate unit

changes from one year to the next, a conversion will be necessary to ensure that all rates for any given Enterprise Fund are comparable from year to year. If the rate structure is complex or varies from year to year an average charge per customer may be calculated to provide a comparable figure.

Worksheet #5
Enterprise Fund Information (B)

Item Number	Enterprise Fund Name	Unit Description	Enterprise Fund Rates (\$)				
			19__	19__	19__	19__	19__
6.							
7.							
8.							
9.							
10.							

Source Documents: 19__ _____
 19__ _____
 19__ _____
 19__ _____
 19__ _____

- Instructions:**
1. Enter the names of the enterprise funds shown in Worksheet #1.
 2. In the "Units" column, for each fund, describe the units on which the rates are based.
 3. Make a note of the document name, and page number, from which you gathered the data. This will serve as a reference if you need to verify the information and also will help ensure consistent information in gathering data to update the analysis in future years.

NOTE: If the charges are based on a complex rate structure, use an average rate per customer or per unit. Note this in the "Unit" column.

Worksheet #6

C. TOTAL ESTIMATED ANNUAL LOCAL WASTEWATER TREATMENT SYSTEM COSTS

- Existing Annual Operation, Maintenance, and Replacement Costs \$ _____ (328)
- Discontinued Annual Operation, Maintenance, and Replacement Costs to be Discontinued as a Result of Proposed Project \$ _____ (327)
- Net Existing Annual Operation, Maintenance, and Replacement Costs (Net) (328-327) \$ _____ (328)
- Existing Annual Debt Service \$ _____ (329)
- Estimated Annual Operation, Maintenance, and Replacement Costs of Proposed Facilities (315) \$ _____ (330)
- Estimated Annual Debt Service and Other Required Expenses for Proposed Facilities (325) \$ _____ (331)
- Total Estimated Annual Local Wastewater Treatment System Costs (328 + 329 + 330 + 331) \$ _____ (332)

Worksheet #7

Annual Costs Per Household

- Total Estimated Annual Wastewater Treatment System Costs (332) \$ _____ (400)
- Nonresidential Share of Total Annual Wastewater Treatment System Costs \$ _____ (401)
- Residential Share of Total Annual Wastewater Treatment System Costs (400 - 401) \$ _____ (402)
- Number of Households _____ (403)
- Annual Wastewater Treatment System Cost Per Household (402 ÷ 401) \$ _____ (404)
- Other Annual Costs Per Household (Identify) _____ (405)
- _____ \$ _____ (405)
- _____ \$ _____ (405)
- Total Annual Costs Per Household (404 + 405) \$ _____ (406)

Worksheet #8

Purpose of Worksheet #8

The purpose of this worksheet is to profile and summarize the community's debt position, including the proposed project.

General Instructions

This worksheet is divided into four sections, each providing background information related to the community's debt history. The sections cover bond ratings, outstanding debt, debt repayment, and debt limits.

Instructions for Section A

Line 500. Give the community's most recent general obligation bonds rating and the date of the rating.

Line 501. Give the community's (or its wastewater utility's) most recent revenue bond rating and the date of the rating.

Enter this information on the Supplemental Information Sheet (Exhibit VII). If the community has never had a rating, enter N/A as not applicable.

Worksheet #8
Sections A and B
Bond Rating and Debt History

A. BOND RATINGS

- Community's Most Recent General Obligation Bond Rating

	Rating	Date of Rating	
	_____	_____	(500)
- Community's Most Recent Revenue Bond Rating

	Rating	Date of Rating	
	_____	_____	(501)

B. DEBT

	Outstanding	+ This Project	= Total	
• General Obligation Bonds	_____	_____	_____	(502)
• Revenue Bonds	_____	_____	_____	(503)
• Gross Direct Debt	_____	_____	_____	(504)
• Direct Net Debt	_____	_____	_____	(505)
• Overlapping Net Debt	_____	_____	_____	(506)
• Overall Net Debt	_____	_____	_____	(507)
• Other Debt	_____	_____	_____	(508)
• New Debt for Other Capital Improvements	_____	_____	_____	(509)

Instructions for Section B

Line 502. Give the amount of general obligation debt outstanding, and any new debt for the proposed project. General obligation bonds are those for whose payment the full faith and credit of the issuer has been pledged and are payable most commonly from real property taxes and other general revenues. Include here any general obligation bonds secured by earmarked revenues that flow outside the general fund (double-barreled bonds).

Line 503. Give the amount of revenue bonds outstanding, including any new debt for the proposed facilities.

Line 504. Gross direct debt is the total amount of general obligation and revenue bonds outstanding. (Lines 502 plus 503)

Line 505. Direct net debt is gross direct debt (line 504) less debt that is self-supporting (revenue bonds) and double-barreled bonds.

Line 506. Overlapping net debt is the community's proportionate share of tax-supported debt of local government units located wholly or in part within the limits of a commu-

nity which must be borne by property or persons in that community's boundaries.

Line 507. Overall net debt is the sum of direct net debt and overlapping debt. (Lines 505 and 506)

Line 508. Three important debt "obligations" that should be considered in evaluating a community's debt load are outstanding leases, unfunded pension liabilities, and notes having a maturity greater than one year. Insert here the amount of other debt the community has outstanding.

Line 509. Give an estimate of the amount of future planned debt for other planned capital improvements your community is contemplating. Include any outstanding bond anticipation notes (BANs) here.

V. Standards: Comparative Analysis

This section presents a set of standards on key debt and financial ratios which judge the potentiality for "prohibitive costs," selected indicators of municipal performance based on Moody's Medians, and methods for affordability screening based on household costs.

A. Key Financial and Debt Ratios

	Financial Ratios			
	Favorable	Comfortable	Fair	Poor
Average Annual Increase of Expenditures *	Under 8%	8%-10%	12%-15%	Over 15%
Operating Surplus (Deficit)/Revenues	S	S	(D) 0-5%	(D) Over 5%
Accumulated Surplus (Deficit)/Revenues	S	S	(D) 0-10%	(D) Over 10%
Current Tax Delinquency	0-2%	2%-4%	4%-6%	Over 6%
Total Tax Delinquency	-0-	0-1½%	1½%-3%	Over 3%
Effective Property Tax Rate	0-2%	2%-3%	3%-4½%	Over 5½%

* Should not be out of line with the national inflation rate.

	Debt Ratios			
	Favorable	Comfortable	Fair	Poor
Gross Debt Per Capita	\$0-500	\$500-900	\$900-1,200	Over \$1,200
Gross Debt/Estimated Full Value	0-3%	3%-7%	7%-10%	Over 10%
Debt Service/Revenues	0-10%	10%-15%	15%-20%	Over 20%
Direct Debt Due in Ten Years	Over 66⅔%	50%-66⅔%	33⅓%-50%	Under 33⅓%

B. Moody's Medians

	Moody's Ratios: 1985		U.S. Median
	Rank	New Jersey Amount	
Net Tax-Supported Debt Per Capita	15	\$ 388	\$ 258
Debt as Percent of Estimated Full Valuation	17	1.5	1.1
Net Tax-Supported Debt as a Percent of Personal Income	22	2.8	2.4
Estimated Full Valuation Per Capita	17	25,868	22,904
1983 Personal Income Per Capita	3	14,122	11,284

City and County Debt Medians

The magnitude and the burden of debt are two measures crucial to an evaluation of debt position. As a starting

approach, a method for calculating net debt has been developed which allows for comparability among local governments¹ across the United States. This net debt figure is then applied to population and tax base data. By using the population data and presenting net debt on a per capita basis, a meaningful measure of the relative size of the debt is provided.

Cities

Population Range ³	Net Debt Per Capita ²		Overall Net Debt	
	Direct Net Debt Median	Low	Median	High
500,000 and over	\$559	\$271	\$ 857	\$ 2,004
300,000 to 499,999	406	215	718	1,659
200,000 to 299,999	539	291	706	1,206

Population Range ³	Direct Net Debt	Overall Net Debt		
	Median	Low	Median	High
100,000 to 199,999	362	85	554	5,211
50,000 to 99,999	369	59	658	3,199
25,000 to 49,999	384	10	689	4,135
10,000 to 24,999	533	134	713	5,843
Under 10,000	792	151	1,064	15,907

Counties

Population Range ³	Net Debt Per Capita ²		Overall Net Debt	
	Direct Net Debt Median	Low	Median	High
1,000,000 and over	\$139	\$168	\$1,049	\$ 1,981
250,000 to 999,999	158	275	607	2,071
100,000 to 249,999	96	150	580	1,379
Under 100,000	196	96	488	156,271

¹ Direct net debt figures are derived from observations of city and county governments only and do not include school districts or special districts

² Net debt is defined as a governmental unit's gross debt less sinking funds and other offsets of monies in hand for principal redemption bonds fully supported from enterprise revenues and short-term operating debt. Direct net debt refers to the net debt incurred directly in the name of a specific city or county, overall net debt further includes the net debt of overlapping and/or underlying units of government apportioned in accordance with property valuation

As a measure of a government's burden of debt, a ratio is calculated between its net debt and the estimated full value of taxable property. The estimated full value serves as a direct measure of local government wealth and, therefore, is reflective of the government's capacity to service public debt. Taxable valuation is utilized as a wealth measure because it tends to be up-to-date and readily available for all sizes of municipal government.

Ratio of Net Debt to E.F.V. (%)⁴

Population Range ³	Direct Net Debt		Overall Net Debt	
	Median	Low	Median	High
500,000 and over	1.6	0.9	4.2	8.9
300,000 to 499,999	2.3	1.1	3.1	10.4
200,000 to 299,999	2.2	1.6	2.6	9.0
100,000 to 199,999	1.6	0.3	2.5	9.3
50,000 to 99,999	1.7	1.0	2.8	16.1
25,000 to 49,999	1.8	0.1	2.9	15.0
10,000 to 24,999	2.1	0.2	3.3	24.5
Under 10,000	2.4	0.1	3.6	20.0

Ratio of Net Debt to E.F.V. (%)⁴

Population Range ³	Direct Net Debt		Overall Net Debt	
	Median	Low	Median	High
1,000,000 and over	0.4	0.03	4.2	4.1
250,000 to 999,999	0.6	0.7	2.5	5.2
100,000 to 249,999	0.4	0.6	2.5	5.5
Under 100,000	0.7	0.4	2.1	12.2

³ Cities and counties included in these observations have been grouped according to 1980 U.S. Census population

⁴ Estimated full value (E.F.V.) refers to the "true" or "fair" market value of all taxable property within the boundaries of the unit of government. Users of this data must be aware of the significant variations that exist in methods and quality of property assessment from state to state and even among municipal governments within a given state. Definitions of "taxable property" also vary across the country as does the dependability of equalization ratios

Enterprise Performance Medians

The following medians, derived during calendar 1984, convey various measures of performance and earning capability which are common to revenue-producing enterprises. These medians are valuable in assessing an enterprise's financial strengths and weaknesses relative to other similar enterprises.

Ratios derived from the income statement provide measures of profitability (operating ratio and net takedown) and debt-servicing capacity (coverage and safety margins). Coverage levels demonstrate both current and prospective debt repayment ability while safety margins denote additional levels of protection. The debt ratio, which is calculated from the balance sheet, signifies the enterprise's reliance on debt financing and its capacity to support additional debt.

The medians are intended as broad indicators. Significant deviation from the median is not necessarily an indicator of credit quality and may, in fact, highlight a significant event or unusual characteristic of the enterprise (i.e., start-up operation, system expansion or restructuring, abnormal weather).

