

HOUSING OPPORTUNITY TASK FORCE FINDINGS & RECOMMENDATIONS

TASK FORCE MEMBERS

THE HONORABLE MARCIA A. KARROW, CHAIR

**THE HONORABLE WILDA DIAZ
THE HONORABLE FRANK DRUETZLER
DR. JAMES HUGHES
THE HONORABLE IRA OSKOWSKY**

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March 19, 2010

Dear Governor Christie:

Thank you for the opportunity to serve on the Housing Opportunities Task Force. Although the experience has been both intense and challenging it has proved rewarding as well. We have had very constructive policy discussions with stakeholders from all over the State and believe their input invaluable to the final report.

The Task Force began its work by acknowledging that the “law of the land” is that there is an obligation, as interpreted and defined by the New Jersey Supreme Court’s Mount Laurel decisions, to provide a realistic opportunity for a variety of housing, and municipalities are required to provide for a fair share of low and moderate income households.

We welcomed the challenge to develop new ideas that will allow local and state government to abide by the Court’s decisions, deliver a better housing model to help keep our young people near parents, our seniors near their grandchildren and appropriate housing for our more vulnerable population.

The Court’s approach to a solution, however, as set forth in Mount Laurel II, neither lead to significant affordable housing nor avoidance of prolonged litigation as the Court desired. The adoption of the Fair Housing Act in 1985 and the Council on Affordable Housing (COAH) methodologies, again, did not produce a desired quantity of affordable housing, and has led to costly, burdensome regulations that have fallen far short of the stated goal.

For instance, from 1985 to 2009, 36,000 new housing units were produced from the requirements of the COAH. During that same period, the total residential building permits issued were over 700,000. Based upon COAH’s calculation of the subsidy necessary to produce a new unit, combined with COAH’s demand based on prospective need alone, this element of the cost could be as high as \$19 billion dollars. With less than 5%, of all new housing units constructed being affordable and at such a high cost, there has been a very poor return on the hundreds of millions of dollars the State has already invested either directly or indirectly into the affordable housing program. The Task Force believes there is a much more economically and environmentally sustainable, fair, simple and predictable model that the state and its 566 municipalities can use to deliver affordable housing with better results.

Indeed, there have been very few policy issues that have generated greater frustration among local officials. According to William Dressel, the Executive Director of the League of Municipalities:

“in my 34 years of League work, I have never seen so much frustration and anxiety expressed by mayors and governing body officials over an issue.... It’s urban, suburban and rural alike. (COAH) has done more to unite municipal governments than any other issue because everyone has expressed considerable objections to the methodology and numerous laws and regulations.” (“Anxiety grows about NJ affordable housing rules,” Star Ledger, 12/1/08)

In light of this frustration, the Task Force made it a priority to develop recommendations for a new model to deliver affordable housing that not only meets the criteria of being sustainable, fair, simple and predictable but also takes into consideration how New Jersey has changed since the original 1975 decision. The Task Force recognizes that the Mount Laurel Doctrine and the Fair Housing Act are, to a large extent, the product of a different time; thus, making it difficult to amend either one to adequately reflect the current climate without addressing some basic issues. Since 1975, there have been significant changes in New Jersey’s population, housing stock, transportation infrastructure, environmental

awareness and its economic and employment trends that must be taken into account in developing a new approach to affordable housing.

Since the 1970's, environmental awareness alone has dramatically changed the landscape and vision of New Jersey's future. For instance, at the time of the first Mt. Laurel decision, the Clean Water Act was in its infancy, the State had not adopted its wetlands program, the Highlands and Pinelands conservation programs and countless other New Jersey Department of Environmental Protection (DEP) regulations, such as C1 stream encroachment or wastewater management, were barely a vision.

Additionally, in response to perhaps being the most densely populated state in the nation, New Jerseyans over the last twenty years have also expressed a strong desire and appreciation for open space and farmland preservation. Indeed, they have voted three times to approve bonding for open space – even as recently as the fall of 2009, despite dire economic conditions. In 1975, the Farmland Preservation program did not exist. Preserving the remaining land in New Jersey is clearly a priority of the taxpayers and one which the Task Force respects.

Further, in 1975 most New Jerseyans commuted less than 20 miles to work. Highways such as Routes 287 and 78 were not completed. Our road system was very different. According to the 1980 Census, the average travel time to work was approximately 20 minutes for New Jersey. Today, the average daily commute is approximately 32 minutes; people are willing to live further away from their jobs than ever before.

New Jersey is also in the midst of its worst economic and tax crisis since the Great Depression. New Jersey is losing jobs at an alarming rate and growth is nearly stagnant. Governor Christie, you know better than anyone that New Jersey must find a way to create a better business environment so that it can start growing its economy. It must reduce the tax burden on both its residents and the business community. No matter what advances New Jersey makes with its affordable housing policies, without jobs the system will collapse.

Additionally, what the Task Force heard from all of the stakeholders that came before us was the need for predictability within the State's affordable housing policy. Municipalities in particular stressed the need for regulatory relief and predictability. Every time a municipality felt they had met their affordable housing obligation, the rules changed and they would have to begin anew, not just with a new affordable housing expectation, but also with what could or could not be counted, how many of each, what percentage of something else – an endless changing and shifting of requirements. Today's economy simply does not allow for this type of burden and confusion.

In recognition of all of these factors, we hereby submit the Housing Opportunities Task Force report for your consideration. Implementation of the recommendations within this report would significantly change the way the State of New Jersey meets its affordable housing obligation and produce a less burdensome and more realistic, reasonable and sustainable method for delivering affordable housing in New Jersey.

We, again, thank you for the opportunity to serve the State of New Jersey. The Task Force's work has thus been completed as directed by the Executive Order. Thereby, we believe there is no further need to continue the Executive Order 12 and it may be rescinded.

Sincerely,

Marcia A. Karrow
Chair, Housing Opportunities Task Force

THE HOUSING OPPORTUNITIES TASK FORCE CHARGE

The charge to the Task Force was set forth in Executive Order 12, issued February 9, 2010, as follows:

The Housing Opportunities Task Force was to undertake a review of the Fair Housing Act, State Planning Act and the current and former COAH regulations and methodologies. The Task Force was to assess the effect of these laws, the degree of success in accomplishing the goals of meeting the constitutional obligations under the Mt. Laurel decisions consistent with sound planning and economic growth, and the continued existence of COAH.

More specifically, the Task Force was charged with reviewing:

1. the best means for determining whether a municipality should have any further affordable housing obligation;
2. the regions that have been used by COAH for more than 20 years are still appropriate;
3. the means of incorporating workforce housing into the concept of affordable housing;
4. the diverse and significantly divergent State projections for housing and employment growth to determine the obligation for a variety and choice of housing, taking into consideration the need for open space preservation and environmental protection as elements of sound land use planning;
5. mechanisms that should be used to support the rehabilitation of deteriorating housing in the urban centers;
6. the means of developing economies, efficiencies, and savings in the development process;
7. ways to encourage rehabilitation as well as new development in meeting the need for affordable housing;
8. the appropriateness of methodologies that continue to include prior round need or include retroactive growth as part of a growth share approach; and
9. other issues.

INTRODUCTION

At the time of the first Mount Laurel decision, New Jersey was a very different place. Although both the Supreme Court and the Fair Housing Act provided for a variety of factors to be considered when creating zoning that is not exclusionary, the only factors COAH appears to have ever considered are income levels, job growth and housing numbers. Over the 25 years since its creation, COAH has failed to recognize the significant changes in New Jersey in environmental awareness, transportation infrastructure, population trends and the economic climate.

Environmental Changes

Since 1975, New Jersey has made dramatic movement in the area of environmental awareness. As the most densely populated state in the nation, New Jersey has been on the environmental protection cutting edge and considered a national leader. Waterways have been cleaned up, massive acreage preserved, endangered species saved and a new consciousness about environmental sustainability has been a philosophy embraced by school children and seniors alike.

The following environmental laws and policies were created after or around 1975's Mt. Laurel decision:

- Wetlands Act – 1970
- Clean Water Act – 1972, amended in 1977
- Coastal Area Facility Review Act (CAFRA) – 1973
- Pinelands Act – 1978
- Farmland Preservation Act – 1983
- Freshwater Wetlands Protection Act – 1987
- Garden State Preservation Trust – 1997
- Surface Water Quality Standards – 2004
- Stormwater Rules, including C1 Streams and 300' buffers – 2004
- Highlands Act - 2004

Transportation Changes

In 1975, people in New Jersey struggled with an incomplete road system and generally lived closer to work. As infrastructure grew, so grew the willingness to commute further and longer to work.

Transportation infrastructure which has allowed New Jerseyans to commute further built after or around 1975's Mt. Laurel decision:

- The 68 miles of the New Jersey section of Interstate Route 80 was completed in 1973.
- Betsy Ross Bridge constructed 1969-1976, provided another link between Philadelphia and New Jersey.
- Route 280 was substantially complete in 1980.
- The majority of Route 195 was complete in 1981 and finished in 1987.
- I-78 was constructed in the late 1960s, with the "missing link" through the Watchung Reservation completed in 1986.
- On November 19, 1993, after nearly four decades of planning and construction, Governor Jim Florio opened the entire 66.9 mile length of I-287 to traffic.

Economic Trends

New Jersey's Lost Economic Decade

During the decade of the 1990s, measured January, 1990 – the first month that the new North American Industry Classification System's (NAICS) employment statistics became available – to December, 1999, New Jersey gained 243,200 private sector jobs and 11,000 government jobs (Attachment 1). Thus, total employment growth was more than a quarter of a million jobs during the final decade of the 20th century. That was a great way to end the old century.

In contrast, the first decade of the 21st century (December, 1999-December, 2009) was completely upside down. New Jersey lost 156,100 private sector jobs, but at the same time it gained 69,400 government jobs. So for every government job added, the State lost more than two private-sector jobs. In contrast, in the 1990s, for every government job added, the State gained 22 private sector jobs. This was not a great way to start the new century.

Length of Decade - Recovery Period

How long would it take to recover the private sector jobs lost during the last decade? Attachment 2 shows the average annual private sector employment growth during the last three economic expansions in New Jersey. As can be seen, the State only gained 19,573 private sector jobs per year during the great expansion that occurred nationally (March, 2003-January, 2008). That is far below the 74,000 jobs per year average of the 1980s and 1990s expansions, and one of the factors causing the lost employment decade.

This is also evident in Attachment 3, which shows New Jersey private sector annual employment change for the 1980-2009 period. The blue bars represent the years of economic expansion. The extremely small bars in the 2003-2007 expansion compared to the large bars during the two preceding expansions graphically illustrate its extreme weakness. This was despite being bolstered by unprecedented financial, credit and housing bubbles.

This weak performance was not due primarily to a weak national expansion. Attachment 4 shows New Jersey's share of U.S. private sector employment change during the last four national economic expansions. The State's share of U.S. employment is approximately 3 percent. That would be New Jersey's expected share of growth during an expansion to just keep pace with the nation. A share below 3 percent indicates the State is growing slower than the nation. As can be seen in Attachment 4, New Jersey's share of national growth during the 2003-2007 employment expansion fell to an extraordinarily low 1.3 percent, far below the expected 3 percent share.

In any case, the 2000s employment expansion (19,573 private sector jobs per year) detailed in Attachment 2 is the reasonable estimate of employment growth going forward if economic recovery commences in 2010. Thus, it would take 8 years (December, 2017) in order to replace the 156,100 private sector jobs lost during the last decade (156,100 jobs divided by 19,573 jobs per year), and return New Jersey to the employment level of December, 1999.

Length of Recession - Recovery Period

During the recession to date (January, 2008-January, 2009), New Jersey has suffered a loss of 245,400 private sector jobs (Attachment 4). At the same time, it gained 2,500 government jobs. Assuming the same rate of job growth during the coming recovery as was experienced during the 2003-2008 expansion, it would take 12.5 years (245,400 jobs divided by 19,573 jobs per year) to get back to the pre-recession private sector employment peak (January, 2008). This would be the middle of 2022.

Population Changes and Trends

There are two types of migration: domestic (flows between states) and international. Between 2000 and 2008, New Jersey had a net domestic outmigration loss of 459,803 people. That is, 459,803 more people moved out of New Jersey to the rest of the country than people from the rest of the country moved into New Jersey. Thus, it is a net figure resulting from the outflows and inflows. At the same time, net international migration totaled 399,803 people. So, essentially New Jersey's net loss of 459,803 people to the rest of the country was only partly counterbalanced by an international net gain of 399,803 people. Taking the two together, the overall net migration loss was 60,000 people. The only reason New Jersey's population grew during this period was due to a net natural increase (births minus deaths) of 374,414 people.

As a result of former New Jersey residents being replaced by international migrants, 19.8 percent of the State's population is foreign born, compared to 12.5 percent for the nation as a whole. This is the third highest among the 50 states.

New Jersey Population Growth Rates: 2000-2008

White (Non-Hispanic)	-4.0%
Black (Non-Hispanic)	+2.9%
Asian (Non-Hispanic)	+37.9%
Hispanic	+27.0% (Hispanics can be of any race)
Total:	+3.2%

As a result of these trends, foreign born minorities are a major housing demand sector in the current decade relying largely on the existing stock of urban housing.

The second major demand sector is the Baby Boomers born between 1946 and 1964. The Boomers are currently between 46 and 64 years of age. On January 1, 2011, the first Baby Boomer will turn 65 years of age. The following 18 years will see the number of seniors skyrocketing. Affordable senior housing demand will soar.

The third growth sector is the Baby Boom Echo. This is a slightly smaller generation than the Baby Boom. It comprises primarily the children of the Baby Boom born between 1977 and 1995. Today they are between 15 and 33 years of age. Thus, the young adult market is the third major housing demand sector of the current decade.

Mount Laurel Decisions and Fair Housing Act – Core Issues

Historical Perspective

In Southern Burlington County N.A.A.C.P. v. Twp. of Mount Laurel, 119 N.J. Super. 151 (Law Div. 1972), a trial court held that the land use regulations in Mount Laurel unlawfully excluded low and moderate income families and created economic discrimination. The plaintiffs were, in large part, public interest groups, but a number of individual residents testified. The dispute started over the Township's zoning ordinance's exclusion of multi-family dwellings. To place the matter in perspective, unlike today when attached housing can demand large prices, the common view then was that multi-family housing brought with it lower income people. (A generation earlier, in Euclid v. Ambler Realty, the United States Supreme Court case that determined zoning was constitutional in 1926, Justice Sutherland described multi-family dwellings as, "very often a mere parasite whose presence utterly destroys the residential character of the neighborhood and its desirability as a place of residence.") The municipal view was that

zoning should be used to provide direct and substantial benefit to the taxpayers, and that the municipality would only take action on run-down housing when those units became vacant. The focus was on up-scale development, and no provision was made for indigenous poor living in substandard housing or for those that worked in the municipality but lived elsewhere in the county. There was no housing for those on welfare, and 66% of the Township was vacant land. The court declared, "The courts ... must be ever watchful of any discriminatory acts of local units of government against the rights and privileges of the poor and underprivileged" (119 N.J. Super at 175).

The court held: "The patterns and practice clearly indicate that defendant municipality through its zoning ordinance has exhibited economic discrimination in that the poor have been deprived of adequate housing and the opportunity to secure the construction of subsidized housing ..." (Id. 178). The municipality was ordered to take affirmative action to:

- a. Identify existing sub-standard (meaning not up to code) dwelling units by family income and size.
- b. Determine the housing needs of persons of low and moderate income: those residing in the Township, those presently employed in the Township and those expected to be employed in the Township. After completing the study, the Township was to determine the estimated low and moderate income units which need to be constructed each year to provide for the need. A plan of action was to be implemented within 90 days. Despite the Court's retention of jurisdiction, meaning the decision was not final, it ended up on appeal, and the Supreme Court took up the matter, skipping over the Appellate Division, on its own motion.

Mount Laurel I (Southern Burlington County N.A.A.C.P. v. Mount Laurel Twp., 67 N.J. 151 (1975))

By the time the case reached the Court, the Township had zoned for certain multi-family middle and upper income residential development. Still no effort had been made to accommodate the indigenous poor. The Court did not blame the Township but the property tax system: "This policy of land use regulation for a fiscal end derives from New Jersey's tax structure, which has imposed on local real estate most of the cost of municipal and county government and of the primary and secondary education of the municipality's children. The latter expense is much the largest, so, basically, the fewer the school children, the lower the tax rate. Sizeable industrial and commercial ratables are eagerly sought, and homes, and the lots on which they are situated, are required to be large enough, through minimum lot sizes and minimum floor areas, to have substantial value in order to produce greater tax revenues to meet school costs. Large families who cannot afford to buy large houses, and must live in cheaper rental accommodations, are definitely not wanted, so we find drastic bedroom restrictions for, or complete prohibition of, multi-family or other feasible housing for those of lesser income" (Id. at 171).

