

WHEREAS, the Plan Endorsement Guidelines approved by the Commission state that any municipality seeking Advanced Plan Endorsement must document in its petition that it has received a current Resolution of Substantive Certification from the Council or a judgment of compliance from the courts; and

WHEREAS, it is mutually beneficial to the Council and 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 mandate 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 ensure that the Commission maintains, revises and implements a State Plan that promotes the distribution of affordable 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 principles, assurances and premises contained in this Memorandum of Understanding, the Commission and the Council hereby agree to the following:

1. Both the Commission and the Council will share all available information useful or necessary to achieve the objectives of this Memorandum of Understanding. The Commission will direct the Office of Smart Growth (OSG) to provide the Council, in a timely manner, such reports, petitions, recommendations or reviews that are necessary for the Council to carry out its responsibilities, including reports, petitions, recommendations or reviews generated through the Cross-acceptance and Plan Endorsement processes. The Council will direct its staff to notify OSG of all petitions for certification of a housing element and fair share plan that are received and to provide OSG with all reports, recommendations and reviews generated through the Council's Substantive Certification process in a timely manner, that will aid the Commission in reviewing municipal Plan Endorsement petitions.
2. The Commission and the Council agree that simultaneous participation by municipalities in the processes of both entities will be encouraged at the time a municipality either petitions the Council for Substantive Certification or petitions the Commission for Plan Endorsement, and that any information submitted to one entity shall be consistent with that submitted to the other, including residential and employment growth projections.
3. A cooperative planning process will be established and maintained between the Commission and the Council and their respective staff to advance coordinated and comprehensive State and regional planning and provide consistent planning policies on which municipalities and counties may rely.
4. The State Plan Policy Map (SPPM), which includes planning areas, designated centers, critical environmental sites, and historic and cultural sites, provides the Council with a framework for locating sites based on considerations of infrastructure availability, environmental sensitivity and historic preservation. All planning areas can accommodate growth and therefore can accommodate a commensurate affordable housing obligation, in a manner consistent with the goals, objectives, and policies of the State Plan. Planning Areas 1 and 2 and designated centers are the preferred locations for a municipality to address its growth share obligation in a manner that is consistent with the goals, objectives, and policies of the State Plan.
5. The Commission shall include population, household and employment growth projections for each municipality in the State Development and Redevelopment Plan, including projections for the year 2015. Municipal growth projections shall be published in the Commission's adopted plan as "Plan Projections."
6. The Commission shall require any municipality seeking Advanced Plan Endorsement, in accordance with the State Planning Rules, N.J.A.C. 5:85.1 et seq., either on its own or as part of a county, regional or inter-municipal petition, to have current Substantive Certification from the Council, or a current judgment of compliance from the court.
7. Any municipality with a grant of Substantive Certification from the Council shall include in its third year monitoring report to the Council evidence of receipt of Initial Plan Endorsement from the Commission.

BE IT FURTHER AGREED, that the Commission and the Council authorize this Memorandum of Understanding to be duly executed by their authorized representatives to be effective on the date first written above.

NEW JERSEY STATE PLANNING COMMISSION

By: _____

Title: _____

NEW JERSEY COUNCIL ON AFFORDABLE HOUSING

By: _____

Title: _____

APPENDIX E

COUNCIL ON AFFORDABLE HOUSING (COAH)

UCC USE GROUPS FOR
PROJECTING AND IMPLEMENTING
NONRESIDENTIAL COMPONENTS OF GROWTH SHARE

JULY 13, 2004

A one in 25 nonresidential ratio shall be used to determine the number of affordable units to be created for each new job created in a municipality. For every 25 new jobs created in a municipality, as measured by new or expanded nonresidential construction, the municipality shall have the obligation to provide one affordable residential unit. New jobs created shall be based on the gross square footage of nonresidential development and on the use group of the facility being constructed. Use groups are as defined by the International Building Code (IBC) which has been incorporated by reference into the Uniform Construction Code (UCC). The following chart shall be used to project and implement the nonresidential component of growth share:

Use Group	Description	Square Feet Generating One Affordable Unit	Jobs Per 1,000 Square Feet
B	Office buildings. Places where business transactions of all kinds occur. Includes banks, corporate offices, government offices, professional offices, car showrooms and outpatient clinics.	8,333	3
M	Mercantile uses. Buildings used to display and sell products. Includes retail stores, strip malls, shops and gas stations.	25,000	1
F	Factories where people make, process, or assemble products. Includes automobile manufacturers, electric power plants, foundries, and incinerators. F use group includes F1 and F2.	12,500	2
S	Storage uses. Includes warehouses, parking garages, lumberyards, and aircraft hangers. S group includes S1 and S2.	125,000	0.2
H	High Hazard manufacturing, processing, generation and storage uses. H group includes H1, H2, H3, H4 and H5.	25,000	1
A1	Assembly uses including concert halls and TV studios.	12,500	3
A2	Assembly uses including casinos, night clubs, restaurants and taverns.	8,333	3
A3	Assembly uses including libraries, lecture halls, arcades, galleries, bowling alleys, funeral parlors, gymnasiums and museums but excluding houses of worship.	8,333	3
A4	Assembly uses including arenas, skating rinks and pools.	8,333	3
A5	Assembly uses including bleachers, grandstands, amusement park structures and stadiums.	Exclude	Exclude
E	Schools K-12	25,000	1
I	Institutional uses such as hospitals, nursing homes, assisted living facilities and jails. I group includes I1, I2, I3 and I4.	12,500	2
R1	Hotels and motels	31,250	0.8
U	Miscellaneous uses. Fences, tanks, barns, agricultural buildings, sheds, greenhouses, etc.	Exclude	Exclude
In the case of mixed-use development, the jobs calculation will be assigned in proportion to the square footage of each use in the mixed-use development.			

For example, if a municipality issues a certificate of occupancy for a 25,000 square foot office building (use group B), the affordable housing obligation would be $25,000 \div 8,333$ or three affordable units. Alternatively, the affordable housing obligation for this same development could be calculated by applying a ratio of one unit for each 25 jobs created as follows: $25,000 \div 1,000 \times 3 = 25 \div 3$.