Municipal Enterprise Medians

	Electric Distrib. Systems	Electric Gen. and Trans.	Water	Sewer	Airport
Operating ratio (%)	83.9	76.0	65.0	66.8	53.2
Net take-down (%)	18.3	26.6	41.0	43.7	50.6
Interest coverage (x)	4.55	2.61	4.00	3.03	3.49
Debt svc coverage (x)	4.18	2.02	2.52	2.39	2.42
Debt svc safety margin (%)	14.0	13.7	24.3	23.5	26.7
Debt ratio (%)	44.1	60.5	28.7	19.3	43.2

	Bridge, Tunnel, and Expressway	Turnpike
Operating ratio (%)	32.2	45.8
Net take-down (%)	73.1	56.1
Interest coverage (x)	4.97	10.6
Interest safety margin (%)	43.0	53.1
Bonds retired (%)	23.1	80.8

Municipal Enterprise Definitions (Continued)

Income Statement Components and Ratios

Gross revenue and income: Operating revenues plus non-operating revenue.

Operating and maintenance expenses: Operating and maintenance expenses net of depreciation, amortization, and interest requirements.

Net revenues: Gross revenue and income less operating and maintenance expenses.

Operating ratio (%): Operating and maintenance expenses divided by total operating revenues.

Net take-down (%): Net revenues divided by gross revenue and income.

Interest coverage (x): Net revenues divided by interest requirements for year.

Interest safety margin (%): Net revenues less interest requirements for year divided by gross revenue and income.

Debt service coverage (x): Net revenues divided by principal plus interest requirements for year.

Debt service safety margin (%): Net revenues less principal and interest requirements for year divided by gross revenue and income.

Peak debt service coverage by historical net revenues (x): Net revenues divided by estimated maximum annual principal and interest requirements on all outstanding debt and the bonds to be issued.

Peak debt service coverage by projected net revenues (x): Projected net revenues for the first full fiscal year following completion of the capital project financed from the new bonds divided by estimated maximum annual principal and interest requirements on all outstanding debt and the bonds to be issued.

APPENDIX 1

Data Sources

The necessary data will be available from several different sources. A list of typical source documents is given below:

- annual financial report (audit) for each year
- adopted budget for each year
- official statement for recent bond issues
- municipal rate ordinances
- annual report of pension system
- local or state planning documents
- census department reports (for population, income, etc.)
- handbook for labor statistics (CPI)
- sections of state code governing tax or revenue limitations

APPENDIX 2

DATA DEFINITIONS *

ACCOUNTING PERIOD. A period at the end of which and for which financial statements are prepared.

ACCOUNTING PROCEDURES. All processes that discover, record, classify, and summarize financial information to produce financial reports and to provide internal control.

ACCOUNTING SYSTEM. The total structure of records and procedures that discover, record, classify, summarize and report information on the financial position and results

* These definitions are from U.S. EPA, Office of Water Programs,

of operations of a government or any of its funds, fund types, balanced account groups, or organizational components.

ACCOUNTS PAYABLE. A liability account reflecting amounts on open account owing to private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds of the same government or to other governments).

ACCOUNTS RECEIVABLE. An asset account reflecting amounts owing on open account from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds of the same government). Although taxes and special assessments receivable are covered by this term, they should be recorded and reported separately in Taxes Receivable and Special Assessments Receivable accounts, respectively.

ACCRUAL BASIS. The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows.

ACCRUED EXPENSES. Expenses incurred but not due until a later date.

ACCUMULATED DEPRECIATION. A valuation account to record the accumulation of periodic credits made to record the expiration of the estimated service life of fixed assets.

ADVANCE REFUNDING BONDS. Bonds issued to refund an outstanding bond issue prior to the date on which the outstanding bonds become due or callable. Proceeds of the advance refunding bonds are deposited in escrow with a fiduciary, invested in U.S. Treasury Bonds or other authorized securities, and used to redeem the underlying bonds at maturity or call date and to pay interest on the bonds being refunded or the advance refunding bonds.

ASSESS. To value property officially for the purpose of taxation.

ASSESSED VALUATION. A valuation set upon real estate or other property by a government as a basis for levying taxes.

ASSESSMENT. (1) The process of making the official valuation of property for purposes of taxation. (2) The valuation placed upon property as a result of this process.

ASSESSMENT ROLE. In the case of real property, the official list containing the legal description of each parcel of property and its assessed valuation. The name and address of the last known owner are also usually shown. In the case of personal property, the assessment roll is the official list

Financial Capability Guidebook, March 1984.

containing the name and address of the owner, a description of the personal property, and its assessed value.

ASSETS. Resources owned or held by a government that have monetary value.

AUDIT. A methodical examination of utilization of resources. It concludes in a written report of its findings. An audit is a test of management's accounting system to determine the extent to which internal accounting controls are both available and being used.

AUDIT PROGRAM. A detailed outline of work to be done and procedures to be followed in any given audit.

AUDIT REPORT. The report prepared by an auditor covering the audit or investigation made by him. As a rule, the report should include (a) a statement of the scope of the audit; (b) explanatory comments (if any) concerning exceptions by the auditor as to application of generally accepted auditing standards; (c) opinions; (d) explanatory comments (if any) concerning verification procedures; (e) financial statements and schedules; and (f) sometimes statistical tables, supplementary comments, and recommendations. The auditor's signature follows item (c) or (d).

AUDITOR'S OPINION. A statement signed by an auditor in which he or she states that he or she has examined the financial statement in accordance with generally accepted auditing standards (with exceptions, if any) and in which he or she expresses an opinion on some or all of the constituent funds and balanced account groups of the government as inappropriate.

BALANCE SHEET. The basic financial statement that discloses the assets, liabilities, and equities of an entity at a specified date in conformity with GAAP.

BASIC FINANCIAL STATEMENTS. Those financial statements including notes thereto, that are necessary for a fair presentation of the financial position and results of operations of an entity in conformity with GAAP. Under Statement 1, basic financial statements include a balance sheet, an "all inclusive" operating statement, and (for proprietary funds, Pension Trust Funds, and Nonexpendable Trust Funds) a statement of changes in financial position.

BETTERMENT. An addition made to, or change made in, a fixed asset that is expected to prolong its life or to increase its efficiency over and above that arising from maintenance, and the cost of which is therefore added to the book value of the asset. The term is sometimes applied to sidewalks, sewers, and highways.

BOND. A written promise to pay a specified sum of money called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate. The difference between a note and bond is that the latter runs for a longer period of time and requires greater legal formality.

BOND ANTICIPATION NOTES. Short-term, interest-bearing notes issued by a government in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond issue to which they are related.

BOND DISCOUNT. The excess of the face value of a bond over the price for which it is acquired or sold. The price does not include accrued interest at the date of acquisition or sale.

BOND FUND. A fund formerly used to account for the proceeds of general obligation bond issues. Such proceeds are now accounted for in a Capital Projects Fund.

BOND ORDINANCE OR RESOLUTION. An ordinance or resolution authorizing a bond issue.

BOND PREMIUM. The excess of the price at which a bond is acquired or sold over its face value. The price does not include accrued interest at the date of acquisition or sale.

BONDED DEBT. That portion of indebtedness represented by outstanding bonds.

BONDS AUTHORIZED AND UNISSUED. Bonds that have been legally authorized but not issued and which can be issued and sold without further authorization. This term must not be confused with the term "margin of borrowing power" or "legal debt margin," either one of which represents the difference between the legal debt limit of a government and the debt outstanding against it.

BONDS ISSUED. Bonds sold.

CALLABLE BOND. A type of bond that permits the issuer to pay the obligation before the stated maturity date by giving notice of redemption in a manner specified in the bond contract.

CAPITAL OUTLAY. Expenditures that result in the acquisition of or addition to fixed assets.

CAPITAL PROJECTS FUND. A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds, and trust funds).

CASH. An asset account reflecting currency, coin, checks, postal and express money orders, and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits. All cash must be accounted for as a part of the fund to which it belongs. Any restrictions or limitations as to its availability must be indicated in the records and statements. It is not necessary, however, to have a separate bank account for each fund unless required by law.

CASH BASIS. A basis of accounting under which transactions are recognized only when cash changes hands.

CERTIFICATE OF CONFORMANCE IN FINANCIAL REPORTING PROGRAM. A voluntary program administered by GFOA to encourage governments to publish efficiently organized and easily readable CAFRs and to provide peer recognition and technical assistance to the finance officers preparing them.

COMPREHENSIVE ANNUAL FINANCIAL REPORT. (CAFR). The official annual report of a government. It includes five Combined Statements—Overview (the “lifiable” GPFS) and basic financial statements for each individual fund and account group prepared in conformity with GAAP and organized into a financial reporting pyramid. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section. Every government should prepare and publish a CAFR as a matter of public record.

DEBT SERVICE FUND REQUIREMENTS. The amounts of revenue that must be provided for a debt service fund so that all principal and interest payments can be made in full on schedule.

DEBT SERVICE REQUIREMENT. The amount of money required to pay interest on outstanding debt, serial maturities of principal for serial bonds, and required contributions to accumulate monies for future retirement of term bonds.

DEPRECIATION. (1) Expiration in the service life of fixed assets, other than wasting assets (q.v.) attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence. (2) The portion of the cost of a fixed asset other than a wasting asset that is charged as an expense during a particular period. NOTE: In accounting for depreciation, the cost of a fixed asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

DIRECT NET DEBT. Gross direct debt less debt that is self-supporting (revenue bonds) and double-barreled bonds (general obligation bonds secured by earmarked revenues that flow outside the general fund).

ENTERPRISE FUND. A fund established to account for operations (a) that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Examples of Enterprise Funds are those for water, gas, electric utilities, swimming pools, airports, parking garages, and transit systems.

ENTITY. The basic unit upon which accounting and/or financial reporting activities focus. The basic governmental legal and accounting entity is the individual fund and account group. Under NCGA Statement 1, governmental GAAP reporting entities include (1) Combined Statements—Overview (the “lifiable” GPFS) and (2) financial statements of individual funds (which may be presented as columns on Combining Statements—By Fund Type, on physically separate individual fund statements, or both). The term “entity” is also sometimes used to describe the composition of “the government as a whole” (whether the library is part of the city or a separate government, whether the school system is part of the county or an independent special district, etc.).

EXPENDITURES. Decreases in net financial resources. Expenditures include current operating expenses that require the current or future use of net current assets, debt service, and capital outlays.

EXPENSES. Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

FAMILY. A family consists of a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption; all persons who are related to the householder are regarded as members of his or her family. Not all households contain families, because a household may be composed of a group of unrelated persons or one person living alone.

FULL FAITH AND CREDIT. A pledge of the general taxing power for the payment of debt obligations. Bonds carrying such pledges are referred to as general obligation bonds or full faith and credit bonds.

FUND. A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP). Uniform minimum standards of and guidelines to accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations.

GENERALLY ACCEPTED AUDITING STANDARDS (GAAS). Measures of the quality of the performance of auditing procedures and the objectives to be attained through their use. They are concerned with the auditor's professional qualities and with the judgment exercised in the performance of an audit. Generally accepted auditing standards have been prescribed by (1) American Institute of Certified Public Accountants (AICPA) and (2) U.S. General Accounting Office (GAO) in *Standards for Audit of Governmental Organizations, Programs, Activities, & Functions* (the "yellow" book).

GENERAL OBLIGATION BONDS. Bonds for the payment of which full faith and credit of the issuing government are pledged.

GROSS DIRECT DEBT. The total amount of bonded debt of a government (general obligation bonds plus revenue bonds).

HOUSEHOLD. A household consists of all the persons who occupy a housing unit. A house, an apartment, or other group of rooms, or a single room is regarded as a housing unit, when it is occupied or intended for occupancy as separate living quarters. A household includes the related family members and all the unrelated persons, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated persons sharing a housing unit as partners, is also counted as a household.