It was observed that cities were originally the location of most commerce and industry. Employees lived relatively close to work. These ratables supported enough revenue to provide municipal services equal to or better than suburban areas. After World War II, the situation changed. Former urban residents filled up sprawling new housing developments. Retail business faded with the erection of large suburban shopping centers. Jobs became more dependent upon the automobile, and the urban poor found it more difficult to find employment creating a downward spiral.

The Court declared the core of the doctrine as including:

1. Every municipality must make realistically possible an appropriate variety and choice of housing (Id. at 174).
2. Zoning must affirmatively afford the opportunity for low and moderate income housing

to the extent of the municipal fair share of the present and prospective regional need (Id.).

3. Exercise of the police power (i.e., zoning) must conform to the basic state constitutional requirement of substantive due process and equal protection, which are inherent in Article I, paragraph 1, of our Constitution. As a result, zoning, like any police power, must promote the general welfare (Id.).
4. Each developing municipality must affirmatively plan for and provide, by its land use regulations, for an appropriate variety and choice of housing, including low and moderate income housing, to meet the needs and desires of all who wish to reside within its boundaries (Id. at 179).
5. No hard and fast rule as to region may be established, but confinement to a county appears not to be realistic. The Court suggested instead, a 20 mile radius from urban centers (Id. at 190).

Mount Laurel II (Southern Burlington County N.A.A.C.P. v. Mount Laurel Twp., 92 N.J. 158 (1983))

Eight years later, frustrated that not enough had been accomplished under Mount Laurel I, the doctrine was revisited. The Court stated: "The obligation is to provide a realistic opportunity for housing, not litigation. We have learned from experience, however, that unless a strong judicial hand is used, Mount Laurel will not result in housing, but in paper, process, witnesses, trials and appeals. We intend by this decision to strengthen it, clarify it, and make it easier for public officials, including judges, to apply it" (Id. at 199). In furtherance of the doctrine, the Court clarified and expanded the core issues:

6. The definition of region shall be the area from which, in view of available employment and transportation, the population of the municipality would be drawn, absent exclusionary zoning (Id. at 206).
7. While open space and prime agricultural land may be preserved, a builder who finds it economically feasible to provide decent housing for lower income groups will no longer find it impossible to do so. "Builders may not be able to build just where they want – our parks, farms, and conservation areas are not a land bank for housing speculators. But if sound planning of an area allows the rich and middle class to live there, it must also realistically and practically allow the poor. And if the area will accommodate factories, it must also find space for workers. The specific location of such housing will of course continue to depend on sound municipal land use planning" (Id. at 211).
8. The Court explained that "powerful reasons suggest, and we agree, that the matter is better left to the legislature." However, the Court ruled the judiciary had to act "because the Constitution of our State requires protection of the interests involved and because the legislature has not protected them" (Id. at 212).
9. "Although the complexity and political sensitivity of the issue now before us makes it especially appropriate for legislative resolution, we have no choice, absent that resolution, but to exercise our traditional constitutional duty to end an abuse of the zoning power (Id. at 213 n7).

10. Every municipality's land use regulations should provide a realistic opportunity for decent housing for at least some portion of its resident poor who now occupy dilapidated housing. "In other words, each municipality must provide a realistic opportunity for decent housing for its indigenous poor except where they represent a disproportionately large segment of the population as compared with the rest of the region. This is the case in many of our urban areas" (Id. at 214).
11. The existence of a municipality's obligation to provide a realistic opportunity for the fair share of its region's present and prospective low and moderate income housing need will no longer be determined by whether the municipality is "developing" (Id. at 215).
12. The municipal obligation to provide a realistic opportunity for the fair share of its regions present and prospective low and moderate income housing need extends to every municipality, any portion of which is designated in the State Development Guide Plan (SDGP) as a "growth area" (Id. at 215).
13. "The fact that a municipality is fully developed does not eliminate this obligation although, obviously, it may affect the extent of the obligation" (Id. at 215).
14. Mount Laurel litigation will ordinarily include proof of the municipality's fair share of low and moderate income housing in terms of the number of units needed immediately, as well as the number needed for a reasonable period of time in the future (Id. at 215).
15. The municipal obligation to provide a realistic opportunity for the construction of its fair share of low and moderate income housing may require more than the elimination of unnecessary cost-producing requirements and restrictions (Id. at 217).
16. "Affirmative governmental devices" should be used to make the opportunity realistic, including lower-income density bonuses and mandatory set asides. Alternatively, there could be governmental subsidies (Id. at 217).
17. Furthermore, the municipality should cooperate with the developer's attempts to obtain subsidies. For instance, where a subsidy depends on the municipality providing certain tax treatment, the municipality should make good faith effort to provide it (Id. at 217). However, municipalities were not required to construct public housing (Id. at 264).
18. Mobile homes may not be prohibited unless there is a solid proof that sound planning in a particular municipality requires such prohibition (Id. at 217).
18. The lower income regional housing need is composed of both low and moderate income housing. A municipal fair share of its region's lower income housing need should include both low and moderate income housing in such proportion as reflects consideration of all relevant factors, including the proportion of low and moderate income households that make up the regional need (Id. at 217).
20. Providing a realistic opportunity for the construction of "least-cost" housing will satisfy a municipality's Mount Laurel obligation if, and only if, it cannot otherwise be satisfied. In other words, only after all alternatives have been explored, all affirmative measures considered, may least-cost housing be considered (Id. at 217).

21. Builders' remedies will be affordable to plaintiffs in Mount Laurel litigation when appropriate, on a case-by-case basis. Where a plaintiff has acted in good faith, attempted to obtain relief without litigation, and thereafter vindicates the constitutional obligation in Mount Laurel litigation, ordinarily a builder's remedy will be granted provided, however, that the proposed project includes a substantial amount of low and moderate housing and provided further that it is located and designed with sound zoning and planning concepts, including environmental impact (Id. at 218).
22. The Mount Laurel affirmative obligation to meet the prospective lower income housing need of the region may be met by "phase-in" over a number of years (Id. at 218-219).
22. "No forests or small towns need to be paved over and covered with high-rise apartments as a result of today's decision." Municipalities consisting largely of conservation, agriculture or environmentally sensitive areas will not be required to grow because of Mount Laurel (Id. at 219).
24. "Once a community has satisfied its fair share obligation, the Mount Laurel doctrine will not restrict other measures, including large-lot and open area zoning that would maintain its beauty and community character" (Id. at 219).
25. A bone fide attempt to satisfy the obligation shall not suffice. Satisfaction of the obligation shall be determined solely on an objective basis. The municipality has either, in fact, provided the requisite realistic opportunity for construction of such housing, or it has not (Id. at 221).
26. Moderate income families are those whose incomes are no greater than 80 percent of median of the area, and low income is no greater than 50% of such median, with adjustments for smaller and larger families. This definition comes from HUD requirements. See 42 U.S.C. 1437a(b)(2) (Id. at 221 fn8).
27. The numberless approach to fair share is no longer acceptable (Id. at 222).
28. State planning (i.e., SDGP) should be used to determine where growth and housing development should occur, and Mount Laurel should not create development in conflict with State planning (Id. at 233).
29. "The Constitution of the State of New Jersey does not require bad planning. It does not require suburban spread. It does not require rural municipalities to encourage large scale housing developments. It does not require wasteful extension of roads and needless construction of sewer and water facilities for the out-migration of people from the cities and the suburbs. There is nothing in our Constitution that says that we cannot satisfy our constitutional obligation to provide lower income housing and, at the same time, plan the future of the state intelligently" (Id. at 238).
30. The most troubling issue is the determination of fair share. It requires three separate determinations: identification of the region; determining the present and prospective need of the region; and allocating the need to municipalities (Id. at 248).

The Fair Housing Act (FHA)

In reaction to Mount Laurel II and the builder's remedy, the Legislature adopted the Fair Housing Act, set forth at N.J.S.A. 52:27D-301 et. seq. The Act established the Council on Affordable Housing. The duties of the Council were declared to be: determine housing regions; estimate the present and prospective need at the State and regional levels; adopt criteria and guidelines for municipal determination of present and prospective fair share of the housing need in a region; municipal adjustment of the fair share based upon available vacant and developable land; infrastructure considerations, environmental and historic preservation factors, protection against drastic alteration of the established pattern of community development; provision for adequate land for recreation, conservation, agriculture, and farmland preservation; provide population and household projections for the State and housing regions; place a limit on the obligation based upon percentages of housing stock, employment opportunities, or other factors; and provide credits for housing activities. The Council was directed to give "appropriate weight" to pertinent research studies, government reports, decisions of other branches of government and the State Development and Redevelopment Plan (State Plan). The State Planning Commission (SPC) was to provide information on economic growth, development and decline projections for each region. A system was to be designed to adjust the projections on a periodic basis (N.J.S.A. 52:27D-307).

Pursuant to N.J.S.A. 52:27D-310, a municipality was to prepare a Housing Element to the Master Plan designed to meet the present and prospective need. The Housing Element was to include: an inventory of the municipal housing stock; the number of affordable units in the municipality in need of rehabilitation; a projection of the municipal housing stock for the next six years (changed to ten years in 2002); an analysis of the municipal demographics; an analysis of existing and probable future employment; a determination of municipal fair share of present and prospective need; and a consideration of lands most appropriate for conversion to, or rehabilitation of, affordable housing.

N.J.S.A. 52:27D-310.1 established the manner in which vacant land adjustments should be addressed by the Council. It also provided that no municipality shall be required to utilize land that is not considered vacant land for affordable housing.

N.J.S.A. 52:27D-310.2 provided that municipalities could reserve up to three percent of the land area for conservation, parks or open space.

N.J.S.A. 52:27D-311 set forth the manner in which municipalities could comply with their obligations. They included: rezoning for densities that afforded economic viability through mandatory set-asides or density bonuses; the amount of residential zoning required to achieve the obligation; use of municipal lands; condemnation of lands; tax abatements; utilization of State or Federal subsidy; and purchase of existing units. The municipality was permitted to phase in compliance. Nothing in the Act was to be construed to require municipalities to expend municipal revenues to provide affordable housing. Regional contribution agreements were also permitted, but later abolished by P.L. 2008, c. 46.

A certification process was established in N.J.S.A. 52:27D-313, which was to lead to "substantive certification" designed to grant repose to municipalities from builder's remedy claims for a period of six years (changed to ten years in 2002). Procedures for review of petitions were established in N.J.S.A. 52:27D-314.

Hills Dev. Co. v. Bernards Twp.

The Fair Housing Act was challenged as being unconstitutional in violation of Mount Laurel II in Hills Dev. Co. v. Bernards Twp. in Somerset Cty., 103 N.J. 1 (1986). The Court ruled that the Act was constitutional and established the following principles:

31. The Council is empowered to decide if the plan of the municipality would satisfy its Mount Laurel obligation, i.e., will it create a realistic opportunity for the construction of that municipality's fair share of the regional need for affordable housing (Id. at 20).
32. The concept of scarce resources restraint was established if critical resources would be used up before compliance is achieved (Id. at 25).
33. There was a recognition that a legislative response could result in more affordable housing than the courts could achieve (Id. at 41).
34. The builder's remedy was not intended to be part of the constitutional obligation, but rather a method to achieve compliance (Id. at 42). It was also observed that no builder with the slightest amount of experience could have relied upon the remedy provided in Mount Laurel II in the sense of believing it would not be changed. "If ever any doctrine and any remedy appeared susceptible to change, it was that decision and its remedy" (Id. at 55).
35. The Court reaffirmed its resolve to protect those of low and moderate income means, but also indicated that the kind of response offered by the legislation might permit the court to withdraw from the field, expressing it was always what the Court desired, citing that such a result is "potentially far better for the State and for its lower income citizens" (Id. at 65).

The First Third Round Challenge

COAH adopted substantive rules for each "housing cycle" which outlined how each municipality's fair share housing obligation is calculated and the manner in which a municipality must address it during that "round" (In re Adoption of N.J.A.C. 5:94, 390 N.J.Super. 1 (App. Div. 2007)). Growth share was turned to by COAH as an approach to compliance due to the wide dissatisfaction with the earlier compliance methodologies, which were little understood and impossible to replicate. It was an attempt to simplify the process, but was found to be flawed in a number of respects. The Court sustained parts of the regulations, declared some parts invalid, and remanded to COAH for revisions. In doing so the Appellate Division established some additional principles for guidance:

36. Present need calculations do not require inclusion of cost burdened households (Id. at 35).
37. Using Census surrogates to determine indigenous or rehabilitation need was found appropriate. COAH found such need if any of the following surrogates existed: lack of plumbing; lack of kitchen facilities; or old (prior to 1940 construction) and overcrowded units (Id. at 40).

38. Filtering, which is the concept of housing units falling in price to affordable levels as newer more expensive units are constructed, was questioned by the Court. The matter was remanded to COAH to support the claim of filtering credits against the statewide need with additional documentary support. The concept seemed counter-intuitive to the Court in 2006, when the case was argued, but is perhaps not so counter-intuitive in today's housing market (Id. at 41).
39. Growth share could be constitutional, but the Court concluded a numberless approach will not be sufficient (Id. at 51). Municipal discretion to determine the numbers must be circumscribed. There was discussion that COAH was going to require municipalities to use the SPC projections to determine the obligation, but those numbers had not been produced by SPC (Id). They were not produced when COAH adopted the second set of third round regulations, now under challenge, but do exist today.
40. To be constitutional, a growth share methodology must allocate the regional need among The municipalities in the region. It was also said that prior to implementing a growth share approach, COAH must have data from the SPC, or some other reputable source, that the State has sufficient vacant developable land within growth areas to enable growth share ratios to generate sufficient affordable units to meet the need (Id. at 54).
41. The elimination of reallocated present need (disproportionate amount of deficient housing in urban municipalities) was sustained (Id. at 56).
42. COAH's use of job calculators based upon square footage of non-residential construction was found to be flawed. Instead the Court directed COAH to count actual jobs at the municipal level to determine any fair share based upon job growth (Id. at 61). COAH, however, continued the use of such a job calculator in the 2008 regulations.
42. The failure to count replacement of dilapidated, non-residential buildings with new buildings as part of job creation was criticized by the Court (Id. at 61). On remand, COAH went far beyond what the Court directed and decided to deny all demolition credits against new construction even though there would be no net increase in housing units or jobs. The regulations were subsequently changed after a home owner, whose home was destroyed by a fire, went to replace the home and was charged a COAH development fee. The incident caused upset across the State and reached the attention of legislators before the practice was changed slightly to exempt reconstructions only by owner occupants.
44. The Court recognized that certain types of development are more expensive and warrant a set-aside of less than 20%. Specifically, it was held that inclusionary developments consisting of single family detached housing and rental units require a deeper developer subsidy. Accordingly, a set-aside percentage of 15% was sustained for single family detached housing and rental housing (Id. at 66).
45. A rule requiring developers to construct affordable units on site without any compensating benefits violates the Mount Laurel doctrine because it does not create a realistic opportunity for construction (Id. at 69).

46. Consideration must be given to the economics of any requirement to build inclusionary development in order to assure the provision that housing is realistic. There must be incentives for developers to build affordable housing. Municipalities cannot zone selected areas for uncompensated mandatory set-asides, and thereby use uncompensated inclusionary requirements with large lot zoning to effectively preclude economical development (Id. at 67-75).
47. A rule change permitting municipalities to satisfy their affordable housing obligation with age restricted units up to 50%, as opposed to the prior 25%, was invalidated. There was insufficient information in the record to support the change, and the Court observed that seniors are free to compete to reside in non-age restricted units while families with children cannot occupy age restricted units (Id. at 75).
48. Regional Contribution Agreements (RCA) were found to be valid, citing various cases that made the same holding earlier (Id. at 80).
49. COAH's system of credits and bonuses designed to encourage various specific types of housing was sustained (Id. at 81).

Most recently, A-500, passed by the New Jersey Legislature in 2008 (P.L. 2008, c.46), significantly amended the Fair Housing Act, which required further change to COAH's rules, which have not yet been proposed. A-500 requires all municipalities to charge a flat rate fee (2.5%) to commercial and industrial developers. Municipalities under COAH's jurisdiction get to use all of the collected funds toward their housing obligation and its administration. These funds revert to the State if not used in four years. Due to the economic down-turn, the 2.5% growth share collection on non-residential construction has been delayed by the Legislature until 2013. A-500 also included a controversial provision abruptly ending the use of RCAs, which had been used by municipalities to fund up to 50% of their prospective obligation in other municipalities by providing funding for both rehabilitation and new construction.

In June, 2008, COAH adopted revised Third Round growth share regulations that substantially amended those regulations in an adoption on October 20, 2008. Those regulations have been challenged in some 22 appeals filed by municipalities, residential builders, commercial builders and housing advocates all presently pending in the Appellate Division.