INDUSTRIAL REVENUE BONDS. Bonds issued by governments, the proceeds of which are used to construct facilities for a private business enterprise. Lease payments made by the business enterprise to the government are used to service the bonds. Such bonds may be in the form of general obligation bonds, combination bonds, or revenue bonds.

LEVY. (Verb) To impose taxes, special assessments, or service charges for the support of government activities. (Noun) The total amount of taxes, special assessments, or service charges imposed by a government.

LIABILITIES. Debt or other legal obligation arising out of transactions in the past that must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances.

MEDIAN INCOME. The median income is the amount that divides the distribution into two equal groups, one having incomes above the median, and the other having incomes below the median.

MODIFIED ACCRUAL BASIS. A basis of accounting under which revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period" and expenditures are recognized when the related fund liability is incurred.

MUNICIPAL IMPROVEMENT CERTIFICATES. Certificates issued in lieu of bonds for the financing of special improvements. As a rule, these certificates are placed in the contractor's hands for collection from the special assessment payers.

NET REVENUES AVAILABLE FOR DEBT SERVICE. Proprietary fund gross operating revenues less operating and maintenance expenses but exclusive of depreciation and bond interest. "Net revenue available for debt service" as thus defined is used to compute "coverage" on revenue bond issues. See Coverage. Under the laws of some states and the provisions of some revenue bond indentures, "net revenues available for debt service" for computation of revenue bond coverage must be computed on a cash basis rather than in conformity with GAAP.

NET INCOME. Proprietary fund excess of operating revenues, non-operating revenues, and operating transfers-in over operating expenses, non-operating expenses, and operating transfers-out.

NON-OPERATING EXPENSES. Proprietary fund expenses that are not directly related to the fund's primary service activities.

NON-OPERATING PROPERTIES. Properties that are owned by an enterprise fund but not used in the provision of the fund's primary service activities.

NON-OPERATING REVENUES. Proprietary fund revenues that are incidental to, or by-products of, the fund's primary service activities.

OFFICIAL STATEMENT. A legal document that summarizes all the salient features of the underlying documents and agreements that support a municipal bond offering. It is considered the disclosure document that presents information that is "material" to the offering. The official statement should contain what a reasonable investor would need to know in making a decision about the issue. Thus this document will usually include a description of the issuer, a description of the security of the bond, a summary of the principal financing documents, any feasibility studies that relate to the security, and any other "key information."

OVERALL NET DEBT. The sum of direct net debt and overlapping debt.

OVERLAPPING DEBT. The proportionate share of the debt of local governments located wholly or in part within the limits of the reporting government that must be borne by property within each government. Except for special assessment debt, the amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction. Special assessment debt is allocated on the basis of the ratio of assessments receivable in each jurisdiction that will be used wholly or in part to pay off the debt to total assessments receivable which will be used wholly or in part for this purpose.

OPERATING INCOME. The excess of proprietary fund operating revenues over operating expenses.

OPERATING REVENUES. Proprietary fund revenues that are directly related to the fund's primary service activities. They consist primarily of user charges for services.

REVENUE BONDS. Bonds whose principal and interest are payable exclusively from earnings of an Enterprise Fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund property.

REVENUES. In general terms, money received in exchange for the delivery of goods and services. A more precise definition is the additions to assets, such as cash or accounts receivable, which: (1) do not increase any liability, such as a debt obligation; (2) do not represent a recovery of an expenditure, such as results from a return of defective purchased equipment; (3) do not represent the cancellation of certain liabilities without a corresponding increase in other liabilities or a decrease in assets, such as forgiveness of a debt; and (4) are not contributions made to fund business-like enterprises.

SERIAL ANNUITY BONDS. Serial bonds in which the annual installments of bond principal are so arranged that the combined payments for principal and interest are approximately the same each year.

SERIAL BONDS. Bonds whose principal is repaid in periodic installments over the life of the issue.

SINKING FUND. A fund established to account for the accumulation of resources for, and the payment of, the principal and interest of general long-term debt.

SPECIAL ASSESSMENT. A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to benefit primarily those properties.

SPECIAL ASSESSMENT BONDS. Bonds payable from the proceeds of special assessments. If the bonds are payable only from the collections of special assessments, they are known as special assessment bonds. If, in addition to the assessments, the full faith and credit of the government are pledged, they are known as general obligation special assessment bonds.

SPECIAL ASSESSMENT FUND. A fund used to account for the financing of public improvements or services deemed to primarily benefit the properties against which special assessments are levied.

SPECIAL DISTRICT. An independent unit of local government organized to perform a single governmental function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; however, certain types of special districts are entirely dependent upon enterprise earnings and cannot impose taxes. Examples of special districts are water districts, drainage districts, flood control districts, hospital districts, fire protection districts, transit authorities, port authorities, and electric power authorities.

TECHNICAL APPENDIX E

TECHNICAL APPENDIX E
Deed Restriction and Lien
(New Construction - Sales Units)
 STATE OF NEW JERSEY
 COUNCIL ON AFFORDABLE HOUSING
 NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS
 AFFORDABLE HOUSING AGREEMENT

Prepared by: _____

A DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This AGREEMENT is entered into on this _____ day of _____ between _____ owner of the properties designated in Section II PROPERTY DESCRIPTION, hereafter "OWNER", and _____ hereafter "AUTHORITY", which Authority is an instrumentality of _____ (referred to as the "MUNICIPALITY"). Both parties having agreed that the covenants, conditions and restrictions contained herein shall be imposed on the Affordable Housing unit described in Section II PROPERTY DESCRIPTION for a period of at least _____ years beginning on _____ and ending at the first non-exempt transfer of title after _____ unless extended by municipal resolution as described in Section III TERM OF RESTRICTION.

WHEREAS, municipalities within the State of New Jersey are required by the Fair Housing Act (P.L. 1985, c.222) hereinafter "Act", to provide for their fair share of housing that is affordable to households with low or moderate incomes in accordance with provisions of the Act; and

WHEREAS, the Act requires that municipalities ensure that such designated housing remains affordable to low and moderate income households for a minimum period of at least 6 years; and

WHEREAS, the Act establishes the Council on Affordable Housing (hereinafter "Council") to assist municipalities in determining a realistic opportunity for the planning and development of such affordable housing; and

WHEREAS, pursuant to the Act, the housing unit (units) described in Section II PROPERTY DESCRIPTION hereafter and/or an attached Exhibit A of this Agreement has (have) been designated as low and moderate income housing as defined by the Act; and

WHEREAS, the purpose of this Agreement is to ensure that the described housing unit(s) remain(s) affordable to low and moderate income eligible households for that period of time described in Section III TERM OF RESTRICTION.

NOW, THEREFORE, it is the intent of this Agreement to ensure that the affordability controls are contained directly in the property deed for the premises and incorporated into and recorded with the property deed so as to bind the owner of the described premises and notify all future purchasers of the housing unit that the housing unit is encumbered with affordability controls; and by entering into this Agreement, the Owner of the described premises agrees to restrict the sale of the housing unit to low and moderate income eligible households at a maximum resale price determined by the Authority for the specified period of time.

L. DEFINITIONS

For purposes of this Agreement, the following terms shall be defined as follows:

"Affordable Housing" shall mean residential units that have been restricted for occupancy by Households whose total Gross Annual Income is measured at less than 80% of the median income level established by an authorized income guideline for geographic region and family size.

"Agency" shall mean the New Jersey Housing and Mortgage Finance Agency established by L. 1983, c.530 (C. 55:14K-1 et seq.).

"Agreement" shall mean this written Affordable Housing

Agreement between the Authority and the owner of an Affordable Housing unit which places restrictions on Affordable Housing units so that they remain affordable to and occupied by Low and Moderate Income-Eligible Households for the period of time specified in this agreement.

"Assessments" shall mean all taxes, levies or charges, both public and private, including those charges by any condominium, cooperative or homeowner's association as the applicable case may be, imposed upon the Affordable Housing unit.

"Authority" shall mean the administrative organization designated by municipal ordinance for the purpose of monitoring the occupancy and resale restrictions contained in this Affordable Housing Agreement. The Authority shall serve as an instrument of the municipality in exercising the municipal rights to the collection of funds as contained in this Agreement.

"Base Price" shall mean the initial sales price of a unit produced for or designated as owner-occupied Affordable Housing.

"Council" shall mean the Council on Affordable Housing (COAH) established pursuant to the Fair Housing Act, N.J.S.A. 52:27D-301 et seq.

"Certified Household" shall mean any eligible Household whose estimated total Gross Annual Income has been verified, whose financial references have been approved and who has received written certification as a Low or Moderate Income-Eligible Household from the Authority.

"Department" shall mean the New Jersey State Department of Community Affairs.

"Exempt Transaction" shall mean the following "non-sales" title transactions: (1) Transfer of ownership between husband and wife; (2) Transfer of ownership between former spouses ordered as a result of a judicial decree of divorce or judicial separation (but not including sales to third parties); (3) Transfer of ownership through an Executor's deed to a Class A Beneficiary; and, (4) Transfer of ownership by court order. All other title transfers shall be deemed non-exempt.

"Fair Market Price" shall mean the unrestricted price of a low or moderate income housing unit if sold at a current real estate market rate.

"First Purchase Money Mortgage" shall mean the most senior mortgage lien to secure repayment of funds for the purchase of an Affordable Housing unit providing that such mortgage is not in excess of the applicable maximum allowable resale price and is payable to a valid First Purchase Money Mortgagee.

"First Purchase Money Mortgagee" shall mean an institu-

lender or investor, licensed or regulated by the Federal or a State government or any agency thereof, which is the holder and/or assigns of the First Money Mortgage.

"Foreclosure" shall mean the termination through legal processes of all rights of the mortgagor or the mortgagor's heirs, successors, assigns or grantees in a restricted Affordable Housing unit covered by a recorded mortgage.

"Gross Annual Income" shall mean the total amount of all sources of a Household's income including, but not limited to salary, wages, interest, tips, dividends, alimony, pensions, social security, business and capital gains, tips and welfare benefits. Generally, gross annual income will be based on those sources of income reported to the Internal Revenue Service (IRS) and/or that can be utilized for the purpose of mortgage approval.

"Hardship Waiver" shall mean an approval by the Authority to sell an affordable unit to a household that exceeds the income eligibility criteria after the Owner has demonstrated that no Certified Household has signed an agreement to purchase the unit. The Owner shall have marketed the unit for 90 days after a Notice of Intent to Sell has been received by the Authority and the Authority shall have 30 days thereafter to approve a Hardship Waiver. The Hardship Waiver shall permit a low income unit to be sold to a moderate income household or a moderate income unit to be sold to a household whose income is at 80% or above the applicable median income guide. The Hardship Waiver is only valid for a single sale.

"Household" shall mean the person or persons occupying a housing unit.

"Index" shall mean the measured percentage of change in the median income for a Household of four by geographic region using the income guideline approved for use by Council.

"Low Income Household" shall mean a Household whose total Gross Annual Income is equal to 50% or less of the median gross income figure established by geographic region and household size using the income guideline approved for use by Council.

"Moderate Income Household" shall mean a Household whose total Gross Annual Income is equal to more than 50% but less than 80% of the median gross income established by geographic region and household size using the income guideline approved for use by Council.

"Owner" shall mean the title holder of record as same is reflected in the most recently dated and recorded deed for the particular Affordable Housing unit. For purposes of the initial sales or rentals of any Affordable Housing unit, Owner shall include the developer/owner of such Affordable Housing units. Owner shall not include any co-signer or co-borrower on any First Purchase Money Mortgage unless such co-signer or co-borrower is also a named title holder of record of such Affordable Housing unit.