COAH'S FAILURE

After having reviewed the Fair Housing Act, the Court's decisions in Mt. Laurel I and II, COAH's current and previous regulations and subsequent case law, the Task Force has determined that COAH is irrevocably broken.

COAH has failed in many ways but its response to the Appellate Division's 2007 ruling, and its handling of the latest round, the Third Round, is the most egregious. The COAH Third Round rules have been in the courts since 2004. The controversy surrounding substantially impeded efforts to produce affordable housing in the State. Municipalities are unsure as to whether or not they should spend the escrow funds they have collected from prior development for the purposes of creating low and moderate income housing because of the uncertainty of what will or will not count. The confusion and lack of predictability has resulted in municipalities having almost \$300 million dollars in their affordable housing trust fund awaiting direction and stability. This clearly demonstrates how flawed COAH has become.

As noted earlier, the FHA provides that municipalities may not be required to raise and expend municipal revenues on housing production. Yet, COAH requires that for almost all compliance mechanisms a municipality must adopt and submit a resolution of intent to bond or appropriate for any shortfall in funding of compliance mechanisms. In the procedural rules, COAH then provides that it may, as a matter of enforcement, compel a municipality to exercise the resolution of intent by actually appropriating funds from general revenues to cover any shortfall. The requirements are in direct conflict with the statute. COAH has established that the average subsidy needed to provide a new unit is \$160,000, yet it only allows a 1.5% development fee on residential construction, COAH's heavy reliance on new construction for compliance is out of balance with the funding sources available for production of such housing, thereby, essentially forcing the burden onto property taxpayers. The only compliance mechanism for which such municipal guarantee of funding is not required is inclusionary development, but since the growth share ratio is 1 in 5 it is essentially equal to the 20% set-aside required by COAH, making inclusionary development of little value in achieving compliance with any prior round obligation or growth share beyond that developed by the inclusionary development itself. By improperly relying upon the property taxpayer to fund any shortfall in the system, COAH unfairly burdens all property taxpayers, including those of low and moderate income means. This further exacerbates the State's status as having the greatest property tax burden and making housing less affordable for everyone.

The Task Force heard many complaints from municipal elected officials that the Third Round's vacant land and build out projections are wildly inaccurate and rely on outdated 2002 aerial photography. Despite COAH knowing their numbers were flawed, they proceeded with their allocations of growth share obligations. The computer models used by COAH were never checked for accuracy to see if vacant land was indeed vacant nor were municipalities asked for input. Cemeteries, parks and preserved farms are examples of land that was included as vacant and developable. The COAH vacant land analysis should have been vetted with municipal and county planners as well as the Regional Planning Agencies who have access to more accurate and local data prior to COAH utilizing it for regulatory purposes. The inaccurate and outdated data would have been identified and some of the current COAH related issues could have been avoided.

Moreover, COAH's Third Round housing projections were overstated. COAH relied upon 2006 projections of population from the New Jersey Department of Labor and Workforce Development (NJLWD). These projections were superseded by more current and lower 2008 projections, known to COAH, but ignored. COAH further penalized towns who built large inclusionary projects during the historic growth period from 1993-2002 in New Jersey. They counted all of these units built as new growth resulting in an unsustainable trend in those municipalities, resulting in much higher and superficially projected growth rates through 2018.

COAH used inflated employment projections in the Third Round Rules. The agency projected there would be an increase in jobs between January 1, 2004 and December 31, 2018 of 790,465, saying they relied upon the 2006 NJLWD data. This represents job growth of better than 50,000 per year. However, the 2006 projections actually only foresaw an average of 40,000 jobs per year, and the 2008 estimated job growth at only 25,000 per year. COAH was aware of these much lower projections and again ignored the data. In fact, the actual job growth data reported on the NJLWD website for the years 2004-2007 totaled an average of only 24,000 per year.

How COAH misjudged the employment projections can be readily seen when one compares the total employment reported by COAH in the regulations adopted June, 2008 and those adopted in October, 2008. In June, COAH declared that 2004 employment in New Jersey totaled 3,753,156 jobs, and that there would be an increase of 722,885 jobs by 2018 (40 N.J.R. 2990). In October, COAH declared that 2004 employment in New Jersey totaled 3,689,688 jobs (a decrease of 63,468 jobs), and that there would

be an increase of 790,465 jobs by 2018 (40 N.J.R. 6117). In both cases they said they relied on DOL data, but DOL had not changed their actual numbers from 2004. The assertion was untrue. The job growth number was inflated in the October adoption, partially, by understating the 2004 employment number by 63,468 jobs. These manipulated numbers support COAH's ability to continue to use the ratio of one affordable unit required for every sixteen jobs created.

If COAH had used the more current 2008 projections and the actual 2004 numbers from NJLWD, job growth projections would have been reduced by 40% from 790,000 to 467,000.

Compared to the real world recession in which we now exist, COAH's projections make no sense at all. From January 1, 2004 through June 30, 2009, a 5 ½ year span, NJLWD reported that New Jersey lost a net 59,000 jobs, as opposed to COAH's requirement for municipalities to plan for an increase of more than 50,000 per year. If we compare the COAH projections to a report given to the SPC by Rutgers University in late 2009, we find that from January 1, 2004 through December 31, 2018, New Jersey is projected to have a net loss of 34,900 jobs (see the report at www.state.nj.us/dca/divisions/osg/docs/dfplan_projections.pdf).

COAH's job creation calculations in the Third Round Rules, like most of their other projections, were also flawed. The way COAH used the number of certificates of occupancy issued for commercial development from 2004 through 2007, using a job calculator based upon square footage, which had been criticized by the Court, resulted in the calculation of 196,000 COAH jobs, when in actuality only 95,000 real jobs were created according to NJLWD, a 51% error.

Finally, COAH overstated the statewide need. If COAH had used the 2008 NJLWD projections for population and housing, instead of the superseded 2006 data, statewide need would have been lowered by 21%. Rutgers had, in fact, given the SPC a complete study on projected population, housing and employment, at the state, county, and municipal level, as early as September, 2009, but the information was not released by the Department of Community Affairs (DCA). Elected officials told the Task Force that the OPRA requests for the information were denied claiming the information was "consultative and deliberative." Despite multiple efforts by stakeholders to obtain the information, it was not released by the DCA and SPC until January, 2010.

COAH's consultants determined the total number of units that would filter down to low and moderate income levels between 2004 and 2018 to be 47,306 units. Instead of reducing statewide need by that number, COAH used only 23,626 filtered units in their calculation (N.J.A.C. 5:97, App. A, page 97-51), arguing that they only used suburban filtering and not urban filtering because it would be unfair to reward suburban areas based upon urban filtering. By using the lower filtering numbers, however, the growth share ratio became more intense; these more intense ratios create a greater burden for all municipalities, suburban and urban alike. The COAH logic was flawed.

Since its inception, COAH has over reached its authority granted to it by the Fair Housing Act. The Task Force would argue that COAH's opinion on retroactive obligations is completely inconsistent with the statute. Retroactivity is not expressly or implicitly authorized in the statute, and what COAH is required to do is project present and prospective need. The backward looking imposition of need calculations makes it difficult, if not impossible, for municipalities to comply with their obligation. Because the Appellate Division sent COAH back to recraft certain portions of the 2004 version of the Third Round rules in 2007, COAH's regulations were not completed until 2008. "Prospective need" should have been calculated from 2008 to 2018, to create the growth share model, not from 1999 to 2018. "Present need" should have been calculated as of 2008, not 1999.

Further, COAH's imposition of a growth share obligation based upon the demolition and rebuilding of residential and commercial buildings is illogical, as such an event creates no new net growth. In the 2007 court decision, it was observed that demolition of dilapidated commercial structures should be considered as new construction when they were replaced (In re Adoption of N.J.A.C. 5:94 and 95, 390 N.J. Super at 62-65), but COAH went far beyond what was necessary on this subject in the 2008 regulations (N.J.A.C. 5-97-2.5(b)).

COAH's regulations give no consideration to the actual number of low and moderate income families which may actually reside in any municipality, because the agency only recognizes those that are subject to deed restrictions on the value of their homes, with few exceptions. The Task Force took a look at that issue, and prepared a list of municipalities in the State, together with the total number of households in each based upon the 2000 Census. Using COAH's income limits for 1999 for low and moderate income levels for various size households, and taking the average household size used by COAH and reported in N.J.A.C. 5:97, Appendix A, for 1999, which was just under three persons per household, the Task Force was able to determine the number of low and moderate income households existing in each municipality (See Attachment 5).

The current Third Round rules have an undue impact upon urban municipalities. They fail to recognize in a meaningful way that most municipalities already have significant numbers of low and moderate income households. Nonetheless, COAH assigned urban areas, with large rehabilitation or present needs, large projected growth share obligations. The obligations imposed by COAH on municipalities are set forth in Attachment 6. Jersey City, for example, was assigned a rehabilitation or present need of 4,764 affordable units, and a growth share or prospective need of 2,315 units. Newark, for example, was assigned a rehabilitation or present need of 4,634 affordable units, and a growth share or prospective need of 2,725 units. The Task Force does not believe that municipalities with a large present need should be assigned any prospective need. In the view of the Task Force, the imposition of large growth share or prospective need obligations on municipalities with large present need only serves to discourage, not encourage, urban redevelopment so necessary to the revitalization of our cities and urban areas.

COAH has also consistently failed to achieve any form of consensus on methodology or with policy among other State agencies resulting in contradictory policies that have more often than not resulted in total paralysis throughout the system. Specifically, COAH took nearly four years to develop a Memorandum of Understanding with the Highlands Council making it nearly impossible for municipalities impacted by the Highlands Act to make educated decisions. Similarly, there are documented conflicts between COAH's methodology and both the Pinelands Commission's standards and the DEP requirements, such as the new wastewater management rules. Corbin City's allocation was based on a temporary Center Designation that was eliminated by the New Jersey DEP as part of its CAFRA rule, but was counted in the Third Round rule anyway even though the DCA was advised of the new change.

It appears that COAH has reacted and overreacted to the Courts' decisions rendered from builder's remedy lawsuits rather than follow the law of what the Fair Housing Act actually states.

NEW MODEL

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With all three branches of government currently reviewing COAH, New Jersey has a historic opportunity to create a reliable and affordable housing system that meets four essential criteria: it must be **sustainable, fair, simple and predictable**. By sustainable, we mean environmental, infrastructure, and economic viability; by fair, everyone participates; by simple, easy to understand and easy to measure progress; and by predictable, everyone knows the rules and what the outcomes will be if they are followed

and the consequences if they are not. Further, it is essential to provide a safe harbor for municipalities from the threat of builder's remedy lawsuits.

Keeping the core principles of the Mt. Laurel court decisions and the Fair Housing Act in mind, as well as the significant changes to the State of New Jersey over the last 35 years, the Task Force proposes the following sustainable, fair, simple and predictable model:

- Present Need: Present need would be defined as those substandard housing units in a municipality, which are in need of rehabilitation and are occupied by a household of low and moderate income. The determination of that need should be made as of the present, not the past.
- Prospective Need: Municipalities should provide 10% affordable housing based on the future residential growth as projected by the SPC or have the flexibility of using either a different authoritative source or their own vacant land analysis to demonstrate future growth.
- Urban Areas: Urban municipalities have no prospective need, only present need. All areas slated for redevelopment (brownfields and blighted areas), we believe, should be exempt from the 10% set aside not only because the cost of remediation is so burdensome for developers, but also because these cities need high quality ratables to keep or make their municipalities economically vital and sustainable.
- Affordable Housing Element: Municipal Master Plans must include an Affordable Housing Element which would focus, specifically, on the municipal obligation and how it is to be satisfied. It would be required to explain, in detail how a municipality will achieve its 10% affordable housing objective. A variety of housing options must be demonstrated, but we also believe that municipalities should be allowed flexibility to match both the character of their communities and demographics.
- The County Planning Board: The County Planning Board would be charged with conducting a hearing on the plan to determine compliance, establish a record and render a decision by resolution. If a municipality chooses to deviate from the presumptive numbers established by the SPC, the municipality would bear the burden of proof.
- Safe Harbor: Upon adoption, the County Planning Board's resolution and Affordable Housing Element would be filed by the municipality with the SPC. Upon such filing, the SPC would issue a letter of certification of compliance to the municipality, and the Office of the Attorney General would be charged with defending the municipality against any future challenge to the plan (much in the same way the Attorney General defends plans now approved by COAH). The municipality would, in this process, be entitled to repose from any threat of builder's remedy litigation for a period of 10 years.
- Procedural Mechanisms: The Home Mortgage Finance Agency (HMFA) would administrate the procedural aspects of each municipality's plan including, but not limited to, deed restriction, income qualification and other procedural mechanisms. This is a natural place for those functions as HMFA already has uniform affordability controls. HMFA should further keep track of municipalities' progress and maintain an online inventory of affordable homes and apartments.
- Funding: Funding affordable housing is a serious issue. We support an Impact Fee on residential construction for the short term given the current inability to use other revenue sources, but believe a long-term solution is needed which would not rely on fees from developers.

Discussion of the New Model

Each municipality would have an obligation to address its present need, defined as those housing units which are substandard and occupied by low or moderate income households. The census indicators that COAH used to determine whether or not a unit is substandard are not objectionable. The present need, however, should be calculated as of the present, not the past. Stripped down to its essence, without all of the regulatory baggage created by COAH, the manner of addressing present need, as set forth in the current regulations, appears to be satisfactory. Simply put, “present need” equals “units occupied by low and moderate income households which are in need of rehabilitation.”

Emphasis should be shifted away from requiring new construction to satisfy the obligation for affordable housing in favor of rehabilitation. It is essential to the economic and social stability of the State that urban areas be revitalized. It is equally important to low and moderate income households living in substandard housing set aside of urban areas that they are afforded the opportunity to have their homes rehabilitated. All but a handful of municipalities have such an obligation, and we view it of paramount concern that those current residents of our State be assisted.

The present COAH methodology places too much emphasis on new construction in outlying areas of the State, which is in conflict with more current planning concepts. For far too long, the Mount Laurel doctrine has been used to bring large scale, dense housing developments to suburban and rural areas without producing significant affordable housing. The doctrine has been used as a club by developers to force municipalities to accept such development and has proved an engine for sprawl. Farm fields and forests have been destroyed in the name of the doctrine, despite the Court’s admonition that such need not occur. In many cases, developers have filed builder’s remedy lawsuits, only to settle the cases for high density residential development with no, or little, affordable housing included in the project. Such emphasis on new construction must change. Rehabilitating substandard housing units should be where resources are applied to yield greater results, at lesser cost, to satisfy the needs of low and moderate income households and the State as a whole.

Municipalities would also be required to address prospective need. Prospective need would be declared to be 10% of all prospective residential development. Municipalities would be required in equal ratios to provide 10% of all prospective residential development to be set aside for low and moderate income households.

The goal is to make affordable housing a natural by-product of normal development, and eliminate the endless conflicts, expenditures and complexities that have been attendant to all prior approaches to the problem. While we recognize this approach is new, and will likely be challenged, we would hope the Court would recognize that this obligation, while a lesser percentage than has been addressed by the Court and COAH in the past, is this approach requires a specific number (not a “numberless” approach), thus resulting in certainty; moreover, it is likely, as a mandatory program, to yield a greater number of affordable housing units than any of the prior methodologies, whether they be Court or COAH created.

We recognize the doctrine requires the elimination of cost generating features of development. Since the Court’s decision stating such proposition, the State adopted Residential Site Improvement Standards which are designed as the minimum and maximum necessary to protect public health and safety. Those regulations, essentially, serve to eliminate the cost generating features of development about which the Court spoke. We also recognize, however, that land cost is a significant cost generating factor. In this regard, large lot and small lot zoning would all generate a requirement for a 10% set aside of affordable housing. To achieve such goal in larger lot zoning, municipalities should consider different types of development for affordable units. In sewerred areas, for instance, larger lots could be developed with duplexes, triplexes, and quadplexes made to look, in character, like the surrounding single family homes,

or lot size for affordable units could be reduced. In non-sewered areas, lot size for affordable units should be reduced to the minimum necessary to support a septic system.

The courts have also spoken of the need for a bonus or incentive for developers. The need for a bonus or incentive may be necessary in a voluntary system, such as we have had in the past, but is not necessary in a mandatory system as we now propose. We recognize, however, that producing affordable housing comes at a cost, the total burden of which should not be born by developers. In this regard, the present COAH regulations permit a 1.5% development fee to be imposed on all non-inclusionary residential development. There has been little objection to that fee. As a result, we view the contribution of the developer to be consistent with that fee, but believe there should be some funding source or benefit beyond that cost available to make residential builders whole. This funding source could be in the form of State tax credits, unallocated Realty Transfer Fee or other State designated sources. Density bonuses should only be necessary if set aside rate exceeds 10%.