"Price Differential" shall mean the total amount of the restricted sales price that exceeds the maximum restricted resale price as calculated by the Index after reasonable real estate broker fees have been deducted. The unrestricted sales price shall be no less than a comparable fair market price as determined by the Authority at the time a Notice of Intent to Sell has been received from the Owner.

"Primary Residence" shall mean the unit wherein a Certified Household maintains continuing residence for no less than nine months of each calendar year.

"Purchaser" shall mean a Certified Household who has signed an agreement to purchase an Affordable Housing unit subject to a mortgage commitment and closing.

"Repayment" shall mean the Owner's obligation to the municipality for payment of 95% of the price differential between the

maximum allowable resale price and the fair market selling price which has accrued to the Affordable unit during the restricted period of resale at the first non-exempt sale of the property after restrictions have ended as specified in the Affordable Housing Agreement.

"Repayment Mortgage" shall mean the second mortgage document signed by the Owner that is given to the municipality as security for the payment due under the Repayment Note.

"Repayment Note" shall mean the second mortgage note signed by the Owner that requires the repayment to the municipality of 95% of the price differential which has accrued to the low or moderate income unit during the period of resale controls at the first non-exempt sale of the property after restrictions have ended as specified in the Affordable Housing Agreement.

"Resale Price" shall mean the Base Price of a unit designated as owner-occupied affordable housing as adjusted by the Index. The resale price may also be adjusted to accommodate an approved home improvement.

"Total Monthly Housing Costs" shall mean the total of the following monthly payments associated with the cost of an owner-occupied Affordable Housing unit including the mortgage payment (principal, interest, private mortgage insurance), applicable assessments by any homeowners, condominium, or cooperative associations, real estate taxes, and fire, theft and liability insurance.

II. PROPERTY DESCRIPTION

This agreement applies to the Owner's interest in the real property commonly known as:

Block _____ Lot _____
Municipality _____
County _____ # of Bedrooms _____
Complete Street Address and Unit Number: _____
City _____
State _____ Zip _____

If additional Affordable Housing units are to be covered by this Agreement, a description of each additional unit is attached as Exhibit A and is incorporated herein.

III. TERM OF RESTRICTION

A. The terms, restrictions and covenants of this Affordable Housing Agreement shall begin on the later of the date a Certificate of Occupancy is issued or the date on which closing and transfer of title takes place for initial ownership.

B. The terms, restrictions and covenants of this Affordable Housing Agreement shall terminate upon the occurrence of either of the following events:

- 1. At the first non-exempt sale after 10 (ten) years from the beginning date established pursuant to Paragraph A above for units located in municipalities receiving State Aid pursuant to P.L. 1978, L.14 (N.J.S.A. 52:27D-178 et seq.) that exhibit one of the characteristics delineated in N.J.A.C. 5:92-5.3(b); or at the first non-exempt sale after 20 (twenty) years from the beginning date established pursuant to Paragraph A above for units located in all other municipalities; or
- 2. The date upon which the event set forth in Section IX FORECLOSURE herein shall occur.

C. The terms, restrictions and covenants of this Affordable Housing Agreement may be extended by municipal resolution as provided for in N.J.A.C. 5:93. Such municipal resolution shall provide for a period of extended restrictions and shall be

effective upon filing with the Council and the Authority. The municipal resolution shall specify the extended time period by providing for a revised ending date. An amendment to the Affordable Housing Agreement shall be filed with the recording office of the county in which the Affordable Housing unit or units is/are located.

D. At the first non-exempt title transaction after the established ending date, the Authority shall execute a document in recordable form evidencing that the Affordable Housing unit has been released from the restrictions of this Affordable Housing Agreement.

IV. RESTRICTIONS

A. The Owner of an owner-occupied Affordable Housing unit for sale shall not sell the unit at a Resale Price greater than an established Base Price plus the allowable percentage of increase as determined by the Index applicable to the municipality in which the unit is located. However, in no event shall the approved resale price be established at a lower level than the last recorded purchase price.

B. The Owner shall not sell the Affordable Housing unit to anyone other than a Purchaser who has been certified utilizing the income verification procedures established by the Authority to determine qualified Low and Moderate Income-Eligible Households.

C. An Owner wishing to enter a transaction that will terminate controls as specified heretofore in Section III TERM OF RESTRICTION shall be obligated to provide a Notice of Intent to Sell to the Authority and the Council. An option to buy the unit at the maximum restricted sales price as calculated by the Index shall be made available to the Municipality, the Department, the Agency, or a qualified non-profit organization as determined by the Council for a period of ninety (90) days from the date of delivery of the Notice of Intent to Sell. The option to buy shall be by certified mail and shall be effective on the date of mailing to the Owner.

1. If the option to buy is not exercised within ninety (90) days pursuant to Paragraph C above, the Owner may elect to sell the unit to a certified income-eligible household at the maximum restricted sales price as calculated by the Index provided the unit continues to be restricted by an Affordable Housing Agreement and a Repayment Note for a period of up to thirty (30) years.

2. Alternately, the Owner may also elect to sell to any purchaser at a fair market price. In this event, the Owner shall be obligated to pay the municipality 95% of the Price Differential generated at the time of closing and transfer of title of the Affordable Housing unit after restrictions have ended as specified heretofore in Section III TERM OF RESTRICTION.

3. If the Owner does not sell the unit within one (1) year of the date of delivery of the Notice of Intent to Sell, the option to buy shall be restored to the municipality and subsequently to the Department, the Agency or a Non-Profit approved by the Council. The Owner shall then be required to submit a new Notice of Intent to Sell the affordable unit to the Authority.

D. The Affordable Housing unit shall be sold in accordance with all rules, regulations, and requirements duly promulgated by the Council (N.J.A.C. 5:93), the intent of which is to ensure that the Affordable Housing unit remains affordable to and occupied by Low and Moderate Income-Eligible Households throughout the duration of this Agreement.

V. REQUIREMENTS

A. This Agreement shall be recorded with the recording office of the county in which the Affordable Housing unit or units are

located. The Agreement shall be filed no earlier than the recording of an applicable Master Deed and no later than the closing date of the initial sale.

B. When a single Agreement is used to govern more than one Affordable Housing unit, the Agreement shall contain a description of each Affordable Housing unit governed by the Agreement as described in Section II PROPERTY DESCRIPTION and/or Exhibit A of the Agreement and an ending date to be imposed on the unit as described in Section III TERM OF RESTRICTION of the Agreement.

C. A Repayment Mortgage and a Repayment Note shall be executed between the Owner and the municipality wherein the unit(s) is/are located at the time of closing and transfer of title to any purchaser of an Affordable Housing Unit. The Repayment Mortgage shall provide for the repayment of 95% of the Price Differential at the first non-exempt transfer of title after the ending date of restrictions as specified in Section III TERM OF RESTRICTION. The Repayment Mortgage shall be recorded with the records office of the County in which the unit is located.

VI. DEEDS OF CONVEYANCE AND LEASE PROVISIONS

All Deeds of Conveyance and Contracts to Purchase from all Owners to Certified Purchasers of Affordable Housing units shall include the following clause in a conspicuous place.

"The Owner's right, title and interest in this unit and the use, sale, resale and rental of this property are subject to the terms, conditions, restrictions, limitations and provisions as set forth in the AFFORDABLE HOUSING AGREEMENT which is filed concurrently with this deed in the Office of the County Clerk of _____ County and is also on file with the Authority".

Any Master Deed that includes an Affordable Housing unit shall also reference the affordable unit and the Affordable Housing Agreement and any variation in services, fees, or other terms of the Master Deed that differentiates the affordable unit from all other units covered in the Master Deed.

VII. COVENANTS RUNNING WITH LAND

The provisions of this Affordable Housing Agreement shall constitute covenants running with the land with respect to each Affordable Housing unit affected hereby, and shall bind all Purchasers and Owners of each Affordable Housing unit, their heirs, assigns and all persons claiming by, through or under their heirs, executors, administrators and assigns for the duration of this Agreement as set forth herein.

VIII. OWNER RESPONSIBILITIES

In addition to fully complying with the terms and provisions of this Affordable Housing Agreement, the Owner acknowledges the following responsibilities:

A. Affordable Housing units shall at all times remain the Primary Residence of the Owner. The Owner shall not rent any Affordable Housing unit to any party whether or not that party qualifies as a Low or Moderate Income household without prior written approval from the Authority.

B. All home improvements made to an Affordable Housing Unit shall be at the Owner's expense except that expenditures for any alteration that allows a unit to be resold to a larger household size because of an increased capacity for occupancy shall be considered for a recalculation of Base Price. Owners must obtain prior approval for such alteration from the Authority to qualify for this recalculation.

C. The Owner of an Affordable Housing unit shall keep the Affordable Housing unit in good repair.

D. Owners of Affordable Housing units shall pay all taxes, charges, assessments or levies, both public and private, assessed against such unit, or any part thereof, as and when the same become due.

E. Owners of Affordable Housing units shall notify the Authority in writing no less than ninety (90) days prior to any proposed sale of an intent to sell the property. Owners shall not execute any purchase agreement, convey title or otherwise deliver possession of the Affordable Housing unit without the prior written approval of the Authority.

F. An Owner shall request referrals of eligible households from pre-established referral lists maintained by the Authority.

G. If the Authority does not refer a certified household within sixty (60) days of the Notice of Intent to Sell the unit or no Agreement to Purchase the unit has been executed, the Owner may propose a Contract to Purchase the unit to an income eligible household not referred through the Authority. The proposed Purchaser must complete all required Household Eligibility forms and submit Gross Annual Income Information for verification to the Authority for written certification as an eligible sales transaction.

H. At resale, all items of property which are permanently affixed to the unit and/or were included when the unit was originally restricted (e.g. refrigerator, range, washer, dryer, dishwasher, wall to wall carpeting) shall be included in the maximum allowable Resale Price. Other items of property may be sold to the Purchaser at a reasonable price that has been approved by the Authority at the time of signing the Agreement to Purchase. The purchase of central air conditioning installed subsequent to the initial sale of the unit and not included in the Base Price may be made a condition of the unit resale provided the price has been approved by the Authority. Unless otherwise permitted by the Council, the purchase of any property other than central air conditioning shall not be made a condition of the unit resale. The Owner and the Purchaser must personally certify at the time of closing that no unapproved transfer of funds for the purpose of selling and receiving property has taken place at Resale.

I. The Owner shall not permit any lien, other than the First Purchase Money Mortgage, second mortgages approved by the Authority and liens of the Authority to attach and remain on the property for more than sixty (60) days.

J. If an Affordable Housing unit is part of a condominium, homeowner's or cooperative association, the Owner, in addition to paying any assessments required by the Master Deed of the Condominium or By-laws of an Association, shall further fully comply with all of the terms, covenants or conditions of said Master Deed or By-Laws, as well as fully comply with all terms, conditions and restrictions of this Affordable Housing Agreement.

K. The Owner shall have responsibility for fulfilling all requirements in accordance with and subject to any rules and regulations duly promulgated by the Council (N.J.A.C. 5:93), for determining that a resale transaction is qualified for a Certificate of Exemption. The Owner shall notify the Authority in writing of any proposed Exempt Transaction and supply the necessary documentation to qualify for a Certificate of Exemption. An Exempt Transaction does not terminate the resale restrictions or existing liens and is not considered a certified sales transaction in calculating subsequent resale prices. A Certificate of Exemption shall be filed with the deed at the time of title transfer.