To further relieve the burden of providing affordable housing to meet the prospective need, we believe the system should be flexible enough to allow alternate means of providing the 10% set aside. Instead of requiring construction on site, builders and municipalities should be able to work together and agree on alternate avenues of satisfaction of the obligation, such as off site construction, a market to affordable program, creation of accessory apartments, gut rehabilitation, contribution to a municipal construction projects, and any other innovative means to provide affordable housing in the municipality. Affordable housing should be flexible – it does not have to mean “new” construction and rely on density bonuses given to builders.

Types of affordable housing should also be flexible. It should include all options to achieve a variety of housing including, but not limited to, transitional housing, accessory housing, group homes, dormitories, infill, write down/buy downs, apartments, manufactured housing, trailers, farm labor housing, ECHO housing, etc. Regional Cooperation Agreements (RCAs) have been recognized by the Supreme Court as legal (Hills Development, 103, N.J. 1 (1986) and the Task Force recommends reinstatement of RCAs. The use of a Transfer of Development Rights (TDR) program should also be explored as a possible compliance mechanism.

Finally, we believe that there are certain fragile populations that should receive double counting, or, in group home or dormitory situations, counting per bedroom. For example, special needs families, those with developmental disabilities, transitional housing, women’s crisis shelters, and group homes just to name a few.

We believe as there is an economic incentive on the part of the residential developer to provide the affordable housing at least cost, and a municipal desire to provide the housing where it is most appropriate, which could result in little or none of the confrontation that has been inherent in the prior approaches to the problem.

Court cases have been critical of a numberless approach to the affordable housing obligation, and have indicated that municipalities should not be permitted to calculate their own obligation. As a result, the 2004 COAH regulations were criticized by the Court. The COAH reaction was to create such high projections in 2008 as to make the system unsustainable. The current FHA requires COAH to consider information from the SPC in fashioning the obligation. Unfortunately, the SPC was well behind schedule in updating the State Plan at the time COAH was forced to act, in part leading to COAH’s wildly excessive projections of growth. We now have projections of growth provided to the SPC in connection with the draft State Plan, which include projections of population, households, housing units and employment through 2028. Those projections should be used to establish the projected obligation of municipalities and become the presumptive numbers. We recommend a 10 year cycle should be

implemented, and if the cycle falls within the reporting points in that analysis a simple interpolation methodology could be used to determine the growth and need. The SPC should be charged with preparing a State Plan every 10 years, as the current requirement has proved unworkable, and should update their projections of growth every 5 years. The first update of projections should be done after the completion of the 2010 Census. In this regard, we understand that COAH did not produce a third round methodology in 1999 because they were awaiting the results of the 2000 Census, and the necessary information was not released by the Census Bureau until a few years later, resulting in the 2004 regulations. The system and cycles should be coordinated with release of Census data.

Municipalities should be required to prepare a new Master Plan element, called the Affordable Housing Element. This element would be separate from, but coordinated with the overall Housing Element, and address how the municipality plans to satisfy the present and prospective affordable housing obligation. It would identify the present need and methods to address that need. It would set forth the presumptive prospective need based upon the SPC data and the methods to address that need. The municipality would be able to rebut the presumptive prospective need based upon other independent authoritative studies (for example, municipalities partially in one of the Regional Planning Agencies could rely on such agency's data), or by conducting a vacant land analysis (which should be broadened to include not only vacant land but developable land, excluding environmentally sensitive lands and other restricted lands where development will not likely occur). The densities used for such calculation should be those that are consistent with the character of the municipality, to avoid any attempt to alter zoning to avoid an obligation, as the concept is that affordable housing should become the natural by-product of normal development patterns.

Once completed, the Affordable Housing Element would need to be independently reviewed. In this regard, we view the County Planning Board as the appropriate body to review the Affordable Housing Element for compliance with the obligation. The County Planning Board would be charged with conducting a hearing on the plan to determine compliance, establish a record and render a decision by resolution. If a municipality chooses to deviate from the presumptive numbers established by the SPC, the municipality would bear the burden of proof to prove any claimed error in the SPC data. The decision by the County Planning Board could be challenged in an action, based upon the record created by the County, in the Law Division of the Superior Court of New Jersey. While the builder's remedy would still have a place in addressing those municipalities that fail to prepare and submit such plans, we would anticipate that the system would bring an effective end to builder's remedy litigation. In any challenge to the County decision on the municipal plan, the normal presumption of validity would apply, and the arbitrary, capricious and unreasonable standard would remain in connection with court review.

Upon adoption of the County resolution, the resolution and Affordable Housing Element would be filed by the municipality with the SPC. Upon such filing, the SPC would issue a letter of certification of compliance to the municipality, and the Office of the Attorney General would be charged with defending the municipality against any future challenge to the plan. The municipality would, in this process, be entitled to repose from any threat of builder's remedy litigation for a period of 10 years.

Finally, HMFA would administrate the nuts and bolts of each municipality's plan including deed restrictions, income qualification and other procedural mechanisms. This is a natural place for those functions as HMFA already has uniform affordability controls. HMFA should further keep track of municipalities' progress and maintain an online inventory of affordable homes and apartments.

Under this new model, towns would no longer have to file housing plans with the State. The new system would be performance-based, with progress toward a town's mandatory 10% prospective affordable housing obligation on all future residential growth on all remaining vacant land. It is a plan that is economically and environmentally sustainable, fair because every town has to meet the same

expectations, simple because it is both a process that is easy to understand as well as measures progress, and predictable in that municipalities know what their affordable housing obligation is and developers know as well. No gimmicks, no formulas, no kidding.

We recommend these revisions be made through legislation, and that the legislation be as clear and complete as possible, leaving as little as possible for administrative agencies to interpret or apply. The greatest mistake made in the adoption of the Fair Housing Act was to create a concept, a Council to implement that concept through regulations, and allow that Council to, essentially, fill a void and make policy that should have been made by the Legislature. The results of that error have brought us to the present point, where no one is satisfied with the performance of the Council, and it will hopefully, be no more.

Key Points of the New Model

Capacity

In simple terms, the best means for determining whether a municipality should have any further affordable housing obligation is to let municipalities establish once and for all a finite number of the amount of acres and capacity it has for residential development and of that number, 10% must be reserved for affordable housing.

A municipality must be able to demonstrate the capacity to grow. Septic densities, water restrictions, sewer capacity as well as enough parkland to sustain a community are essential. Layered on top of this is the transportation capacity to move people throughout their daily lives, enough jobs to sustain them and enough land set aside for non-residential growth to not only employ people but sustain the economy of the municipality must also be taken into consideration. The Court recognized that growth should occur consistent with regional planning considerations and where there are jobs, infrastructure and transportation (Mt. Laurel II, 92 N.J. at 233-239).

The ability to have non-residential development without linking it to job growth predictions which are in turn tied to affordable housing numbers is a very important factor. There are two distinctive type of commercial development. The first type brings to a community external jobs and wealth. It includes export-based industries, basic industries and externally-supported industries. These are economic activities that serve national and international markets, and do not rely on New Jersey markets. They essentially sell or export their goods and services globally. Thus, they are wealth-creating activities that cause new dollars to flow into the State. Any of our pharma companies serve in this role, as does Verizon Wireless. These types of economic activities then support a whole range of other service jobs in the State and have the highest salaries. These are the most desirable employers and the ones New Jersey needs to entice here to help our economy recover.

In contrast, non-basic, local service, or recycling industries primarily serve local markets. They depend on local consumer spending or spending by larger basic industries (export-based). Thus, they depend on recycled dollars. The simplest examples are dry cleaners which simply service local populations. They depend solely on dollars already in New Jersey and do not create new dollars or new wealth. It is often said you can't have a strong economy if it consists solely of households and workers taking in one another's laundry.

Servicing local markets do not generate growth pressures. These types of jobs cycle the income of a town within the town and have little impact from external forces and thus do not lead to significant income growth. These jobs should not be counted or used as proof of true, new job creation because it is the local residents who are taking those positions, not new residents: high school teens, college students home for

summer break, stay at home moms looking for extra income, the underemployed, etc. However, externally supported industries do. For example, AT&T's headquarters opening in 1977 generated strong housing demand in Somerset County and Merck's opening its headquarters in Readington in 1991 generated strong housing demand in Hunterdon and areas to the west. A dry cleaner opening up anywhere in the State of New Jersey will not generate housing demand.

One of the most egregious examples of what COAH's policy of creating affordable housing based on recycling type jobs is in the regional planning area of the NJ Meadowlands. Xanadu, an enormous mall within the jurisdiction of the Sports and Exposition Authority, under COAH's policy, will force more than 800 affordable housing units into the planning area of the NJ Meadowlands which include brownfield areas and protected marshland.

Present Need

The Fair Housing Act and Mount Laurel II require a municipality to provide its present and prospective fair share of the regional need for affordable housing. The term "present need" is not defined in the statute (N.J.S.A. 52:27D-301 et.seq.) and is left to COAH to determine by regulation. Under the present regulatory structure, the term "Present need" is not defined specifically. However, the "Rehabilitation share" is defined (N.J.A.C. 5:97-1.4) to be the number of deficient housing units occupied by low and moderate income households within a municipality.

The history of the definition leads to the conclusion that "Present need" and "Rehabilitation share" are one and the same. In COAH's Second Round regulations, "Present need" was comprised of two components, being the sum of indigenous need and reallocated present need (N.J.A.C. 5:93-1.3). The term "Indigenous need" was defined as deficient housing units occupied by low and moderate income households within a municipality and was a component of present need (Id). The term "Reallocated present need" was defined as that portion of a housing region's present need that was to be reallocated throughout the housing region (Id).

The burden that reallocated present need created for many municipalities struggling to meet their own obligation to provide affordable housing caused COAH, in the first set of Third Round regulations adopted in 2004, to eliminate the concept of reallocated present need. The change left "Present need" with only one component, the former "Indigenous need" which was now changed to "Rehabilitation share." The term "Rehabilitation share" was defined as the number of deficient housing units occupied by low and moderate income households within a municipality (N.J.A.C. 5:94-1.4). The definition was, essentially, the same as the former definition of "Indigenous need," which made up one of the two former components of present need and the present definition of "Rehabilitation share."

The elimination of reallocated present need as a component of present need was challenged unsuccessfully by housing advocates and builders (In re Adoption of N.J.A.C. 5:94 and 95 390 N.J.Super. 1 (App. Div. 2007)). The Court accepted COAH's argument that the reallocation of indigenous need from one municipality to another created excessive burdens for the receiving municipality that was struggling to accommodate its own substandard housing needs. The elimination of reallocated present need as a component of present need was sustained by the court (Id. At 57-60).

As a result, the term "Present need," while it should be defined directly in the regulations, means the number of deficient housing units occupied by low and moderate income households within a municipality. Whether one refers to this need as "present need," "indigenous need," or "rehabilitation share," it means the same. It represents those substandard units occupied by low and moderate income households that need to be rehabilitated or replaced. Each municipality should be required to address its present need.

Prospective Need

In Mount Laurel II, the Court said that in a builder's remedy suit, there must be a proposal for a substantial amount of affordable housing. The Court indicated that 20% seemed to be a reasonable minimum (92 N.J. at 279, fn37). Even though the Court also defined moderate income to mean 80% of the median, which is 40% of the whole (Id. at 221, fn8), the Court has never explained this apparent inconsistency. Maybe the Court realized that to impose a 40% obligation would prove unsustainable, if not impossible. Yet that is what COAH has attempted to do in more recent regulatory adoptions. Moving forward, when the FHA was adopted, and COAH crafted the first round of regulations, the Court's 20% minimum became a 20% maximum (N.J.A.C. 5:92-8.4(c)). What has never been established, with any specific data, is how much of an affordable housing set aside can actually be absorbed in a residential development project without making the project uneconomical or worth pursuing by a developer.

Many stakeholders speaking with the Task Force have suggested the set aside should be 10%. We agree with them.

Since 1986 COAH has been attempting to create affordable housing through an administrative process, which has grown increasingly complex and burdensome. The result has been that COAH claims it has facilitated the construction of some 36,000 new affordable units (see COAH's website accessed on 3/15/10 at www.state.nj.us/dca/affiliates/coah/reports/). We are also aware that another report on the COAH website, dated 12/8/09, claims the number is 59,338 units. This report also carries a disclaimer on each page which reads: "Inclusion of an affordable housing program or project on this report does not certify that the units exist and/or meets COAH's criteria for credit (www.state.nj.us/dca/affiliates/coah/reports/unit.pdf).

Over the same time period that COAH produced 36,000 units of affordable housing, from 1986 through 2009, the State of New Jersey issued over 700,000 residential building permits for new residential units (see table below). If, in 1986, the State of New Jersey has implemented a simple program requiring 10% of residential construction to be set aside as affordable units, the State would have produced approximately 70,000 affordable units instead of the approximate 36,000 (or 59,338 if one accepts the qualified statement in the 12/8/09 report) that has been produced. And, it would have been accomplished as a natural by-product of normal development activity, without the complication, expense, bureaucratic and legal entanglements which have dominated the present and past systems of providing affordable housing.

Residential Construction Permits Issues 1986-2009

Year	Construction Permits
2009	11,067
2008	16,338
2007	25,950
2006	34,323
2005	38,588
2004	35,936
2003	32,984
2002	30,441
2001	28,267
2000	30,441
1999	31,976

1998	31,345
1997	28,018
1996	24,173
1995	21,521
1994	25,388
1993	25,188
1992	19,072
1991	14,856
1990	17,524
1989	30,337
1988	40,909
1987	51,462
1986	57,353
Total	707,601

Source: 2007-2009 NJ Construction Reporter accessed 3/15/10 at www.nj.gov/codes/cr/conrep.shtml 1996-2006 Dep't of Labor and Workforce Development accessed 3/15/10 at lwd.dol.state.nj.us/labor/lps/industry/bp/bp_index.html

Municipalities Should Create Their Own Master Plans

Municipalities have responsibility for zoning their towns but the Court found that municipalities cannot be trusted to create their own low and moderate affordable housing numbers based on the amount of development that they allow (In Re Adoption, 390 NJ Super at 55-56). Consequently, the Task Force recommends that 10% of the growth indicated by the SPC be used as the benchmark number for municipalities. Municipalities that contest the SPC's numbers should have flexibility in adjusting the number if it can demonstrate the growth projected by the SPC will not occur in the time frame chosen or projected. This could be done through a vacant land or build-out analysis and planning projections.

Zoning should be required to reflect the character of the municipality and not some down-zoned version which would invite claims of exclusionary activity. Such relief, the Task Force proposes, would go to the County Planning Board, which would certify as to the reasonableness of the adjustment as well as determine if the municipality has used the correct projected obligation.

While the over projection of the SPC can be accommodated by the municipal adjustment based upon vacant land or build-out analysis, an under-projection would automatically be taken care of by the 10% factor. If greater growth occurs, the set aside obligation would increase the overall number of affordable units. That 10% would not have to be built in every project, and the municipality and the developer should be left to determine the best way to provide the housing (for example, on-site, off-site, buy down, etc.).

By removing the State Plan determination that, through Center Designation, every municipality can grow, and by severing the Memorandum of Understanding (MOU) between COAH and the State Plan that enforces the above, the pressure to satisfy a contrived housing number is eliminated. It is time to stop the COAH dog from wagging the sound planning tail.

Affordable Housing Should be Flexible

Affordable Housing Element in municipal Master Plans should include an examination of the municipality's affordable housing need and the characteristics of the municipality. Flexibility must be provided with regard to the strategies municipalities use to address their affordable housing requirements and housing plans should be allowed to address the affordable housing needs specific to the community. For example, if a large component of a municipality's population is comprised of low income elderly

individuals, than the community should identify mechanisms specific to addressing their needs in its Housing Element of its Master Plan.

The Task Force heard from a broad array of stakeholders that COAH's policy of limiting types of housing options was uncreative and too restrictive. Comments received from the Association of County Planners were adamant about providing a variety of housing because New Jersey's municipalities are so diverse. Consequently, we believe that by providing more flexible housing opportunities for municipalities without draconian limits as to how many or percentage of each type can be counted while still setting a reasonable standard to allow diversity of choice will create more affordable housing in New Jersey. The Task Force also recommends removing the restrictions of pre-1980 housing stock through rehabilitation from being included and allowing more flexibility in deed restriction requirements to allow the market to allow opportunity, especially in this depressed market, to tap into market units that are selling affordably.

Certainly, attached housing units with a 10% set-aside and bonus density to the developer is one way to achieve this, but there are many others as well.

Manufactured housing for a basic 2 bedroom, 1 bath unit can cost as little as \$50,000 (\$28,450 + 7% sales tax, not including the installation cost of \$21,290 (site prep, tie downs, engineer plans, utility hook-ups and a permitting fee of \$460). These costs are subject to local requirements, site considerations and may vary in different parts of the State. These costs are also for homes in a land leased community. Costs on private lots would differ and are subject to other local and state requirements.

Transitional housing, accessory housing, group homes, dormitories, infill, write downs/buy downs, apartments, trailers, echo housing are all viable solutions and generally more affordable than new construction.

It should also be recognized that much of the compliance will be implemented without Federal funds, and policies like affirmative marketing requirements for accessory apartments or farm dwellings for laborers are counter productive and do not recognize unique situations which could provide greater affordable housing opportunities.

Additionally, provisions related to the loss of restrictions in the event of foreclosures should be eliminated if not required by the law.

Similarly, graduate student housing should be viewed as counted as affordable housing considering that most graduate students would be income-qualified for affordable housing and would compete for the limited affordable housing units in the regional market if they did not already have housing. In 2008, COAH finally agreed and exempted certificates of occupancy issued for graduate student housing owned and/or operated by an institution of higher education from contributing to a municipal growth share obligation. The Task Force recommends that this exemption continue under our new model.

Municipalities must be encouraged to select options for addressing their affordable housing obligations that match their unique affordable housing needs as well as their unique community characteristics. The preferred types of affordable housing specified in the Housing Element should be consistent with the community's vision and land use priorities; utility, infrastructure and community service capacity and fiscal resources. For example, as shown on the State Plan Policy Map and Agricultural Development Plan, the State's rural and agricultural resources are concentrated in some areas of the State, while urban and suburban concentrations occur in areas near the State's centers of industry and commerce. Likewise, some municipalities are more suited to accommodating affordable housing than others.

It must be recognized that large scale inclusionary projects can be great burdens on small communities, straining utilities and community service capacity. Inclusionary zoning should not be mandated as the primary mechanism for addressing affordable housing need. In municipalities where its use has been determined to be appropriate, the town should be free to negotiate an appropriate affordable housing set-aside percentage, unit type and affordability mix necessary to meet and maintain its 10% prospective requirement. Set-aside percentages, density bonuses and incentives should be negotiated with developers. Partnerships between municipalities and developers should be encouraged that leverage both public and private resources to create projects that meet the municipality's needs.

The Task Force also believes that any non-profit, Federal or other local/state affordable housing projects funded and constructed in a municipality, should be considered an appropriate part of its Housing Element.

State Planning Commission (SPC)

Once a municipality has finalized its Master Plan it has been reviewed by the County Planning Board for compliance, it would be filed with the SPC. The SPC should remain an advisory board only. It should be moved to a neutral agency; we recommend the Department of State.

The SPC should keep all of the data layers of the other agencies and work to ensure there is no conflict between and among State agencies such as the DEP and DOT. The role of the SPC should be a centralized place for the planning documents of the State agencies for purposes of permitting them to be consistent, and coordinate one with the other. Municipalities should still be brought into the process of State Planning through cross acceptance. It is important that all levels of government understand the desires and plans of all other levels to better coordinate their planning efforts, and reduce costs and conflicts in planning.

While the current round of Cross Acceptance started in 2004 and was completed in 2007, the revised State Development Redevelopment Plan (State Plan) has not been adopted. Municipalities and counties as well as State agencies should be afforded a period to update their data. But it is critical that the State Plan be amended to respect the plans of all municipalities.

In 1992, and reaffirmed in 2004, the SPC created the Development and Redevelopment map which created "center designations" and entered into a Memorandum of Understanding with COAH providing for growth in centers. The center designation in the State Plan should be removed, and municipalities left to plan their growth as they see fit. The information and position of the SPC should be advisory only, and the Commission should not be permitted to turn itself into a regulatory body.

After all the changes to the data layers are made and county and local governments have had an opportunity to review it, it is imperative the related resource mapping product be adopted as soon as possible to be the guidance document for all State Agencies. The Governor should require Agency consistency. The three year cycle for updating the State Development Redevelopment Plan is too short and cannot be supported by resources at all levels of government; it would make sense to do updates on 10 year cycles, with updates of growth projections in population, households, housing units, and employment, every five years, keyed to release of Census data. Further, while the negotiation phase of Cross Acceptance was completed last year, DEP has made additional changes to the map without county or municipal input. Changes to the map should and must be circulated for review and comment to all levels of government, before they are implemented. Such a requirements is critical for sound planning at all levels.

The State Planning Act was always intended to provide guidelines for municipalities to consider when designing their land use policies to promote rational development in locations where infrastructure exists and protect farmland and other environmentally sensitive areas. It was also designed to foster coordination of planning at State agencies. The SPC should be returned to its core purpose.

Cross Acceptance needs further refinement because, in practice, it does not match up to the intent of the Act which was to encourage a grassroots effort from bottom-to-top. Theoretically, COAH housing designations should not be in conflict with planning designations in the State Plan and COAH rules state that in rural or environmentally sensitive areas (Planning Areas 4 and 5): “The Council shall require inclusionary development (containing affordable housing) to be located in the centers” and that “all sites designated for low and moderate income housing shall be consistent with the applicable” water and sewer plans. Ironically, COAH indicated that market rate units do not have to abide by such stringent regulations.

Pursuant to N.J.S.A. 52:27D-307, municipal adjustment of present and prospective fair share is made on the basis of available vacant and developable lands, infrastructure considerations, or environmental or historic preservations factors. Such adjustments shall be made if historically important sites or surroundings environmentally sensitive lands may be jeopardized; the development pattern would be drastically altered; adequate land for recreation, agriculture, conservation and open space would not be provided; the pattern of development is contrary to planning designations in the State Development and Redevelopment Plan; vacant and developable land and adequate public infrastructure and facilities are not available or would result in prohibitive costs to the public.

The Task Force recommends amending the FHA so that at least one member of the SPC should represent the interests of rural areas. It was envisioned that urban areas would be the focus of the FHA and the State Planning Act. In practice, however, rural areas were heavily impacted by both laws. Therefore, it is appropriate to require that representatives of rural areas and agriculture both serve on the State Planning Commission.

EXECUTIVE ORDER RESPONSES

Having laid out a sustainable, simpler, more fair and predictable affordable housing delivery model, the Task Force, in response to Executive Order 12, provides the following responses.

1. *The best means for determining whether a municipality should have any further affordable housing obligation;*

As laid out above, using the SPC growth projections as a benchmark and allowing municipalities the flexibility to challenge those numbers through other authoritative sources or other means should lead to a realistic determination of prospective need. However, we believe the 2010 Census data should be reviewed based upon the 2009 income levels, once produced, to determine what percentage of households in all municipalities are of low and moderate income means. If there is consistency with the data developed for this report based upon the 2000 Census, we believe the need for affordable housing may not be as great as some would argue, and that ample diverse housing stock may already exist to meet the need as a result of the changes we have seen in the State over the past 25 years, as discussed hereinabove.

2. *the regions that have been used by COAH for more than 20 years and whether they are still appropriate;*

Pursuant to N.J.S.A. 52:27D-304b, “housing region” is defined as a geographic area of not 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 as last defined by the United States Census Bureau prior to the Act's effective date.

For the purposes of establishing affordable housing regions, the Task Force recommends using the Federal government's Metropolitan Areas which are consistent with New Jersey Department of Labor's areas. COAH, which requires both labor and income information to determine housing Regions, is inconsistent with the Federal and State Labor Departments.

Federal Government Metropolitan Areas

Metropolitan Statistical Areas are principal units. If they are very large, they are subdivided into Metropolitan Divisions.

The following are the Federal government definitions of metropolitan areas for New Jersey. New Jersey Department of Labor's *Labor Areas* are based on these definitions.

- 1) NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NEW YORK-NEW JERSEY-PENNSYLVANIA METROPOLITAN STATISCAL AREA
 - New York-Wayne-White Plains, NY-New Jersey Metropolitan Division: *Bergen, Hudson, and Passaic* (New York City, Putnam, Rockland, and Westchester also included.)
 - Edison, New Jersey Metropolitan Division: *Middlesex, Monmouth, Ocean, and Somerset*
 - Newark Union, New Jersey-PA Metropolitan Division: *Essex, Hunterdon, Morris, Sussex, and Union* (Pike in PA is also included.)
- 2) PHILADELPHIA-CAMDEN-WILMINGTON, PENNSYLVANIA, NEW JERSEY DELAWARE-MARYLAND METROPOLITAN STATISTICAL AREA:
 - Camden, New Jersey Metropolitan Division: *Burlington, Camden, and Gloucester*
 - Wilmington, DE-MD-New Jersey Metropolitan Division: *Salem*
- 3) TRENTON-EWING, NEW JERSEY METROPOLITAN STATISTICAL AREA: *Mercer*
- 4) ALLENTOWN-BETHLEHEM-EASTON, PA-NEW JERSEY METROPOLITAN STATISTICAL AREA: *Warren*
- 5) ATLANTIC CITY, NEW JERSEY METROPOLITAN STATISTICAL AREA: *Atlantic*
- 6) OCEAN CITY, NEW JERSEY METROPOLITAN STATISTICAL AREA: *Cape May*
- 7) VINELAND-MILLVILLE-BRIDGETON, NEW JERSEY METROPOLITAN STATISTICAL AREA: *Cumberland*

New Jersey's Department of Labor Areas

Each labor area is drawn directly from metropolitan definitions but includes only New Jersey counties. Consequently, both the Federal and New Jersey's definitions are consistent.

- *Bergen, Hudson, and Passaic* (designated Bergen, Hudson and Passaic)
- *Middlesex, Monmouth, Ocean, and Somerset* (designated Edison)

- *Essex, Hunterdon, Morris, Sussex, and Union* (designated Newark-Union)
- *Burlington, Camden, and Gloucester* (designated Camden)
- *Salem* (designated Salem)
- *Mercer* (designated Trenton-Ewing)
- *Warren* (designated Warren)
- *Atlantic* (designated Atlantic City)
- *Cape May* (designated Ocean City)
- *Cumberland* (designated Vineland-Millville-Bridgeton)

COAH'S Regions

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

COAH clearly is inconsistent with the Federal and State designated labor areas. We believe that the COAH regions should be redefined to reflect this since COAH links employees with housing. COAH regions should be drawn as closely as possible to Federal and State Labor areas. For example, COAH region 6 (4 southern counties) could be broken down into Salem-Cumberland and Atlantic-Cape May. Salem does not have any linkage to Atlantic County labor or its housing markets. Warren County, on the other hand, should reflect housing in the Federal Metropolitan Area of Easton, Pennsylvania, including Allentown and Bethlehem. Warren County has a much stronger linkage with the Lehigh Valley than it does to Union County.

These regions should be adjusted after every Census.

3. *The possibility of incorporating workforce housing into the concept of affordable housing;* Workforce housing should not be regulated or legislated. The market should dictate all other housing if not required by the Supreme Court. By Federal Department of Labor definition, workforce housing means housing that is between 80% and 120% of median cost. Subtracting low income housing (50% of median or below) and moderate income housing (80% of median or below) and the very wealthy McMansions of the affluent, EVERYTHING else in New Jersey qualifies as workforce. Most importantly, the Court does not recognize the “workforce housing” category. By imposing a new category into the affordable housing mix, the potential result would be more housing, more controversy and perhaps a more complicated formula. The Task Force supports allowing the market and local zoning to drive the need for any housing not court mandated.
4. *The diverse and significantly divergent State projections for housing and employment growth to determine the obligation for a variety and choice of housing, taking into consideration the need for open space preservation and environmental protection as elements of sound land use planning;* By allowing municipalities the ability to plan with the unique characteristics of their communities in mind, our new model not only allows municipalities to grow at a pace with which they are comfortable but also mandates a predictable amount of affordable housing, but gives that municipality the flexibility to deliver affordable housing that fits the community. Consequently, New Jersey with 566 diverse municipalities will end up with a variety and choice of affordable housing options.

5. *Mechanisms that should be used to support the rehabilitation of deteriorating housing in the urban centers;*

Without bond funds, grants or other financial assistance including RCA funding to assist the urban areas with rehabilitation of their present need, funding is a challenge during this exceedingly difficult economy. One possible solution is to allow urban municipalities to receive tax credits and to expand the flexibility of the Urban Enterprise Zone (UEZ) program to allow that any or all of the 3.5% tax collected be used for housing rehabilitation within the zone. This would require a legislative remedy.

Similarly, in the Casino Redevelopment Area, CRDA funds should be permitted to rehabilitate housing stock within the jurisdiction of the CRDA.

6. *The means for developing economies, efficiencies and savings in the development process;*

It is recognized that unless significant density bonuses and incentives are granted to developers, market rate units within inclusionary housing projects become more costly in order to subsidize the affordable units. Workforce housing within these higher density inclusionary projects has been precluded from “naturally occurring” due to this problem. The use of public-private partnerships, through which municipal or state resources are leveraged with private funds in the development of inclusionary development projects should be tested as a way to assure affordable housing cost burdens are not passed on to market rate homeowners.

One of the most sustainable and “smart” form of economic development is to permit the “refill” of existing vacant non-residential office, commercial and industrial space where appropriate. Vacancy rates in many areas of the State are extremely high due to the Great Recession, and a delay in job recovery is projected. Furthermore, the rate of job growth during this recovery period is expected to be slower as compared to economic recovery cycles. However, economic renewal of many of our declining urban and inner-ring suburban municipalities depends on revitalization and re-use of vacant non-residential facilities. By municipalities having creative zoning options for mixed use commercial and residential zones, empty buildings can find new life. Municipalities can sustain the additional residential units with new commercial ratables.

Urban municipalities should also seek partnerships with developers and private sector funders to leverage and maximize scarce resources. On the funding side this may include partners such as Community Preservation Corporation and on the development side this may include entities ranging from both non-profits to for-profit corporations.

7. *Ways to encourage rehabilitation as well as new development in meeting the need for affordable housing;*

The Task Force recommends:

- Identify opportunities to better align existing DCA housing financing programs (State and Federal) to support affordable housing rehabilitation and construction.
- The State Plan needs to reflect statewide priorities and coordinate State Agency regulations and programs, as well as provide a framework for sustainable development and redevelopment.
- Reduce costs and share/strengthen expertise and efficiency by maximizing shared service opportunities when administering municipal affordable housing programs.
- Uncouple the affordable housing system from the courts through simplification of the process.
- Implement permit streamlining.
- Provide State monetary incentives for affordable housing rehabilitation

- and new construction.
- Expand the flexibility of the UEZ program to allow any or all of the 3.5% tax collected to be used for housing rehabilitation within the zone.
- Allow CRDA funds to be used to rehabilitate housing stock within the jurisdiction of the CRDA.

8. *the appropriateness of methodologies that continue to include prior round need or include retroactive growth as part of a growth share approach;*

The Court has stated that only present and prospective need be calculated. No municipality, in the Task Force’s opinion, should be required or forced to look retrospectively, especially since the methodology used by COAH has been flawed. The Task Force sees no reason or legal basis for continuing prior rounds’ methodologies or obligations.

9. *other issues.*

a. Funding

We acknowledge that funding is a tremendous burden right now due both to the economy and the State Budget.

However, the Task Force would like to point out that the current method for funding affordable housing has been and will continue to be unsuccessful unless a fair and sustainable funding mechanism is identified. Although the 1985 Legislature which approved the Fair Housing Act intended that State funds be established to pay for affordable housing obligations, the reality is that municipalities have had to rely primarily on builders to finance these mandates resulting in a whole host of unintended consequences.

The Task Force offers the following recommendations:

Short term: Municipalities should be able to create their own Impact Fee ordinance placing a floor of 1% and a ceiling of 1.5% on residential construction. Municipalities may choose to require the fee on all residential additions, tear downs, etc., or limit it to new residential construction only. These fees may be used for both present and prospective need as well as administrative costs. Any fees not used in four years from the date of collection shall be sent to the Affordable Housing Trust located in the HMFA for distribution to other municipalities with need. Once present and prospective needs are met, a municipality may no longer collect any impact fees.

The Task Force recognizes that any impact fee collected for inclusionary zoned developments may not be enough to provide for the affordable housing obligation. Because the Court and the Fair Housing Act both recognize that neither the municipality (taxpayers) nor the builders should bear the burden of the cost of affordable housing without a stable source of funding from the State the only recourse the Court has determined is density bonuses, which have been a source of pushback by local governments. However, there is an alternative. We believe that RCAs should be reinstated and its use broadened. RCAs provided a highly successful means of providing funding for rehabilitation and redevelopment (COAH reports on their website that 10,000 units were created with such funds). Although the Legislature eliminated that source of compliance, the Courts, however, have repeatedly held that RCAs are permissible. RCAs allowed one municipality to send a portion of their prospective need to another

municipality for either their rehabilitation component (present need) or prospective need. Consistent with that concept, the Task Force recommends that as a way for developers of inclusionary affordable housing to meet their obligation they should be allowed to rehabilitate residential units in that municipality. Such a compliance mechanism, along with a list of other mechanisms, to be identified by each municipality should provide for the developer to comply at the least cost.