L. The Owner shall have responsibility for fulfilling all requirements in accordance with and subject to any rules and

regulations duly promulgated by the Council (N.J.A.C. 5:93), for determining that a resale transaction is qualified for a Hardship Waiver. The Owner may submit a written request for a Hardship Waiver. If no Certified Household has executed an agreement to purchase within ninety (90) days of notification of an approved resale price and referral of potential purchasers. Prior to issuing a Hardship Waiver, the Municipality shall have 30 days in which to sign an agreement to purchase the unit at the approved resale price and subsequently rent or convey it to a Certified Household. The Municipality may transfer this option to the Department, the Agency, or a qualified non-profit organization as determined by the Council. For approval of a Hardship Waiver, an Owner must document efforts to sell the unit to an income eligible household. If the waiver is granted, the Owner may offer a low income unit to a moderate income household or a moderate income unit to a household whose income exceeds 80% of the applicable median income guide. The Hardship Waiver shall be recorded with the deed at the time of closing and is only valid for the designated deed at the time of closing and is only valid for the designated resale transaction. It does not affect the resale price. All future resales are subject to all restrictions stated herein.

M. The Owner shall be obligated to pay a reasonable service fee to the Authority at the time of closing and transfer of title in the amount specified by the Authority at the time a restricted resale price has been determined after receipt of a Notice of Intent to Sell. Such fee shall not be included in the calculation of the maximum resale price.

IX. FORECLOSURE

The terms and restrictions of this Agreement shall be subordinate only to the First Purchase Money Mortgage lien on the Affordable Housing property and in no way shall impair the First Purchase Money Mortgagee's ability to exercise the contract remedies available to it in the event of any default of such mortgage as such remedies are set forth in the First Purchase Money Mortgage documents for the Affordable Housing unit.

Any Affordable Housing owner-occupied property that is acquired by a First Purchase Money Mortgagee by Deed in lieu of Foreclosure, or by a Purchaser at a Foreclosure sale conducted by the holder of the First Purchase Money Mortgagee shall be permanently released from the restrictions and covenants of this Affordable Housing Agreement. All resale restrictions shall cease to be effective as of the date of transfer of title pursuant to Foreclosure with regard to the First Purchase Money Mortgagee, a lender in the secondary mortgage market including but not limited to the FNMA, Federal Home Loan Mortgage Corporation, GNMA, or an entity acting on their behalf and all subsequent purchasers, Owners and mortgagees of that particular Affordable Housing unit (except for the defaulting mortgagor, who shall be forever subject to the resale restrictions of this Agreement with respect to the Affordable Housing unit owned by such defaulting mortgagor at time of the Foreclosure sale).

Upon a judgment of Foreclosure, the Authority shall execute a document to be recorded in the county recording office as evidence that such Affordable Housing unit has been forever released from the restrictions of this Agreement. Execution of foreclosure sales by any other class of creditor or mortgagee shall not result in a release of the Affordable Housing unit from the provisions and restrictions of this Agreement.

In the event of a Foreclosure sale by the First Purchase

Mortgagee, the defaulting mortgagor shall be personally obligated to pay to the Authority any excess funds generated from such Foreclosure sale. For purposes of this agreement, excess funds shall be the total amount paid to the sheriff by reason of the Foreclosure sale in excess of the greater of (1) the maximum permissible Resale Price of the Affordable Housing unit as of the date of the Foreclosure sale pursuant to the rules and guidelines of the Authority and (2) the amount required to pay and satisfy the First Money mortgage, including the costs of Foreclosure plus any second mortgages approved by the Authority in accordance with this Agreement. The amount of excess funds shall also include all payments to any junior creditors out of the Foreclosure sale proceeds even if such were to the exclusion of the defaulting mortgagor.

The Authority is hereby given a first priority lien, second only to the First Purchase Money Mortgagee and any taxes or public assessments by a duly authorized governmental body, equal to the full amount of such excess funds. This obligation of the defaulting mortgagor to pay the full amount of excess funds to the Authority shall be deemed to be a personal obligation of the Owner of record at time of the Foreclosure sale surviving such sale. The Authority shall be empowered to enforce the obligation of the defaulting mortgagor in any appropriate court of law or equity as though same were a personal contractual obligation of the defaulting mortgagor. Neither the First Purchase Money Mortgagee nor the purchaser at the Foreclosure sale shall be responsible or liable to the Authority for any portion of this excess.

No part of the excess funds, however, shall be part of the defaulting mortgagor's equity.

The defaulting mortgagor's equity shall be determined to be the difference between the maximum permitted Resale Price of the Affordable Housing unit as of the date of the Foreclosure sale as calculated in accordance with this Agreement and the total of the following sums: First Purchase Money Mortgage, prior liens, costs of Foreclosure, assessments, property taxes, and other liens which may have been attached against the unit prior to Foreclosure, provided such total is less than the maximum permitted Resale Price.

If there are Owner's equity sums to which the defaulting mortgagor is properly entitled, such sums shall be turned over to the defaulting mortgagor or placed in an escrow account for the defaulting mortgagor if the defaulting mortgagor cannot be located. The First Purchase Money Mortgagee shall hold such funds in escrow for a period of two years or until such earlier time as the defaulting mortgagor shall make a claim for such. At the end of two years, if unclaimed, such funds, including any accrued interest, shall become the property of the Authority to the exclusion of any other creditors who may have claims against the defaulting mortgagor.

Nothing shall preclude the municipality wherein the Affordable Housing unit is located from acquiring an affordable property prior to foreclosure sale at the approved maximum Resale price and holding, renting or conveying it to a Certified Household if such right is exercised within 90 days after the property is listed for sale and all outstanding obligations to the First Purchase Money Mortgagee are satisfied.

X. VIOLATION, DEFAULTS AND REMEDIES

In the event of a threatened breach of any of the terms of this Agreement by an Owner, the Authority shall have all remedies provided at law or equity, including the right to seek injunctive relief or specific performance, it being recognized by both parties to this

Agreement that a breach will cause irreparable harm to the Authority, in light of the public policies set forth in the Fair Housing Act and the obligation for the provision of low and moderate income housing. Upon the occurrence of a breach of any of the terms of the Agreement by an Owner, the Authority shall have all remedies provided at law or equity, including but not limited to foreclosure, acceleration of all sums due under the mortgage, recoupment of any funds from a sale in violation of the Agreement, injunctive relief to prevent further violation of the Agreement, entry on the premises, and specific performance.

XI. RIGHT TO ASSIGN

The Authority may assign from time to time its rights, and delegate its obligations hereunder without the consent of the Owner. Upon such assignment, the Authority, its successors or assigns shall provide written notice to the Owner.

XII. INTERPRETATION OF THIS AGREEMENT

The terms of this Agreement shall be interpreted so as to avoid financial speculation or circumvention of the purposes of the Fair Housing Act for the duration of this Agreement and to ensure, to the greatest extent possible, that the purchase price, mortgage payments and rents of designated Affordable Housing units remain affordable to Low and Moderate Income-Eligible Households as defined herein.

XIII. NOTICES

All notices required herein shall be sent by certified mail, return receipt requested as follows:

To the Owner:

At the address of the property stated in Section II PROPERTY DESCRIPTION hereof.

To the Authority:

At the address stated below:

Attention:

Or such other address that the Authority, Owner, or municipality may subsequently designate in writing and mail to the other parties.

XIV. SUPERIORITY OF AGREEMENT

Owner warrants that no other Agreement with provisions contradictory of, or in opposition to, the provisions hereof has been or will be executed, and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations between and among the Owner, the Authority, and their respective successors.

XV. SEVERABILITY

It is the intention of all parties that the provisions of this instrument are severable so that if any provisions, conditions, covenants or restrictions thereof shall be invalid or void under any applicable federal, state or local law, the remainder shall be unaffected thereby.

In the event that any provision, condition, covenant or restriction hereof, is at the time of recording of this instrument, void, voidable or unenforceable as being contrary to any applicable

federal, state or local law, both parties, their successors and assigns, and all persons claiming by, through or under them covenant and agree that any future amendments or supplements to the said laws having the effect of removing said invalidity, voidability or unenforceability, shall be deemed to apply retrospectively to this instrument thereby operating to validate the provisions of this instrument which otherwise might be invalid and it is covenanted and agreed that any such amendments and supplements to the said laws shall have the effect herein described as fully as if they had been in effect at the time of the execution of this instrument.

true and correct as of the date of the signing of this Agreement

XVIII. AGREEMENT

The Owner and the Authority hereby agree that all Affordable Housing units described herein shall be marketed, sold, and occupied in accordance with the provisions of this Agreement. Neither the Owner nor the Authority shall amend or alter the provisions of this Agreement without first obtaining the approval of the other party except as described in Section III, Paragraph C, TERM OF RESTRICTION. Any such approved amendments or modifications of this Agreement shall be in writing and shall contain proof of approval from the other parties and shall not be effective unless and until recorded with the County Clerk for the County in which the Affordable Housing units are situated.

XVI. CONTROLLING LAW

The terms of this Agreement shall be interpreted under the laws of the State of New Jersey.

XVII. OWNER'S CERTIFICATION

The Owner certifies that all information provided in order to qualify as the owner of the property or to purchase the property is

XVIII. ACKNOWLEDGEMENT

Owner acknowledges receipt of a true copy of this Agreement.

Dated: _____

By: _____

Signature (Owner)

Signature (Co-Owner)

STATE OF NEW JERSEY)

)ss

COUNTY OF)

BE IT REMEMBERED, that on this _____ day of _____, 199____, before me, the subscriber, _____ personally appeared _____

who, being by me duly sworn on his/her oath, depose and makes proof to my satisfaction, that he/she is the Owner (Co-Owner) named in the within instrument; that is the Affordable Housing Agreement of the described Property; that the execution, as well as the making of this instrument, has been duly authorized and is the voluntary act and deed of said Owner.

Sworn to and subscribed before me, _____ the date aforesaid.

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS
REPAYMENT MORTGAGE
Contains Deed Restrictions

MORTGAGE IS SUBORDINATE TO A FIRST PURCHASE MONEY MORTGAGE OR REFINANCING

Prepared by: _____

This Mortgage made on _____, 19____, between _____
(referred to as "Borrower") and _____ (referred to as the "Authority"),
which Authority is an instrumentality of _____ (referred to as the "Municipality")

REPAYMENT MORTGAGE NOTE

In consideration of value received by the Borrower in connection with the Property (described below) purchased by the Borrower, the Borrower has signed a note dated _____. The Borrower promises to pay the amounts due under the Note and to abide by all promises contained in the Note.

MORTGAGE AS SECURITY

This Mortgage is given to the Authority as security for the payment due and the performance of all promises under the Note. The Borrower mortgages the real estate owned by the Borrower described as follows (referred to as the "Property"):

All of the land located in the _____ of _____

County of _____ and State of New Jersey, specifically described as follows:

Street Address: _____

City: _____ Zip: _____ Block No.: _____ Lot No.: _____

Also more particularly described as:

Together with:

1. All buildings and other improvement that now are or will be located on the Property.
2. All fixtures, equipment and personal property that now are or will be attached to or used with the land, buildings and improvements of or on the Property.
3. All rights which the Borrower now has or will acquire with regard to the Property.

BORROWERS ACKNOWLEDGEMENTS

1. The Borrower acknowledges and understands that:

a) Municipalities within the State of New Jersey are required under the Fair Housing Act and regulations adopted under the authority of the Act to provide for their fair share of housing that is affordable to households of low and moderate income; and

b) The Property which is subject to this Mortgage has been designated as housing which must remain affordable to low and moderate income households for at least thirty years unless a shorter time period is authorized in accordance with rules established by any agency having jurisdiction (the "restricted period"); and

c) To ensure that such housing, including this Property, remains affordable to low and moderate income households during the restricted period, an Affordable Housing Agreement has been executed by the Borrower that constitutes covenants running with the land with respect to the Property and the Municipality has adopted procedures and restrictions governing the resale of the Property and ; and

d) The Authority to which the Property is mortgaged has been designated by the Municipality to administer the procedures and restrictions governing such housing.