In the interest of stimulating our economy and encouraging job growth in the commercial, retail, industrial and office sectors, non-residential development and future job creation and the imposition of an additional affordable residential development requirement must be de-linked from both. As jobs are created around New Jersey, housing opportunities will naturally follow, since employers and employees seek housing conveniently located to both employment and public transportation centers.

We support the use of UEZ funds for urban rehabilitation of housing stock provided those residential units are in the UEZ.

We support the use of CRDA funds for the rehabilitation of housing stock within the CRDA's jurisdiction.

The current municipal escrow balances held for the purpose of creating affordable housing should be used for any planning elements a municipality may consider necessary, including a full build-out or vacant land analysis may require. Once the municipality has submitted its Master Plan to the SPC, the municipality may use its remaining funds for both present and prospective need within the municipality. Any funds unused after four years will be moved to the Affordable Housing Trust Fund at HMFA for reallocation to those municipalities that have ongoing present need.

The Department of Community Affairs released a Funding Guide in October 2008, which identified numerous DCA funding sources that could be made available for affordable housing. It reports that DCA had available various programs which could generate almost \$850 million per year, and over \$7.5 billion in 10 years, to fund affordable housing (see <http://www.nj.gov/dca/affiliates/coah/resources/planresources/fundguide.pdf>). These sources should be used to pay for the cost of rehabilitation, and if necessary, to compensate residential developers for any compensatory benefit that may prove necessary beyond exemption from the 1.5 development fee. However, in some cases the funds are limited as to their purpose and current funding levels may prove limited.

Finally, the policy of prevailing wage has negatively impeded the development of affordable apartment rental units. All monies coming from HMFA require the use of prevailing wage for construction which has driven up costs dramatically. Combined with the fact that monthly rents are currently reduced to the 2007 level, a level which is unsustainable according to the NJ Apartment Association, the likelihood of affordable apartments being developed in New Jersey is diminished unless heavily subsidized.

Long term: We request the Governor consider freezing the current level of funding provided from the Realty Transfer Fee at the FY 2010 Budget Actuals for each area which gets financial support from the fee for a period of not less than five years or until such time as real estate begins to turn over at a more robust level. Any funds accumulated above the freeze line shall be deposited into the Affordable Housing Trust Fund.

We support the concept of using the Realty Transfer Fee for either the debt service on publicly supported, long-term housing bonds or as “pay as you go.”

The Fund would be administered by the HMFA and given as grants to all municipalities requiring present need rehabilitation on an equalized basis. An analysis needs to be done to ascertain how much funding is actually needed to rehabilitate the present need housing stock, how much can actually be done per year and the amount of the Realty Transfer Fees that needs to be dedicated to make this work. Eventually, we would like to see the elimination of the Impact Fee altogether and 100% reliance on the Realty Transfer Fees for both present and prospective need.

The DCA in cooperation with the HMFA should also issue annual reports that account for every dollar spent on affordable housing projects and the number of affordable housing units produced and rehabilitated. This report should include data on all affordable housing regardless of the source.

N.J.S.A. 52:27D-320 establishes the Neighborhood Preservation Non-lapsing Revolving Program within the DCA and a “separate” fund “for monies appropriated by section 33 of this act.” The Task Force recommends deleting reference to section 33 of this act and recommends adding language that essentially provides that the fund would have monies appropriated by the Realty Transfer Fee and any other funds designated by the Legislature. The Task Force finds that subsequent to the funds expended in accordance with section 33, parts of the Realty Transfer Fee were designated for affordable housing programs.

b. Deed Restrictions

The issue of deed restrictions on affordable housing has been very difficult for the Task Force. While we all support the idea of “the American Dream” of capitalistic home ownership, we have concluded and recognize that the Mt. Laurel Doctrine is not about wealth accumulation through home ownership, but about shelter.

Therefore, the Task Force suggests the following regarding the issue of deed restriction:

- Apartments built as affordable units should be deed restricted for at least thirty years, but not more than the life of the building.

By deed restricting “not longer than the life of the building” rather than “in perpetuity” an owner has the flexibility to remove blighted structures rather than be locked into expensive rehabilitation.

- Houses built or acquired as affordable should be deed restricted for thirty years.

However, we believe by offering a choice and variety of affordable housing, including

manufactured homes, that not all units require deed restriction. Some types of housing are inherently less expensive than traditional construction. The Task Force believes a municipality should be able to receive credit for an affordable unit whether or not it is deed restricted.

c. Scarce Resource Allocation (2009 Executive order 114)

The COAH Scarce Resource resolution in the Planning Regions of the Highlands, Meadowlands and Pinelands Region should be eliminated. The COAH issued Scarce Resource Order (SRO) covers all these regions. The SRO generally requires that, unless a developer includes a 20% affordable housing component in its development, the project will not qualify for hook up into sewer or water. This SRO applies to both residential and non-residential projects. The impact of COAH's SRO can be measured in the loss of construction and permanent employment opportunities as well as the revenue that could be derived through the same.

Municipalities within these regions have limited environmental resources and developable land. Like their extreme sister municipalities in the urban areas, high quality ratables are desperately needed to make or keep these municipalities economically vital and sustainable and should be exempt from the 10% (let alone 20%) obligation or permitted to shift the obligation through RCAs or a Transfer of Development Rights (TDR) program.

d. Transit Village Hubs

P.L. 2008, C.46 (A-500) contains requirements that have made the redeveloping of certain (primarily urban) transit village to be so expensive that developers cannot and will not take on otherwise, feasible projects in some urban hubs.

The Task Force believes it makes complete sense to include affordable housing in downtowns and near public transportation nodes. Practically speaking, however, creating affordable, deed restricted housing in downtown hubs presents many challenges. For instance, environmental remediation presents a serious obstacle for redevelopment. Many downtown sites, especially those near rail stations, contain some level of environmental contamination requiring DEP approval. These approvals and remedies are often time consuming and costly. Environmental remediating in urban areas, however, is an important and necessary policy goal.

The Task Force supports reducing the significant affordable housing burden placed on some Transit Villages, especially those with environmental contamination, and encourages the development of more flexible options (allowed through the Task Force's new model) which would help spur downtown redevelopment across the State, but in particular in our more urban areas.

e. Transfer of Development Rights (TDR)

TDR is a concept to promote open space and agricultural preservation while addressing equity concerns and guiding development into areas more suitable for growth. TDR cannot be authorized until the problem of land equity in sending districts is addressed. Because there are few areas in the State that want the higher density that it takes to make TDRs work, it is questionable whether landowners in sending districts could sell their rights. If the State Development Bank were to purchase these rights, who would buy them and for what purpose and where would they be used? While these questions are being addressed, the Task Force recommends encouraging voluntary TDR.

f. Common Interest Ownership Communities

Requiring low and moderate income affordable unit owners in Common Interest Ownership Communities to pay less in homeowner association assessments than market-rate unit owners, a

system that remains in place for numerous communities built in the 1980s, has resulted in the market-rate owners subsidizing the living expenses of the affordable unit owners. That subsidy places a disproportionate and unfair burden on the market-rate owners, creates resentment among owners and causes financial problems for governing associations. While this practice is no longer allowed through State law, COAH in its rule, effective December 20, 2004, grandfathered and excluded from the regulation developments subject to ordinances adopted before October 1, 2001 (N.J.A.C. 5:80-26.6). The Task Force recommends the State removing the differentials between affordable and market-rate units in all community associations, regardless of when they were created or what ordinance applied at the time.

Compounding the problem is the fact that once an owner qualifies for affordable housing, there is no required re-qualification. Thus, a purchaser who satisfied the income requirements to buy a low or moderate income home may continue to pay reduced common expense assessments for the full period of the affordable housing plan no matter his or her financial situation. Unlike, detached housing where owners own their homes and the land, unit owners in this type of subdivision own an equal share of the entire subdivision making this payment disparity an unfair arrangement. The Task Force recommends that if the practice of subsidizing or waiving living expenses for affordable unit in a Common Interest Ownership Community is to continue than the State should consider requiring a re-qualification process every 3 years to assess whether or not an affordable unit owner still merits having the common interest living expenses subsidized or waived.

CONCLUSION

New Jersey is a different place from 1975, and what might have worked at one time, simply is too broken to fix now. The COAH model which promotes sprawl and does not encourage our municipalities to maintain their unique characteristics is outdated and must be changed, especially in light of the fact that what small percentage of affordable housing it has delivered has come at a dear price. The rules have gotten so distorted that it is impossible to redo, revisit or reinvent. A one-size fits all model does not fairly and equitably serve the municipalities who have worked so hard over the years to address their affordable housing obligations.

The Task Force has attempted to create a new model for the delivery of affordable housing with as much flexibility as possible, so that our diverse municipalities are provided with options to address their affordable housing obligations in the least disruptive manner to their communities. And we believe our model will result in more affordable housing than any of the past rounds.

The Task Force believes that the new model we have presented can deliver more affordable housing while keeping the character of the communities intact. Municipalities no longer would have to feel choked by unsustainable housing densities, unfair formulas, difficult rules and, ultimately, an unpredictable and never ending “next” round. Affordable housing should be a natural by-product of all residential growth with lots of housing options.

Further, in answering the Governor’s Executive Order 12, the Task Force has not only addressed those questions presented, but we have also identified a number of other concerns including long-term funding, the issue of deed restriction and inequities of common interest communities’ maintenance fees in older, inclusive subdivisions just to name a few.

The Task Force appreciates the Governor providing us with an opportunity to participate in the debate of affordable housing and the future of COAH and stand ready to help him in whatever next step he wishes to take.

Suggestions for Short Term Regulatory Correction

The following constitutes recommendations on how to amend the existing COAH regulations for a short term solution to problems that have been identified, while the Legislature addresses a longer term solution.

1. Replace the projections of growth in the allocation model, N.J.A.C. 5:97, Appendix F, Exhibits A and B, with the projections of growth for housing units and employment for each municipality contained in the Impact Assessment of the New Jersey State Development and Redevelopment Plan prepared by Rutgers, Center for Urban Policy Research, for the State Planning Commission.
2. Reduce the statewide need set forth in N.J.A.C. 5:97, Appendix A, by the full amount of filtering found by the COAH consultants, not just one half, and revise the growth share ratios accordingly. While we believe the entire growth share ratio methodology should be revised to eliminate the retroactive computation of prospective need, and should be based upon more current and accurate data, such a solution would not appear to be able to be accomplished without further lengthy delay. If it can be accomplished simply, it should be done.
3. When a municipality can demonstrate, through its household demographics, it has not excluded low and moderate income households, such municipality shall not have an obligation above its “rehabilitation share” as presently defined in the regulations. Presumptively, a municipality with 40% or more of its households occupied by persons of low and moderate income means would fall into this category.
4. Municipalities with large present need, defined as “rehabilitation share,” should not have a growth share obligation.
5. Vacant land adjustments should be permitted based upon a municipality showing that the vacant land included in the mapping provided by COAH’s consultant is in error. The use of COAH’s Excel Workbook as a tool to determine vacant land adjustments should be abandoned. It has no relation to the vacant land analysis used by COAH to project the obligation and overstates the carrying capacity of the remaining vacant land. Additionally, land which is too small to accommodate five (5) residential units should not be considered vacant and developable in accordance with N.J.S.A. 52:27D-310.1.
6. If a municipality receives an adjustment to the projected growth based upon a vacant land adjustment, it should not have to plan for the growth which was originally projected. An adjustment should simply reflect an adjustment to the projected obligation. Consistent with that modification, the concept of “unmet need” from the prior round obligation, referenced in N.J.A.C. 5:97-5.3, should also be eliminated. If the actual growth exceeds the revised projection, or for that matter, the original projection if no vacant land adjustment is sought, the growth share ratio applied to that growth can be addressed in a subsequent periodic review.
7. Adjustments to the growth projections should also be permitted based upon a lack of sewer and/or water capacity. If a municipality can demonstrate there is insufficient infrastructure or capacity in a system to support the projected growth, COAH should allow a proportionate reduction in the projected obligation.

8. COAH assumes that, if there is sufficient land to accommodate the projections, a municipality is not entitled to an adjustment of the growth projections. A municipality should have the ability to show COAH that, based upon actual construction, the projected growth will not occur by December, 2018 and be allowed to make a reasonable adjustment to the growth share projections. In the event a municipality seeks an adjustment on this basis, COAH should consider whether or not the municipality unreasonably engaged in some zoning activity designed to reduce growth and what, if any, effect such zoning had on the achievement of the growth projections.

9. Generally, any adjustment received by a municipality from the projections of growth should result in an adjusted projected growth share obligation, and the municipality should not have any obligation to address more than the adjusted number.

10. The Third Round obligation should not include the entire obligation from the prior round. N.J.A.C. 5:97-2.2(a) should be revised to reflect that only the “remaining” prior round obligation, that which was not satisfied, should be included in the Third Round. The present approach creates a cumulative total then seeks to apply prior credits; it forces the application of multiple, regulatory methods and is unnecessarily complicated. A municipality that satisfied a prior round obligation should not have to prove that satisfaction.

11. Resolutions of intent to bond or appropriate funds in connection with various compliance mechanisms should be repealed (i.e., N.J.A.C. 5:97-6.2(b)(3), 6.3(b)(2), 6.8(b)(4), 6.9(d)(5), 6.10(e)(8), 6.11(b)(8), and 6.14(c)(3)), because they are in violation of the Fair Housing Act’s prohibition against requiring a municipality to raise or expend municipal revenues to provide for affordable housing. N.J.S.A. 52:27D-311. Instead, municipalities should be required to commit to making a good faith effort to procure adequate funding. Additionally, N.J.A.C. 5:96-11.8(b)(2), which authorizes COAH to require municipalities to appropriate funds from general revenues in the event of a funding shortfall, should be repealed as it is clearly contrary to the law.

12. COAH should be required to realistically assess funding sources for affordable housing, and develop requirements which are in economic balance. The Funding Guide, which appears on COAH’s website, needs to be reviewed to make certain that sufficient funds exist to support the regulatory program. Where funding is inadequate, COAH needs to reduce the burdens placed upon municipalities to avoid creating an imbalance which would cause a violation of N.J.S.A. 52:27D-311.

13. An economic impact statement should be part of any regulatory proposal, as is required by N.J.S.A. 52:14B-4(a)(2). The required statement, in order to comply with the law, must contain a description of the required costs, revenues and other economic impacts upon governmental bodies, as well as the regulated public.

14. No growth share obligation should occur from development of market rate units in an inclusionary development. The growth share obligation should only apply to development which is not part of any compliance mechanism. To do otherwise, as the current regulations do, is to make compliance mechanisms incapable of ever achieving compliance. Apparently recognizing the problem, COAH attempted to cure the regulations through a letter issued by the Executive Director on October 30, 2008 (Attachment 1), but has never incorporated those provisions in the regulations.

15. A growth share obligation should not occur if a building is demolished and replaced. It is one thing to assess growth where a dilapidated unoccupied building is demolished to make way for new construction. It is quite another, however, to impose a growth share obligation when no new residential or non-residential growth is actually created. The simplest way to resolve the problem is to allow demolition credits against certificates of occupancy, unless a building has been abandoned or been unfit for occupancy, for a period of at least five consecutive years.
16. The table for calculating jobs contained in N.J.A.C. 5:97, Appendix D, should be abandoned. This table attempts to calculate jobs based upon various square footage amounts for different non-residential uses. It is very inaccurate, and the concept was criticized by the Court in 2007. Actual jobs should be counted at the municipal level in order to determine the actual growth share obligation (e.g., determine the number at time of site plan approval, estimate it at time of issuance of a certificate of occupancy or actually count the jobs created by the development).
17. Excess credits from prior round compliance should be applied against any Third Round obligation without application of formulas as presently required by N.J.A.C. 5:97-4.1, and all such credits should be counted.
18. All credits to which any municipality may be entitled should be permitted to be applied as the municipality chooses and should not be restricted in application as COAH now does in N.J.A.C. 5:97-4.1 et.seq.
19. The practice of denying credits for actual affordable housing based upon a failure to satisfy the complexities of N.J.A.C. 5:97-4 should be abandoned. Units which are part of a housing program specifically intended to provide affordable housing should all be credited. While deed restrictions are important to preserve affordable units into the future, the lack of such specific control does not mean existing units are not credit worthy. The regulations need to be simplified to reflect that actual affordable housing needs to be credited.
20. The requirement for affirmative marketing of accessory apartments and farm worker dwellings needs to be eliminated. COAH has recognized that the accessory apartment program has not been very successful; it needs to be less restrictive to make it more effective.
21. The artificial limitations applied to the number of credits that may be obtained for various compliance mechanisms contained in N.J.A.C. 5:97-6 should be relaxed. Instead, the success of programs should be part of the periodic review.
22. The regulations should be clear that the loss of an affordable unit, due to no fault of the municipality, should not serve to require the municipality to incur additional obligations.
23. Supportive and special needs housing, assisted living and other alternative living arrangements should be credited based upon the households served (even if they be one person), not the bedroom or apartments.
24. No municipality should be denied the right to expend its affordable housing trust fund money in connection with any affordable housing effort just because it is not in the spending plan. The regulations

need to respect that fluid situations arise, where municipalities may need to act immediately to acquire or protect affordable units (e.g., acquisition of land for a municipal project).

25. Development fee ordinances and amendments should be permitted to become effective upon adoption if they comply with the terms of the regulations, without having to await COAH approval.

26. Revise N.J.A.C. 5:97-3.20(b) to permit application of all credits to which municipalities are entitled. The present regulation artificially caps the number of bonus credits that a municipality may claim.

27. COAH should apply the 1,000 unit cap to the entire obligation and not just growth share. N.J.S.A. 52:27D-307(e).

28. Incorporate any other recommendations of the Governor's Housing Opportunity Task Force that may be implemented through regulatory change under the current statute.



State of New Jersey
Council on Affordable Housing

101 SOUTH BROAD STREET
PO Box 813
TRENTON NJ 08625-0813

(609) 292-3000
(609) 633-6056 (FAX)

JON S. CORZINE
Governor

JOSEPH V. DORIA JR.
Commissioner
LUCY VANDENBERG
Executive Director

October 30, 2008

Re: Affordable Housing Reform Statute, P.L.2008, c.46 – Guidance Document

Dear Mayor:

On July 24, 2008, COAH sent you correspondence summarizing the major provisions of P.L.2008, c.46, which was signed by Governor Corzine on July 17, 2008, and makes significant changes to the provision of affordable housing in New Jersey, including amendments to the Fair Housing Act, N.J.S.A. 52:27D-301 et seq. As noted in that correspondence, P.L. 2008, c.46, provides a comprehensive reform of New Jersey housing law by establishing a Statewide non-residential development fee, eliminating Regional Contribution Agreements, promoting the creation of very low-income housing, creating incentives for inclusionary development, providing new authority for regional planning entities to work with municipalities to create affordable housing and requiring a 20 percent affordable housing set-aside for state-funded initiatives and residential development within the jurisdiction of regional planning entities.

Subsequently, on September 12, 2008, COAH sent you correspondence regarding the Statewide Non-Residential Development Fee Act, including guidance on the imposition, collection, and use of development fees. Model documents are available on COAH's website at <http://www.nj.gov/dca/coah/round3resources.shtml>.

We are now writing to provide you with further guidance on the implementation on P.L.2008, c.46, as it relates to fair share plans being submitted to meet COAH's December 31, 2008 deadline. COAH is in the process of preparing amendments to its regulations to comply with the new statute. Guidance is offered in the following areas:

Very low income housing:

P.L.2008, c.46, creates a requirement that at least 13 percent of affordable housing units be reserved for occupancy by very low income households, defined as households with a gross household income equal to 30 percent or less of area median income for households of the same size within the housing region.

Third Round Housing Elements and Fair Share Plans must address the 13% very low-income requirement of the growth share obligation. Pursuant to N.J.A.C. 5:97-3.3, at least 50% of the units addressing a municipality's fair share obligation must be affordable to low-income households. The 13% of the total obligation that must be deed restricted for occupancy by very low income households under the statute may be a part of this 50% low-income requirement.

In keeping with COAH's current rules at N.J.A.C. 5:97-3.9 requiring that 50 percent of the growth share obligation be addressed with family housing and the new statutory requirement for 13% very low income housing, your plan will need to provide at least 50 percent of the very-low income housing requirement through family housing. The balance could be met with age-restricted units or supportive and special needs housing.

Examples of ways your municipality can address the very-low income requirement include: project-based Section 8 vouchers for rental units where the units are deed restricted for occupancy by very-low income households; providing additional incentives or a direct subsidy to subsidize the creation of affordable rental housing priced and reserved for very-low income households in a zoning ordinance or specified in a developer's or redeveloper's agreement; buying down the cost of a unit to very-low income households through a market-to-affordable program; a municipally sponsored 100 percent affordable project where a portion of the units are priced to be affordable to very-low income households; supportive and special needs housing reserved for very-low income households; and accessory apartments that are priced and reserved for very-low income households. In addition, any funds from the municipal affordable housing trust fund that are used to subsidize a unit to make it a very-low income unit would also qualify as addressing the municipality's very-low income affordability assistance requirement in N.J.A.C. 5:97-8.8(a).

N.J.A.C. 5:97-3.7(a), which permitted bonuses for all very low income units meeting the criteria of this section, is no longer effective given the enactment of P.L.2008, c.46. In keeping with P.L.2008, c. 46, and COAH's current regulations at N.J.A.C. 5:97-3.7(b), municipalities may now only receive a bonus for each very-low income family affordable unit addressing the growth share obligation that is built after June 6, 1999 in excess of the very-low income requirement. Very low-income bonuses are provided for family units created under the provisions of N.J.A.C. 5:97-6.4, 6.5, 6.6, 6.7, 6.9, 6.13 or 6.15.

The requirement to address the very-low income requirement will be monitored biennially by COAH at the municipal Plan Evaluations pursuant to N.J.A.C. 5:96-10.1.

Regional planning entities:

P.L.2008, c.46, requires that developments within the jurisdiction of any regional planning entity, including but not limited to the New Jersey Meadowlands Commission, the Pinelands Commission, the Fort Monmouth Economic Revitalization Planning Authority, and the Highlands Water Protection and Planning Council, shall be required to reserve at least 20 percent of the residential units constructed for affordable housing to the extent economically feasible.

In determining economic feasibility, as required by the statute, the Council will be considering the presumptive densities and set-asides in COAH's rules pursuant to N.J.A.C. 5:97-6.4(b)2 (for-sale housing) and N.J.A.C. 5:97-6.4(b)6 (rental housing). A site zoned for inclusionary development would be presumed to be economically feasible if it meets these minimum densities and maximum set-asides. The Council will work cooperatively with each of the regional planning entities to tailor these presumptive densities and set-asides, as necessary, to ensure consistency with each entity's regional master plan while preserving a realistic opportunity for the 20 percent affordable housing set-aside to be created.

The requirement to include 20 percent affordable housing in residential developments within the jurisdiction of regional planning entities will be monitored biennially by COAH at the municipal Plan Evaluations pursuant to N.J.A.C. 5:96-10.1.

In addition, pursuant to P.L.2008, c.46, a new program to foster regional planning entities has been created, through which the regional planning entities listed above, as well as Atlantic County, shall identify and coordinate affordable housing opportunities in partnership with municipalities. The regional planning program allows for up to 50 percent of the municipality's affordable housing obligation to be provided outside the municipality but within that region. Affordable units under this regional planning process may not be provided in urban aid municipalities or in Abbott districts. The New Jersey Sports and Exposition Authority in the Meadowlands District is exempt from this 50 percent limitation.

To address this provision of the statute, municipalities may use the Affordable Housing Partnership Program (to be renamed Regional Partnership Program) provided in COAH's rules at N.J.A.C. 5:97-6.13 up to the 50 percent limitation.

In addition, some of the regional planning entities, such as the New Jersey Meadowlands Commission, have issued guidance and/or are soliciting input from experts, to help identify suitable affordable housing sites and programs within the context of their respective regional master plans. COAH has entered or will be entering into Memoranda of Understanding with the affected regional planning entities to further the implementation of P.L.2008, c. 46.

State-funded planning initiatives:

Pursuant to P.L.2008, c.46, projects consisting of newly constructed residential units financed in whole or in part with State funds, including transit villages, units constructed on State-owned property, and urban transit hubs, are required to provide at least a 20 percent set aside of units for low and moderate income households, unless the municipality has received substantive certification from the Council or a judgment of compliance or repose from the court, and the set-aside is not required under the approved affordable housing plan.

Such state-funded planning initiatives must be identified at the time of petition or in accordance with the municipality's implementation schedule and proposed zoning ordinances or redevelopment plans, as applicable, must include a minimum 20 percent set-aside for affordable housing.

The requirement to include 20 percent affordable housing in residential developments financed in whole or in part with State funds will be monitored biennially by COAH at the municipal Plan Evaluations pursuant to N.J.A.C. 5:96-10.1.

Non-residential to residential zone change:

Pursuant to P.L.2008, c.46, if a municipality changes the zoning of a site from non-residential to residential within 24 months of an application for residential development, the Council shall require a percentage, to be determined by the Council based on economic feasibility, be reserved for occupancy by low and moderate income households.

Municipalities must document at the time of petition sites that are proposed to be rezoned from nonresidential to residential uses as follows: all sites that were rezoned from nonresidential to residential uses since July 17, 2006 where a developer has made an application for development after July 17, 2008. This would include both applications to the municipal planning board and to the municipal zoning board. Such sites shall include affordable housing as a percentage of the units constructed on-site based on economic feasibility.

In determining economic feasibility, as required by the statute, the Council will be considering the presumptive densities and set-asides in COAH's rules pursuant to N.J.A.C. 5:97-6.4(b)2 (for-sale housing) and N.J.A.C. 5:97-6.4(b)6 (rental housing). A site zoned for inclusionary development would be presumed to be economically feasible if it meets these minimum densities and maximum set-asides.

The requirement to address include affordable housing on sites rezoned from non-residential to residential will be monitored biennially by COAH at the municipal Plan Evaluations pursuant to N.J.A.C. 5:96-10.1.

Incentives for inclusionary development:

As noted above, P.L.2008, c.46 imposes a new inclusionary development requirement for several regions of the State (Highlands, Meadowlands, Pinelands, and Fort Monmouth), as well as for a variety of new development types (non-residential to residential rezonings and State-funded planning initiatives). Further, under P.L.2008, c.46, municipalities choosing to meet their affordable housing obligation through inclusionary zoning must now provide specific incentives to developers in the form of increased densities and reduced costs. A municipality and a developer may apply to the Council for reduced affordable housing set-asides or increased densities to ensure the economic feasibility of an inclusionary development.

In order to provide increased incentives to both developers and municipalities to create affordable housing through inclusionary development and ensure the economic feasibility of the inclusionary developments now required by the statute, COAH will permit any additional market-rate units that result from a rezoning to permit increased density to accommodate affordable housing to be exempted from the actual growth share obligation. In such circumstances, provided the affordable set-aside complies with COAH's standards, the increased density provided in an inclusionary zone would not generate a growth share obligation. Only the base density before the rezoning would generate a growth share obligation.

Example: A site in Planning Area 2 that does not include affordable housing permits four dwelling units per acre. The municipality rezones the site using COAH's presumptive density of six dwelling units per acre for Planning Area 2, an increase of two dwelling units per acre. The four dwelling units per acre would generate a growth share obligation, but the additional two dwelling units per acre would not.

This correspondence is intended to provide you with guidance on implementing the newly adopted Fair Housing Act amendments and other statutory changes. COAH will also be taking the necessary steps to conform the COAH regulations to the new statutory requirements. Please be sure to check COAH's website at www.nj.gov/dca/coah/legislation.shtml for additional updates.

We look forward to working with you over the coming weeks as you prepare to meet COAH's December 31, 2008 deadline for third round plan submission.

Sincerely,

A handwritten signature in black ink that reads "Lucy L Vandenberg". The signature is written in a cursive, flowing style.

Lucy Vandenberg
Executive Director

REHABILITATION SHARE, PRIOR ROUND OBLIGATION & GROWTH PROJECTIONS

effective October 20, 2008

Municipality	County	Rehabilitation SHARE	1987-1999 Prior Round OBLIGATION	PROJECTED Growth Share 2004 - 2018		
				Housing Projection	Employment Projection	Projected Growth Share
ABSECON CITY	ATLANTIC	29	144	428	253	101
ATLANTIC CITY	ATLANTIC	591	2,458	160	2,923	215
BRIGANTINE CITY	ATLANTIC	11	124	127	39	28
BUENA BOROUGH	ATLANTIC	35	41	80	399	41
BUENA VISTA TOWNSHIP	ATLANTIC	16	19	277	283	73
CORBIN CITY	ATLANTIC	1	13	20	55	7
EGG HARBOR CITY	ATLANTIC	38	42	117	638	63
EGG HARBOR TOWNSHIP	ATLANTIC	100	763	3,697	6,885	1,170
ESTELL MANOR CITY	ATLANTIC	6	21	90	85	23
FOLSOM BOROUGH	ATLANTIC	5	20	58	120	19
GALLOWAY TOWNSHIP	ATLANTIC	46	328	2,950	4,162	850
HAMILTON TOWNSHIP	ATLANTIC	56	349	1,845	2,175	505
HAMMONTON TOWN	ATLANTIC	84	257	733	2,608	310
LINWOOD CITY	ATLANTIC	66	140	182	341	58
LONGPORT BOROUGH	ATLANTIC	4	59	8	39	4
MARGATE CITY	ATLANTIC	3	96	63	78	17
MULLICA TOWNSHIP	ATLANTIC	26	40	245	152	59
NORTHFIELD CITY	ATLANTIC	14	190	279	758	103
PLEASANTVILLE CITY	ATLANTIC	94	0	413	1,605	183
PORT REPUBLIC CITY	ATLANTIC	0	19	46	1	9
SOMERS POINT CITY	ATLANTIC	26	103	118	438	51
VENTNOR CITY	ATLANTIC	132	27	8	-26	2
WEYMOUTH TOWNSHIP	ATLANTIC	8	15	114	1	23
ALLENDALE BOROUGH	BERGEN	4	137	268	-341	54
ALPINE BOROUGH	BERGEN	2	214	466	72	98
BERGENFIELD BOROUGH	BERGEN	119	87	204	421	67
BOGOTA BOROUGH	BERGEN	69	13	61	294	31
CARLSTADT BOROUGH	BERGEN	32	228	12	1,110	72
CLIFFSIDE PARK BOROUGH	BERGEN	136	28	146	425	56
CLOSTER BOROUGH	BERGEN	14	110	150	106	37

REHABILITATION SHARE, PRIOR ROUND OBLIGATION & GROWTH PROJECTIONS

effective October 20, 2008

Municipality	County	Rehabilitation SHARE	1987-1999 Prior Round OBLIGATION	PROJECTED Growth Share 2004 - 2018		
				Housing Projection	Employment Projection	Projected Growth Share
CRESSKILL BOROUGH	BERGEN	26	70	164	274	50
DEMAREST BOROUGH	BERGEN	4	66	193	142	47
DUMONT BOROUGH	BERGEN	31	34	88	282	35
EAST RUTHERFORD BOROUGH	BERGEN	85	90	110	1,561	120
EDGEWATER BOROUGH	BERGEN	24	28	596	4,358	392
ELMWOOD PARK BOROUGH	BERGEN	67	54	447	2,965	275
EMERSON BOROUGH	BERGEN	0	74	406	853	135
ENGLEWOOD CITY	BERGEN	194	152	537	1,916	227
ENGLEWOOD CLIFFS BOROUGH	BERGEN	2	219	224	657	86
FAIR LAWN BOROUGH	BERGEN	53	152	380	740	122
FAIRVIEW BOROUGH	BERGEN	164	20	133	1,834	141
FORT LEE BOROUGH	BERGEN	160	180	1,268	5,047	569
FRANKLIN LAKES BOROUGH	BERGEN	3	358	700	114	147
GARFIELD CITY	BERGEN	175	0	211	1,310	124
GLEN ROCK BOROUGH	BERGEN	11	118	123	-91	25
HACKENSACK CITY	BERGEN	301	201	545	4,110	366
HARRINGTON PARK BOROUGH	BERGEN	4	56	179	87	41
HASBROUCK HEIGHTS BOROUGH	BERGEN	49	58	115	780	72
HAWORTH BOROUGH	BERGEN	4	64	211	136	51
HILLSDALE BOROUGH	BERGEN	15	111	195	139	48
HO-HO-KUS BOROUGH	BERGEN	0	83	134	356	49
LEONIA BOROUGH	BERGEN	72	30	103	98	27
LITTLE FERRY BOROUGH	BERGEN	42	28	129	508	58
LODI BOROUGH	BERGEN	123	0	314	1,726	171
LYNDHURST TOWNSHIP	BERGEN	53	100	43	1,911	128
MAHWAH TOWNSHIP	BERGEN	44	350	1,262	8,488	783
MAYWOOD BOROUGH	BERGEN	29	36	122	231	39
MIDLAND PARK BOROUGH	BERGEN	16	54	2	163	11
MONTVALE BOROUGH	BERGEN	5	255	610	2,291	265
MOONACHIE BOROUGH	BERGEN	7	95	11	298	21