2. The Borrower also acknowledges and understands that the Property has been purchased at a restricted sales price that is less than the fair market value of the Property.

BORROWER'S PROMISES

In consideration for the value received in connection with the purchase of the Property at a restricted sales price, the Borrower agrees as follows:

1. The Borrower will comply with all of the terms of the Note and this Mortgage which includes:

a) Within the restricted period starting with the date the Borrower

obtained title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds the maximum allowable resale price as established by the Authority. In the event of breach of this promise, Borrower hereby assigns all proceeds in excess of the maximum allowable resale price to the Authority, said assignment to be in addition to any and all rights and remedies the Authority has upon default.

b) At the first non-exempt transfer of title of the Property after the ending date of the restricted period, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period to the Authority.

2. The Borrower warrants title to the premises (N.J.S.A. 46:9-2). This means the Borrower owns the Property and will defend its ownership against all claims.

3. The Borrower shall pay all liens, taxes, assessments and other governmental charges made against the Property when due. The Borrower will not claim any credit against the principal and interest payable under the Note and this Mortgage for any taxes paid on the Property.

4. The Borrower shall keep the Property in good repair, neither damaging nor abandoning it. The Borrower will allow the Authority to inspect the Property upon reasonable notice.

5. The Borrower shall use the Property in compliance with all laws, ordinances and other requirements of any governmental authority.

CONTROLS ON AFFORDABILITY

The procedures and restrictions governing resale of the Property have been established pursuant to the Fair Housing Act and the regulations adopted under the authority of the Act, (all collectively referred to as "Controls on Affordability"). Reference is made to the Controls on Affordability for the procedure in calculating the

maximum allowable resale price, the method of repayment described in item 1(b) of the section entitled "Borrower's Promises", and the definition of a "restricted sale" for purposes of determining when the Affordability Controls are applicable, and the determination of the restricted period of time.

RIGHTS GIVEN TO LENDER

The Borrower, by mortgaging the Property to the Authority, gives the Authority those rights stated in this Mortgage, all rights the law gives to lenders, who hold mortgages, and also all rights the law gives to the Authority and/or Municipality under the Affordability Controls. The rights given to the Authority and the restrictions upon the Property are covenants running with the land. The rights, terms and restrictions in this Mortgage shall bind the Borrower and all subsequent purchasers and owners of the Property, and the heirs and assigns of all of them. Upon performance of the promises contained in the Note and Mortgage, the Authority will cancel this Mortgage at its expense.

DEFAULT

The Authority may declare the Borrower in default on the Note and this Mortgage if:

1. The Borrower fails to comply with the provisions of the Affordable Housing Agreement;
2. The Borrower fails to make any payment required by the Note and this Mortgage;
3. The Borrower fails to keep any other promise made in this Mortgage;
4. The ownership of the Property is changed for any reason without compliance with the terms of the Note and Mortgage;
5. The holder of any lien on the Property starts foreclosure proceedings; or
6. Bankruptcy, insolvency or receivership are started by or against any of the Borrowers.

AUTHORITY'S RIGHTS UPON DEFAULT

If the Authority declares that the Note and this Mortgage are in default, the Authority shall have, subject to the rights of the First Mortgagee, all rights given by law or set forth in this Mortgage.

NOTICES

ALL NOTICES MUST BE IN WRITING AND PERSONALLY DELIVERED OR SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESSES GIVEN IN THIS MORTGAGE. ADDRESS CHANGES MAY BE MADE UPON NOTICE TO THE OTHER PARTY.

NO WAIVER BY AUTHORITY

The Authority may exercise any right under this Mortgage or under any law, even if the Authority has delayed in exercising that right or has agreed in an earlier instance not to exercise that right. The Authority does not waive its right to declare the Borrower in default by making payments or incurring expense on behalf of the Borrower.

EACH PERSON LIABLE

This Mortgage is legally binding upon each Borrower and all who succeed to their responsibilities (such as heirs and executors). The Authority may enforce any of the provisions of the Note and this Mortgage against any one or more of the Borrowers who sign this Mortgage.

SUBORDINATE MORTGAGE

The lien on this Mortgage is inferior to and subject to the terms and provisions of the First Purchase Money Mortgage executed contemporaneously herewith or any subsequent refinancing.

NO ORAL CHANGES

This Mortgage can only be changed by an agreement in writing signed by both the Borrower and the Authority.

SIGNATURES

The Borrower agrees to the terms of this Mortgage by signing below.

ACKNOWLEDGEMENT

Borrower acknowledges receipt of a true copy of this mortgage at no charge.

Dated: _____

ATTEST: _____

By: _____

Signature (Borrower)

Signature (Co-Borrower)

STATE OF NEW JERSEY)

)ss

COUNTY OF)

BE IT REMEMBERED, that on this _____ day of _____, 19____, before me, the subscriber, _____ personally appeared _____ who, being by me duly sworn on his/her oath, depose and makes proof to my satisfaction, that he/she is the Borrower (Co-Borrower) named in the within instrument; that is the Repayment Mortgage for the described Property; that the execution, as well as the making of this instrument, has been duly authorized and is the voluntary act and deed of said Owner.

Sworn to and subscribed before me, _____ the date aforesaid.

0295w 5/91

STATE OF NEW JERSEY
COUNCIL ON AFFORDABLE HOUSING
NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS

REPAYMENT MORTGAGE NOTE

_____, 199____, _____, New Jersey

FOR VALUE RECEIVED _____ (referred to as the "Borrower")
promises to pay to _____ (referred to as the "Authority")
an instrumentality of _____ (the "Municipality") the amounts specified in this Note and
promises to abide by the terms contained below.

REPAYMENT MORTGAGE

As security for the payment of amounts due under this Note and the performance of all promises contained in this Note, the Borrower is giving the Authority a Repayment Mortgage, dated _____. The Repayment Mortgage covers real estate (the "Property") owned by the Borrower, the legal description of such real estate being contained in the Repayment Mortgage. This mortgage is subordinate to the first mortgage executed contemporaneously herewith or any subsequent financing.

BORROWERS PROMISE TO PAY AND OTHER TERMS

1. The Property is subject to terms, restrictions and conditions that prohibit its sale at a fair market price for an established period of time. Within the restricted period, starting with the date the Borrower obtains title to the Property, the Borrower shall not sell or transfer title to the Property for an amount that exceeds a maximum allowable resale price established by the Authority.

- a. All proceeds received during the restricted period in excess of the restricted amount shall be paid to the Authority.
- b. At the first non-exempt sale of the Property after restrictions have ended, the Borrower agrees to repay 95% of the incremental amount between the maximum allowable resale price and the fair market selling price which has accrued to the Property during the restricted period of resale (the "Price Differential") to the Authority.

2. The amount due and payable to the Authority shall be calculated as follows:

$$\begin{aligned} & \text{FAIR MARKET PRICE less MAXIMUM ALLOWABLE RESALE PRICE} \\ & \text{equals} \\ & \text{PRICE DIFFERENTIAL} \\ & \text{BORROWER'S PROCEEDS} \\ & \text{equals} \\ & \text{MAXIMUM ALLOWABLE RESALE PRICE plus 5\% OF PRICE DIFFERENTIAL} \\ & \text{AMOUNT OF NOTE} \\ & \text{equals} \\ & \text{FAIR MARKET PRICE less BORROWER'S PROCEEDS} \end{aligned}$$

WAIVER OF FORMAL ACTS

The Borrower waives its right to require the Authority to do any of the following before enforcing its rights under this Note:

- 1. To demand payment of amount due (known as Presentment).
- 2. To give notice that amounts due have not been paid (known as Notice of Dishonor).
- 3. To obtain an official certificate of non-payment (known as Protest).

RESPONSIBILITY UNDER NOTE

All Borrowers signing this Note are jointly and individually obligated to pay the amounts due and to abide by the terms under this Note. The Authority may enforce this Note against any one or more of the Borrowers or against all Borrowers together.

SIGNATURES

The Borrower agrees to the terms of this Note by signing below.

WITNESSED:

L.S.
L.S.

TECHNICAL APPENDIX F

State Planning Commission Memorandum
of Understanding and Flow Charts

MEMORANDUM OF UNDERSTANDING

MEMORANDUM OF UNDERSTANDING, dated the 27th day of October, 1992, by and between the New Jersey State Planning Commission (the Commission) and the New Jersey Council on Affordable Housing (the Council).

WHEREAS, the New Jersey Supreme Court determined, in its Mt. Laurel decisions, that every municipality has a Constitutional obligation to provide through its land use regulations a realistic opportunity for a fair share of its region's present and prospective needs for housing for low and moderate income families; and

WHEREAS, in 1985, the New Jersey legislature enacted the Fair Housing Act (N.J.S.A. 52:27D-301 *et seq.*) in response to the Mt. Laurel decisions, and created the Council on Affordable Housing as the entity having primary jurisdiction for the administration of housing obligations in accordance with sound regional planning considerations in this State; and

WHEREAS, in 1985, also in response to the Mt. Laurel decisions, the New Jersey legislature enacted the State Planning Act (N.J.S.A. 52:18A-196 *et seq.*) to replace the State Development Guide Plan with a State Development and Redevelopment Plan (State Plan) to be used as a tool for assessing suitable locations for infrastructure, housing, economic growth and conservation; and

WHEREAS, both the State Planning Act and the Fair Housing Act recognize (1) the interdependence of planning for infrastructure and planning for low and moderate income housing; (2) the importance of maximizing the use of existing infrastructure in determining suitable locations for development, and (3) the importance to comprehensive planning of the phasing of infrastructure development with inclusionary development; and

WHEREAS, on June 12, 1992 the State Planning Commission adopted the first State Development and Redevelopment Plan pursuant to the State Planning Act; and

WHEREAS, the Resource Planning and Management System, which establishes planning areas consisting of centers and their environs, is the preferred mechanism of the State Plan to effectuate the State Planning Act's mandates to provide a coordinated, integrated and comprehensive plan for the growth, development, renewal and conservation of the State and its regions, and to identify areas for growth, agriculture, open space conservation and other appropriate designations; and

WHEREAS, in accordance with the Fair Housing Act, which specifically requires the Council to make adjustments to municipal present and prospective fair share of regional

housing needs when the pattern of development is contrary to the planning designations in the State Plan, the Council will be promulgating administrative rules that utilize the Resource Planning and Management Structure and State-wide Policies with respect to municipal certification of housing elements and the handling of requests for site specific relief that are directed to the Council from the Courts; and

WHEREAS, it is mutually beneficial to the Council and to the Commission to enter into this Memorandum of Understanding to develop a cooperative planning process that will enable the Council to meet its constitutional and legislative mandates to develop a planning and financing mechanism for low and moderate income housing that is in accordance with regional considerations and sound planning concepts, and that will ensure that the Commission maintains, revises and sees implemented a State Plan that promotes a distribution of low and moderate income housing throughout New Jersey in locations and patterns that are consistent with the goals of the State Planning Act; and

WHEREAS, the cooperative planning process developed pursuant to this Memorandum of Understanding will advance coordinated and comprehensive planning in the State, will result in greater predictability in planning with respect to meeting the mandates of the Council and the Commission, and will thereby benefit State agencies, counties, municipalities and the public interest.

NOW, THEREFORE, in consideration of the promises contained in this Memorandum of Understanding, the Commission and the Council hereby agree to the following Basic Principles:

1. Both the Commission and the Council will share all available information useful or necessary to achieving the objectives of this Memorandum of Understanding. The Commission will direct the Office of State Planning to provide to the Council in a timely manner, such reports or recommendations that are necessary for the Council to carry out its responsibilities.
2. A cooperative planning process will be established and maintained between the Council and the Commission that will advance coordinated and comprehensive planning in the State, will result in greater predictability in planning with respect to meeting the mandates of the Council and the Commission, and will thereby benefit State agencies, counties, municipalities and the public interest.
3. The State Plan's Resource Planning and Management Map (RPMM), which includes planning areas, identified centers, designated centers, environs and critical environmental/historic sites, provides the Council with a framework for allocating housing need and locating sites based on considerations of infrastructure availability, environmental sensitivity, and historic preservation.

4. All planning areas can accommodate growth and therefore can accommodate a commensurate housing obligation, in a manner consistent with the goals, objectives and policies of the State Plan.

5. Centers are the preferred mechanism for accommodating growth and inclusionary developments in each planning area, in a manner consistent with the goals, objectives and policies of the State Plan.

6. As provided for in the State Planning Rules (N.J.A.C. 17:32-8) immediately after adoption of the State Plan the Commission will accept petitions to have identified centers receive designation. When determining community development boundaries for a center, the Commission will take into consideration the State Plan's housing policies and objectives, including those respecting low and moderate income housing.

7. The Commission accepts the Council's definition pursuant to N.J.A.C. 5:92-1, of developable, available, approvable and suitable sites and realistic development potential, and the Council accepts the Commission's definitions, pursuant to the State Plan, of urban and community infrastructure, centers and environs, identified and designated centers and critical environmental/historic sites.

8. The Council will use the State Plan to allocate regional housing need based on planning areas within each municipality.

9. County planning entities will be invited to assist municipalities, the Council and the Commission in identifying Centers on a voluntary basis.

10. Municipalities that are consistent with the State Plan's goals, objectives and policies, and that petition the Council within two years of filing a housing element with the Council, will receive the benefit of maximum flexibility with respect to Council certification. Municipalities that are not consistent with the State Plan's goals, objectives and policies, and that do not petition the Council for certification within two years of filing with the Council a housing element consistent with the State Plan's policies and objectives, may expose themselves to actions by the Council and Commission with respect to identifying and designating centers and site specific relief to objectors.

IN WITNESS WHEREOF, the Commission and the Council have caused this Memorandum of Understanding to be duly executed by their authorized representatives on the date first above written.

NEW JERSEY STATE PLANNING COMMISSION

by: _____
Title: _____

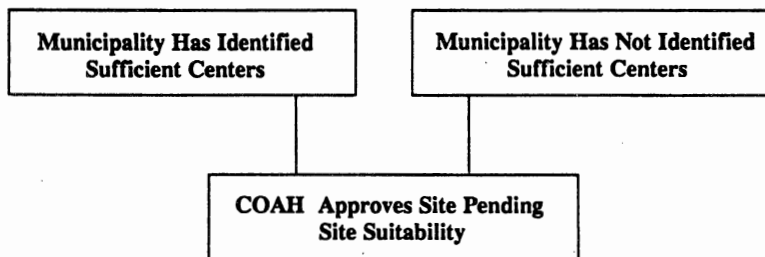
NEW JERSEY COUNCIL ON AFFORDABLE HOUSING

by: _____
Title: _____

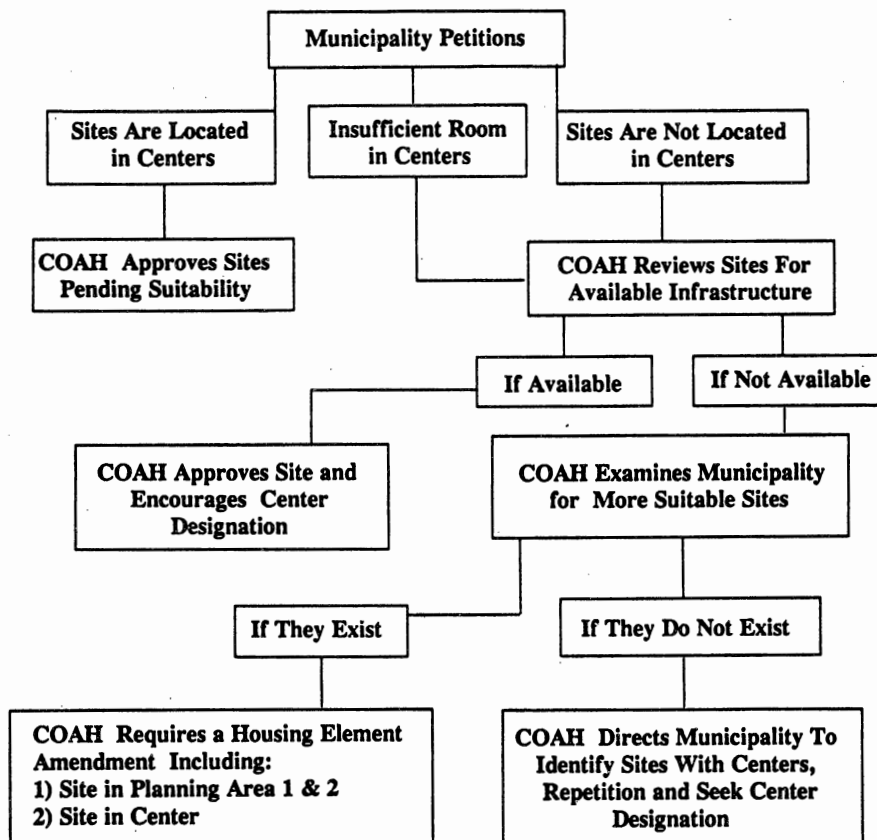
**COAH REVIEW OF MUNICIPAL HOUSING ELEMENTS
BASED ON SDRP**

All Charts Must Be Reviewed Within The Context of N.J.A.C. 5:93-5.4

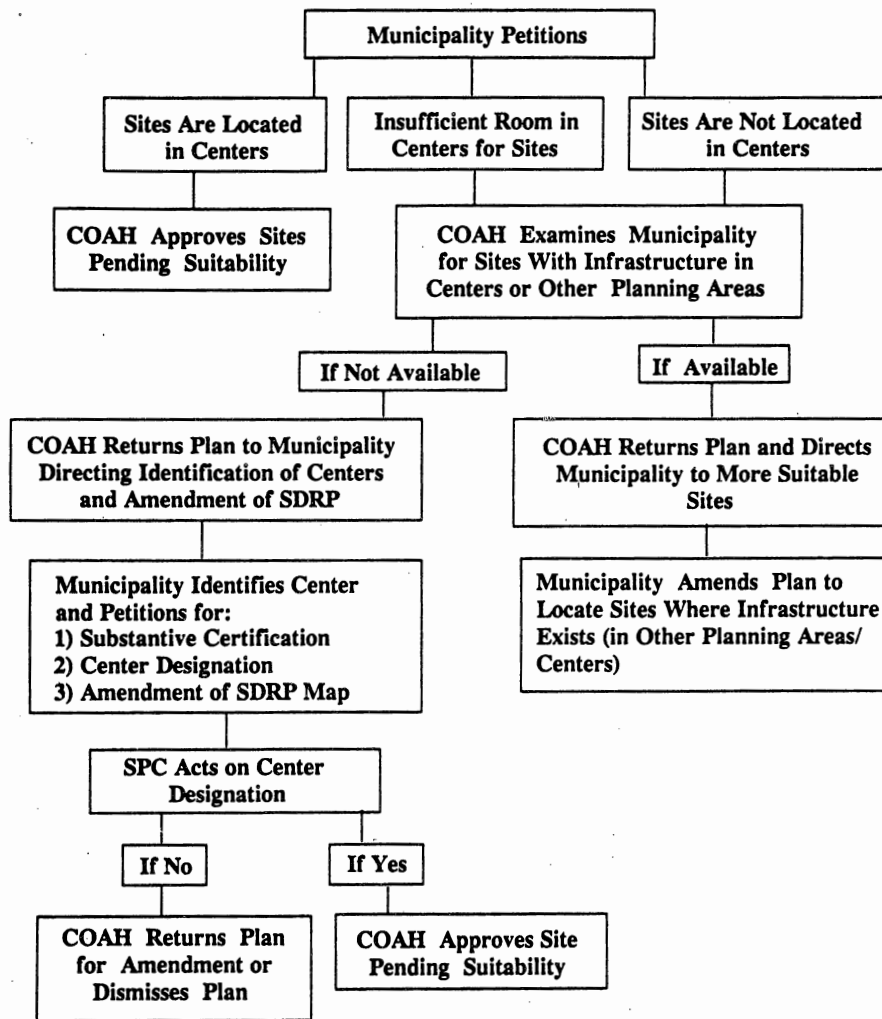
SITE REVIEW IN PLANNING AREAS 1 & 2



SITE REVIEW IN PLANNING AREA 3



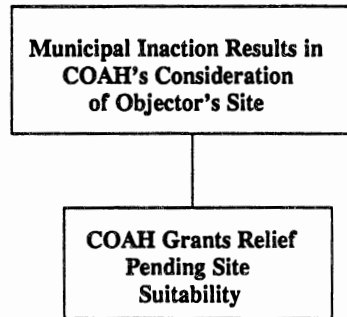
SITE REVIEW IN PLANNING AREAS 4 & 5



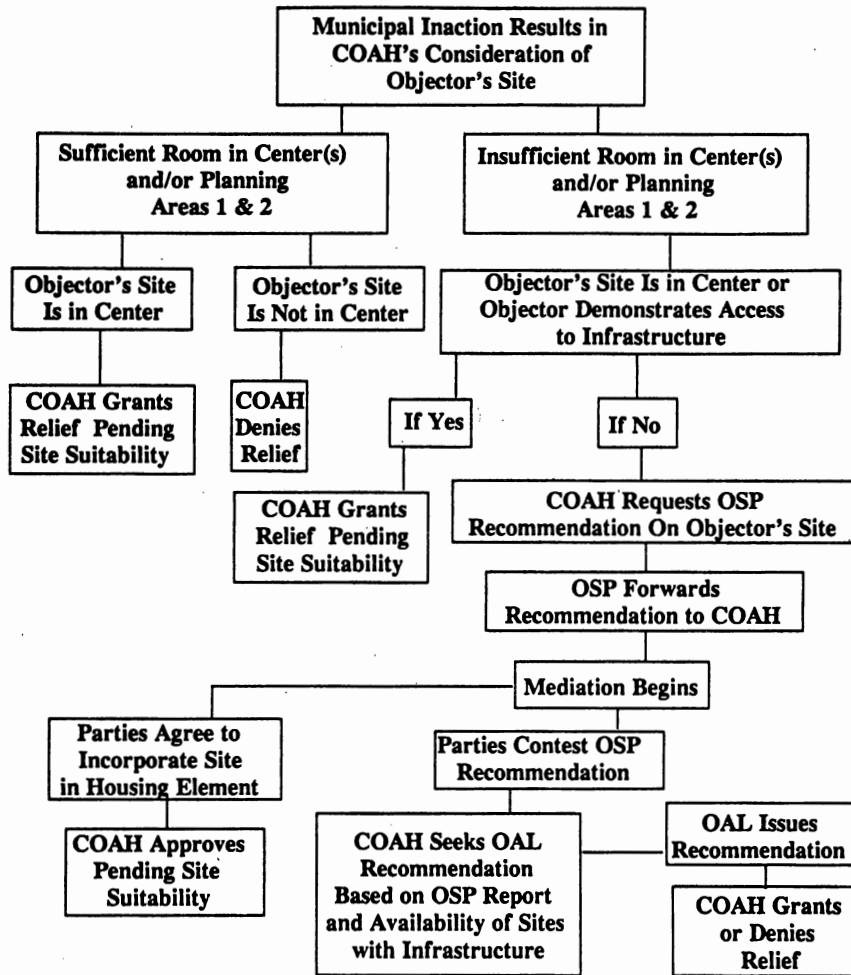
**COAH PROCESS OF GRANTING RELIEF TO
OBJECTORS BASED ON SDRP**

All Charts Must Be Reviewed Within The Context of N.J.A.C. 5:93-13

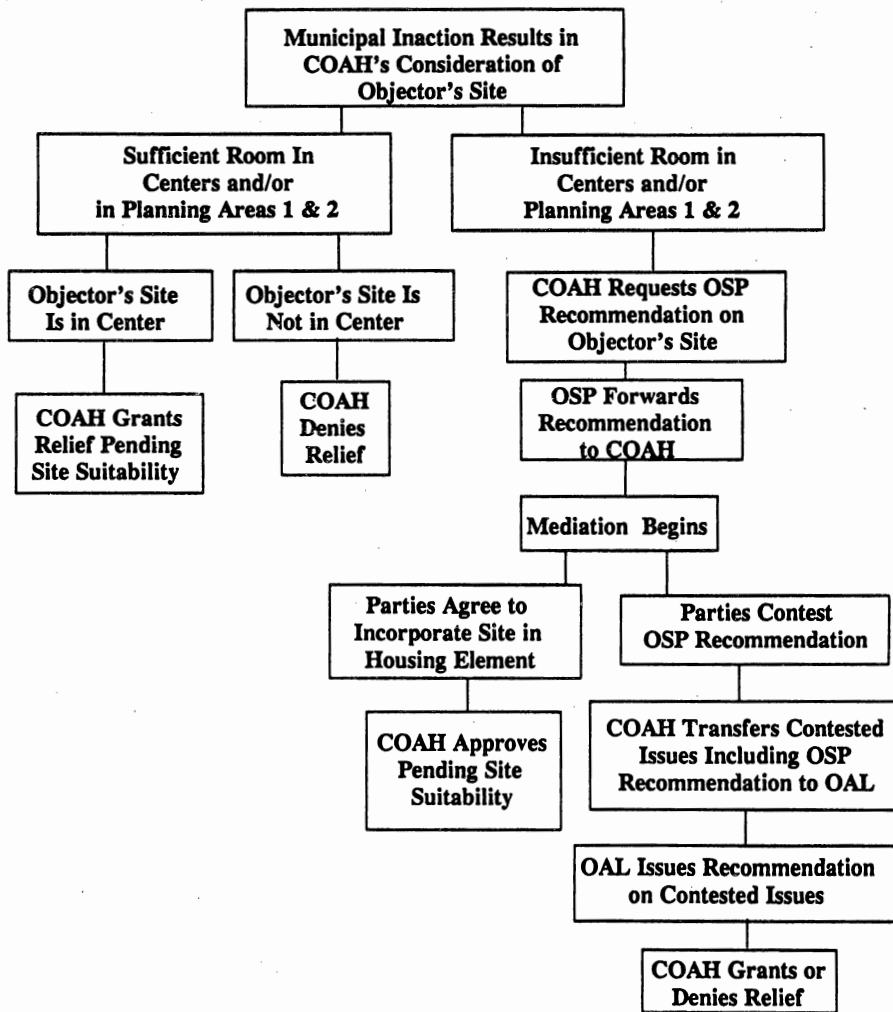
OBJECTOR RELIEF IN PLANNING AREAS 1 & 2



OBJECTOR RELIEF IN PLANNING AREA 3



OBJECTOR RELIEF IN PLANNING AREAS 4 & 5



APPENDIX G

REGIONAL CONTRIBUTION AGREEMENT
COUNTY REVIEW CHECKLIST

The Fair Housing Act permits a municipality to transfer up to 50 percent of its low and moderate income housing obligation to a willing receiving municipality. The terms of this Regional Contribution Agreement (RCA) transfer are determined by individual negotiations between willing sending and receiving municipalities within the same housing region.

Recognizing the need for sound comprehensive regional planning, the Act refers the RCA to the county of the receiving municipality for review and for submittal of its comments and recommendations to COAH. The Act indicates that this review shall be performed by the county planning board or other designated agency and that in its review, the county "shall consider the master plan and zoning ordinance of the sending and receiving municipalities, its own county master plan and the State development and redevelopment plan." The results of this review and the county recommendation are to be by **resolution** of the county planning board. At a minimum, the following language is to be incorporated into the resolution, if the recommendation is positive:

WHEREAS, directed by the New Jersey Council on Affordable Housing, the (receiving) County Planning Board has reviewed this proposal; and

WHEREAS, the staff of the (receiving) County Planning Board has examined the Master Plan and Zoning Ordinances of the (sending) municipality and (receiving) municipality; the Master Plan of (receiving) County and the State Development Guide Plan; and

WHEREAS, after duly examining all the above cited plans, the staff of the (receiving) County Planning Board has found that the proposed Regional Contribution Agreement is in accordance with sound, comprehensive regional planning; that the (receiving) municipality and the proposed RCA housing locations therein offer convenient access to employment opportunities; and that the proposed RCA housing would have access to public transportation;

NOW, THEREFORE BE IT RESOLVED that the (receiving) County Planning Board recommends approval of the proposed Regional Contribution Agreement between the (sending) municipality and the (receiving) municipality; and

BE IT FURTHER RESOLVED that the (receiving) County Planning Board recommends that the New Jersey Council on Affordable Housing approve the proposed Regional Contribution Agreement.

If negative, please develop appropriate language.

In order to conduct this review, the **sending** municipality must forward the following documents to the receiving municipality's county planning board:

1. Master Plan of Sending Municipality.
2. Zoning Ordinances of Sending Municipality.
3. Housing Element of Sending Municipality.
4. Transportation Element of Sending Municipality.
5. 208 Plan of Sending Municipality.
6. Other Regional Plans, if applicable.
7. Regional Contribution Agreement Project Plan.

If both sender and receiver are in the same county, then all necessary documents are on file except the RCA Project Plan. In that instance, only a formal review request letter and the RCA Project Plan need be forwarded.

The Act permits COAH to establish time limits for county review and, since COAH views expedient review of RCAs as crucial, it has imposed a 45 day limit for the county to complete its review. COAH may provide a 15 day extension if the county requests such an extension for legitimate reasons. The 45 days begin when the sending municipality forwards all the necessary documents as a complete package to the receiving municipality's county planning board with a request for review and recommendation. COAH should be copied on the transmittal letter only. If the county is unable to complete its review within the allotted time, or if there is no county planning board or designated county agency, COAH shall perform the required review.

To facilitate county review, COAH has developed a four section checklist which is attached. The checklist is to be completed as part of the county review process and forwarded with the resolution to COAH. When both the County Planning Board and NJ Housing and Mortgage Finance Agency feasibility reviews are completed, the RCA will be presented to COAH for action.

SECTION II ACCESS TO EMPLOYMENT OPPORTUNITIES

A. Does the proposed agreement provide realistic housing opportunities within convenient access to employment opportunities?

Housing Site(s) Proposed:

1. Receiving Munic.	Location	Site #	Yes	No
			A. ___	___
			B. ___	___
			C. ___	___

2. Sending Munic.	Location	Site #	Yes	No
			A. ___	___
			B. ___	___
			C. ___	___

BRIEFLY EXPLAIN ACCESS FOR EACH SITE ON SEPARATE SHEET INCLUDE SITE #

B. Is the proposed housing served by available transit?

Housing Site(s) Proposed:
If yes, check type(s) of service

1. Receiving Munic.	Location	#	Yes	Munic	Inter-Municipal	County	Inter-Co	No
			A. ___	___	___	___	___	___
			B. ___	___	___	___	___	___
			C. ___	___	___	___	___	___

2. Sending Munic.	Location	#	Yes	Munic	Inter-Municipal	County	Inter-Co	No
			A. ___	___	___	___	___	___
			B. ___	___	___	___	___	___
			C. ___	___	___	___	___	___

IF TRANSIT POSSIBLE, BRIEFLY EXPLAIN TRANSIT FOR EACH SITE ON SEPARATE SHEET

SECTION III

CLARIFIY ADOPTED AND/OR OFFICIAL LAND USE ELEMENT CONSISTENCY REVIEW (ATTACH RELEVANT PAGES OF DOCUMENTS CITED BELOW)

Check One

A.1. Receiving Munic. (a) Master Plan Of: Adopted: _____
Complies In Whole Part (Explain) _____
Conflicts In Whole _____
Brief Explanation (attach additional sheets as necessary)

(b) Zoning Ordinance Of: Adopted: _____
Complies In Whole Part (Explain) _____
Conflicts In Whole _____
Brief Explanation (attach additional sheets as necessary)

2. Sending Munic. (a) Master Plan Of: Adopted: _____
Complies In Whole Part (Explain) _____
Conflicts In Whole _____
Brief Explanation (attach additional sheets as necessary)

(b) Zoning Ordinance Of: Adopted: _____
Complies In Whole Part (Explain) _____
Conflicts In Whole _____
Brief Explanation (attach additional sheets as necessary)

C. Are there any future plans to serve the proposed housing with transit?

1. Receiving Munic.	Yes	No
A. ___	___	___
B. ___	___	___
C. ___	___	___

2. Sending Munic.	Yes	No
A. ___	___	___
B. ___	___	___
C. ___	___	___

IF TRANSIT POSSIBLE, BRIEFLY EXPLAIN TRANSIT FOR EACH SITE ON SEPARATE SHEET

*1. Receiving County Land Use Element Of: _____
Complies In Whole Part (Explain) _____
Conflicts In Whole _____
Adopted: _____
Brief Explanation (attach additional sheets as necessary)

C.1. Other Regional Plan Land Use Element(s) * Affecting: _____
Complies In Whole Part (Explain) _____
Conflicts In Whole _____
(a) Receiving Munic. Adopted: _____
Brief Explanation (attach additional sheets as necessary)

D.1. State Development Redevelopment Plan (S.D.R.P.) as (a) Receiving Munic. _____
(b) Sending Munic. _____
Complies In Whole Part (Explain) _____
Conflicts In Whole _____
Brief Explanation (attach additional sheets as necessary)

* For example, is site(s) consistent with Hackensack Meadowland Development Commission's Adopted Land Use Element
** Use official State Development Guide Plan until S.D.R.P. is adopted.

SECTION III CURRENTLY ADOPTED TRANSPORTATION PLAN AND/OR PROGRAM ELEMENT CONSISTENCY REVIEW

1. Are there transportation or transit plans at any level of government which would positively or negatively affect the proposed housing and/or the proposed housing sites?

- 1. Within Sending Munic.

- 2. Within Receiving Munic.

CONCLUSION: There are currently no transportation plans to build roadway that may invalidate sites.

This review is certified by the undersigned as representing a true and accurate statement of fact.

Based on this review, it is found that the following sites are:

1. <u>Within Receiving Munic.</u>	In Keeping With Sound Regional Comprehensive Planning	Not in Keeping With Sound Regional Comprehensive Planning
Housing Site(s) Proposed	_____	_____
Location	_____	_____
Site #	_____	_____
	A. _____	_____
	B. _____	_____
	C. _____	_____
2. <u>Within Sending Munic.</u>		
Location	_____	_____
Site #	_____	_____
	A. _____	_____
	B. _____	_____
	C. _____	_____

(ATTACH RELEVANT PAGES OF DOCUMENTS)

A. In the proposed housing consistent with the ZOR plan?

Housing Site(s) Proposed	location	Site #	Check One	
			Yes	No
1. Within Receiving Munic.	_____	_____	A. <input type="checkbox"/>	B. <input type="checkbox"/>
	_____	_____	C. <input type="checkbox"/>	

ATTACH ADDITIONAL SHEETS IF NECESSARY TO COMPLETE ABOVE QUESTION

CERTIFIED BY: _____

DATED: _____

TYPE NAME: _____

TITLE: _____

REPRESENTING _____

PROFESSIONAL LICENSE # (as applicable) _____