REHABILITATION SHARE, PRIOR ROUND OBLIGATION & GROWTH PROJECTIONS

effective October 20, 2008

Municipality	County	Rehabilitation SHARE	1987-1999 Prior Round OBLIGATION	PROJECTED Growth Share 2004 - 2018		
				Housing Projection	Employment Projection	Projected Growth Share
NEW MILFORD BOROUGH	BERGEN	45	23	128	340	47
NORTH ARLINGTON BOROUGH	BERGEN	58	4	94	63	23
NORTHVALE BOROUGH	BERGEN	15	86	16	-12	3
NORWOOD BOROUGH	BERGEN	10	118	64	121	20
OAKLAND BOROUGH	BERGEN	16	220	431	836	138
OLD TAPPAN BOROUGH	BERGEN	7	98	356	314	91
ORADELL BOROUGH	BERGEN	6	89	269	511	86
PALISADES PARK BOROUGH	BERGEN	126	0	166	1,741	142
PARAMUS BOROUGH	BERGEN	44	698	773	3,574	378
PARK RIDGE BOROUGH	BERGEN	19	112	130	365	49
RAMSEY BOROUGH	BERGEN	15	189	568	1,742	222
RIDGEFIELD BOROUGH	BERGEN	51	47	106	-239	21
RIDGEFIELD PARK VILLAGE	BERGEN	101	25	479	2,162	231
RIDGEWOOD VILLAGE	BERGEN	77	229	269	670	96
RIVER EDGE BOROUGH	BERGEN	31	73	102	328	41
RIVER VALE TOWNSHIP	BERGEN	0	121	242	81	53
ROCHELLE PARK TOWNSHIP	BERGEN	32	64	66	479	43
ROCKLEIGH BOROUGH	BERGEN	1	84	69	281	31
RUTHERFORD BOROUGH	BERGEN	96	95	219	684	87
SADDLE BROOK TOWNSHIP	BERGEN	38	127	164	1,296	114
SADDLE RIVER BOROUGH	BERGEN	15	162	485	304	116
SOUTH HACKENSACK TOWNSHIP	BERGEN	10	50	20	572	40
TEANECK TOWNSHIP	BERGEN	234	192	479	1,412	184
TENAFLY BOROUGH	BERGEN	62	159	241	567	84
TETERBORO BOROUGH	BERGEN	0	106	0	426	27
UPPER SADDLE RIVER BOROUGH	BERGEN	0	206	235	309	66
WALDWICK BOROUGH	BERGEN	26	81	223	408	70
WALLINGTON BOROUGH	BERGEN	71	5	248	1,561	147
WASHINGTON TOWNSHIP	BERGEN	0	85	288	89	63
WESTWOOD BOROUGH	BERGEN	41	87	94	468	48

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Municipality	County	Rehabilitation SHARE	1987-1999 Prior Round OBLIGATION	PROJECTED Growth Share 2004 - 2018		
				Housing Projection	Employment Projection	Projected Growth Share
WOODCLIFF LAKE BOROUGH	BERGEN	0	170	483	912	154
WOOD-RIDGE BOROUGH	BERGEN	61	38	249	1,940	171
WYCKOFF TOWNSHIP	BERGEN	36	221	639	691	171
BASS RIVER TOWNSHIP	BURLINGTON	13	15	42	583	45
BEVERLY CITY	BURLINGTON	16	18	47	101	16
BORDENTOWN CITY	BURLINGTON	5	33	85	440	45
BORDENTOWN TOWNSHIP	BURLINGTON	21	211	741	279	166
BURLINGTON CITY	BURLINGTON	66	89	249	2,650	215
BURLINGTON TOWNSHIP	BURLINGTON	56	445	1,623	3,037	514
CHESTERFIELD TOWNSHIP	BURLINGTON	0	55	340	9	69
CINNAMINSON TOWNSHIP	BURLINGTON	5	331	497	2,555	259
DELANCO TOWNSHIP	BURLINGTON	7	61	340	1,686	173
DELTRAN TOWNSHIP	BURLINGTON	25	208	921	1,346	268
EASTAMPTON TOWNSHIP	BURLINGTON	17	49	211	493	73
EDGEWATER PARK TOWNSHIP	BURLINGTON	12	30	207	528	74
EVESHAM TOWNSHIP	BURLINGTON	5	534	1,825	3,233	567
FIELDSBORO BOROUGH	BURLINGTON	4	19	31	17	7
FLORENCE TOWNSHIP	BURLINGTON	36	114	644	464	158
HAINESPORT TOWNSHIP	BURLINGTON	10	150	458	708	136
LUMBERTON TOWNSHIP	BURLINGTON	49	152	1,039	2,558	368
MANSFIELD TOWNSHIP	BURLINGTON	5	114	1,277	654	296
MAPLE SHADE TOWNSHIP	BURLINGTON	45	0	418	1,242	161
MEDFORD LAKES BOROUGH	BURLINGTON	0	60	13	8	3
MEDFORD TOWNSHIP	BURLINGTON	15	418	852	1,613	271
MOORESTOWN TOWNSHIP	BURLINGTON	18	621	902	3,698	412
MOUNT HOLLY TOWNSHIP	BURLINGTON	74	0	329	471	95
MOUNT LAUREL TOWNSHIP	BURLINGTON	32	815	2,266	15,489	1,421
NEW HANOVER TOWNSHIP	BURLINGTON	9	4	59	288	30
NORTH HANOVER TOWNSHIP	BURLINGTON	16	1	62	142	21
PALMYRA BOROUGH	BURLINGTON	20	39	288	214	71

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Municipality	County	Rehabilitation SHARE	1987-1999	PROJECTED Growth Share 2004 - 2018		
			Prior Round OBLIGATION	Housing Projection	Employment Projection	Projected Growth Share
PEMBERTON BOROUGH	BURLINGTON	10	9	32	-40	6
PEMBERTON TOWNSHIP	BURLINGTON	85	0	671	1,323	217
RIVERSIDE TOWNSHIP	BURLINGTON	42	6	84	-59	17
RIVERTON BOROUGH	BURLINGTON	17	15	51	-154	10
SHAMONG TOWNSHIP	BURLINGTON	7	84	209	-59	42
SOUTHAMPTON TOWNSHIP	BURLINGTON	5	85	416	271	100
SPRINGFIELD TOWNSHIP	BURLINGTON	3	54	139	290	46
TABERNACLE TOWNSHIP	BURLINGTON	10	106	181	622	75
WASHINGTON TOWNSHIP	BURLINGTON	0	11	-6	175	11
WESTAMPTON TOWNSHIP	BURLINGTON	13	221	583	1,348	201
WILLINGBORO TOWNSHIP	BURLINGTON	53	268	655	1,568	229
WOODLAND TOWNSHIP	BURLINGTON	6	19	67	555	48
WRIGHTSTOWN BOROUGH	BURLINGTON	4	10	17	188	15
AUDUBON BOROUGH	CAMDEN	16	0	22	557	39
AUDUBON PARK BOROUGH	CAMDEN	5	4	17	55	7
BARRINGTON BOROUGH	CAMDEN	4	8	240	474	78
BELLMAWR BOROUGH	CAMDEN	45	107	99	555	54
BERLIN BOROUGH	CAMDEN	24	154	472	886	150
BERLIN TOWNSHIP	CAMDEN	4	109	152	3,168	228
BROOKLAWN BOROUGH	CAMDEN	9	23	10	109	9
CAMDEN CITY	CAMDEN	1,229	0	624	5,268	454
CHERRY HILL TOWNSHIP	CAMDEN	145	1,829	1,522	5,951	676
CHESILHURST BOROUGH	CAMDEN	2	28	88	184	29
CLEMENTON BOROUGH	CAMDEN	35	19	26	531	38
COLLINGSWOOD BOROUGH	CAMDEN	105	0	115	351	45
GIBBSBORO BOROUGH	CAMDEN	18	112	90	-293	18
GLOUCESTER CITY	CAMDEN	68	0	-7	205	13
GLOUCESTER TOWNSHIP	CAMDEN	114	359	2,872	6,298	968
HADDON HEIGHTS BOROUGH	CAMDEN	24	23	86	307	36
HADDON TOWNSHIP	CAMDEN	42	35	124	250	40

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Municipality	County	Rehabilitation SHARE	1987-1999 Prior Round OBLIGATION	PROJECTED Growth Share 2004 - 2018		
				Housing Projection	Employment Projection	Projected Growth Share
HADDONFIELD BOROUGH	CAMDEN	29	192	75	-181	15
HI-NELLA BOROUGH	CAMDEN	4	0	18	21	5
LAUREL SPRINGS BOROUGH	CAMDEN	6	17	9	-104	2
LAWNSIDE BOROUGH	CAMDEN	18	33	114	1,218	99
LINDENWOLD BOROUGH	CAMDEN	74	0	205	588	78
MAGNOLIA BOROUGH	CAMDEN	11	22	45	198	21
MERCHANTVILLE BOROUGH	CAMDEN	15	0	2	-7	0
MOUNT EPHRAIM BOROUGH	CAMDEN	9	33	-7	-15	0
OAKLYN BOROUGH	CAMDEN	14	1	11	-29	2
PENNSAUKEN TOWNSHIP	CAMDEN	203	0	539	4,020	359
PINE HILL BOROUGH	CAMDEN	38	22	467	662	135
PINE VALLEY BOROUGH	CAMDEN	0	47	70	308	33
RUNNEMEDE BOROUGH	CAMDEN	22	40	135	795	77
SOMERDALE BOROUGH	CAMDEN	16	95	70	546	48
STRATFORD BOROUGH	CAMDEN	26	70	66	-51	13
TAVISTOCK BOROUGH	CAMDEN	0	80	5	-2	1
VOORHEES TOWNSHIP	CAMDEN	86	456	1,256	6,834	678
WATERFORD TOWNSHIP	CAMDEN	43	102	284	788	106
WINSLOW TOWNSHIP	CAMDEN	92	377	2,579	1,952	638
WOODLYNNE BOROUGH	CAMDEN	24	0	0	10	1
AVALON BOROUGH	CAPE MAY	0	234	-10	-65	0
CAPE MAY CITY	CAPE MAY	8	58	16	51	6
CAPE MAY POINT BOROUGH	CAPE MAY	0	34	-2	11	1
DENNIS TOWNSHIP	CAPE MAY	17	220	20	191	16
LOWER TOWNSHIP	CAPE MAY	72	324	88	17	19
MIDDLE TOWNSHIP	CAPE MAY	33	454	360	1,219	148
NORTH WILDWOOD CITY	CAPE MAY	16	80	113	-272	23
OCEAN CITY	CAPE MAY	138	411	258	-514	52
SEA ISLE CITY	CAPE MAY	5	109	165	-226	33
STONE HARBOR BOROUGH	CAPE MAY	0	141	-1	-97	0

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Municipality	County	Rehabilitation SHARE	1987-1999 Prior Round OBLIGATION	PROJECTED Growth Share 2004 - 2018		
				Housing Projection	Employment Projection	Projected Growth Share
UPPER TOWNSHIP	CAPE MAY	14	317	109	643	62
WEST CAPE MAY BOROUGH	CAPE MAY	11	7	-3	-17	0
WEST WILDWOOD BOROUGH	CAPE MAY	0	33	14	2	3
WILDWOOD CITY	CAPE MAY	82	113	237	71	52
WILDWOOD CREST BOROUGH	CAPE MAY	2	42	79	-265	16
WOODBINE BOROUGH	CAPE MAY	18	88	5	232	16
BRIDGETON CITY	CUMBERLAND	276	0	353	2,148	205
COMMERCIAL TOWNSHIP	CUMBERLAND	4	45	126	-65	25
DEERFIELD TOWNSHIP	CUMBERLAND	21	41	145	299	48
DOWNE TOWNSHIP	CUMBERLAND	13	10	51	151	20
FAIRFIELD TOWNSHIP	CUMBERLAND	4	79	83	-168	17
GREENWICH TOWNSHIP	CUMBERLAND	0	13	28	18	7
HOPEWELL TOWNSHIP	CUMBERLAND	0	114	213	3	43
LAWRENCE TOWNSHIP	CUMBERLAND	6	10	123	568	60
MAURICE RIVER TOWNSHIP	CUMBERLAND	6	22	145	135	37
MILLVILLE CITY	CUMBERLAND	129	0	1,015	349	225
SHILOH BOROUGH	CUMBERLAND	0	7	16	47	6
STOW CREEK TOWNSHIP	CUMBERLAND	6	14	59	358	34
UPPER DEERFIELD TOWNSHIP	CUMBERLAND	22	242	322	385	88
VINELAND CITY	CUMBERLAND	426	0	1,916	3,091	576
BELLEVILLE TOWNSHIP	ESSEX	249	0	311	980	123
BLOOMFIELD TOWNSHIP	ESSEX	320	0	441	2,630	253
CALDWELL BOROUGH	ESSEX	25	0	112	667	64
CEDAR GROVE TOWNSHIP	ESSEX	7	70	343	2,042	196
CITY OF ORANGE TOWNSHIP	ESSEX	469	0	396	325	100
EAST ORANGE CITY	ESSEX	1,134	0	570	2,555	274
ESSEX FELS BOROUGH	ESSEX	2	40	44	154	18
FAIRFIELD TOWNSHIP	ESSEX	0	318	134	2,994	214
GLEN RIDGE BOROUGH	ESSEX	29	28	80	134	24
IRVINGTON TOWNSHIP	ESSEX	1,015	0	365	2,929	256

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Municipality	County	Rehabilitation SHARE	1987-1999 Prior Round OBLIGATION	PROJECTED Growth Share 2004 - 2018		
				Housing Projection	Employment Projection	Projected Growth Share
LIVINGSTON TOWNSHIP	ESSEX	17	375	649	2,844	308
MAPLEWOOD TOWNSHIP	ESSEX	125	51	241	329	69
MILLBURN TOWNSHIP	ESSEX	18	261	181	494	67
MONTCLAIR TOWNSHIP	ESSEX	369	0	352	1,459	162
NEWARK CITY	ESSEX	4,634	0	4,028	30,712	2,725
NORTH CALDWELL BOROUGH	ESSEX	0	63	110	427	49
NUTLEY TOWNSHIP	ESSEX	66	29	319	803	114
ROSELAND BOROUGH	ESSEX	1	182	284	1,465	148
SOUTH ORANGE VILLAGE TOWNSHIP	ESSEX	54	63	158	528	65
VERONA TOWNSHIP	ESSEX	28	24	157	309	51
WEST CALDWELL TOWNSHIP	ESSEX	3	200	479	2,045	224
WEST ORANGE TOWNSHIP	ESSEX	324	226	934	2,475	341
CLAYTON BOROUGH	GLOUCESTER	51	94	415	96	89
DEPTFORD TOWNSHIP	GLOUCESTER	22	522	1,577	2,808	491
EAST GREENWICH TOWNSHIP	GLOUCESTER	10	252	422	578	121
ELK TOWNSHIP	GLOUCESTER	7	127	293	173	69
FRANKLIN TOWNSHIP	GLOUCESTER	44	166	859	532	205
GLASSBORO BOROUGH	GLOUCESTER	52	0	685	2,125	270
GREENWICH TOWNSHIP	GLOUCESTER	15	308	172	-10	34
HARRISON TOWNSHIP	GLOUCESTER	10	198	1,043	1,702	315
LOGAN TOWNSHIP	GLOUCESTER	0	455	316	1,804	176
MANTUA TOWNSHIP	GLOUCESTER	13	292	1,133	5,228	553
MONROE TOWNSHIP	GLOUCESTER	49	439	1,579	1,995	440
NATIONAL PARK BOROUGH	GLOUCESTER	6	28	75	73	20
NEWFIELD BOROUGH	GLOUCESTER	3	14	46	-170	9
PAULSBORO BOROUGH	GLOUCESTER	36	0	178	1,050	101
PITMAN BOROUGH	GLOUCESTER	23	40	261	196	64
SOUTH HARRISON TOWNSHIP	GLOUCESTER	7	31	215	-166	43
SWEDESBORO BOROUGH	GLOUCESTER	9	23	80	1,198	91
WASHINGTON TOWNSHIP	GLOUCESTER	44	507	1,771	1,380	440

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Municipality	County	Rehabilitation SHARE	1987-1999 Prior Round OBLIGATION	PROJECTED Growth Share 2004 - 2018		
				Housing Projection	Employment Projection	Projected Growth Share
WENONAH BOROUGH	GLOUCESTER	0	30	60	82	17
WEST DEPTFORD TOWNSHIP	GLOUCESTER	45	368	995	3,338	408
WESTVILLE BOROUGH	GLOUCESTER	31	27	114	125	31
WOODBURY CITY	GLOUCESTER	69	0	5	113	8
WOODBURY HEIGHTS BOROUGH	GLOUCESTER	10	55	65	292	31
WOOLWICH TOWNSHIP	GLOUCESTER	4	209	1,031	2,016	332
BAYONNE CITY	HUDSON	523	0	202	4,207	303
EAST NEWARK BOROUGH	HUDSON	29	2	12	-18	2
GUTTENBERG TOWN	HUDSON	85	23	8	58	5
HARRISON TOWN	HUDSON	186	30	169	1,032	98
HOBOKEN CITY	HUDSON	419	0	654	1,913	250
JERSEY CITY	HUDSON	4,764	0	1,343	32,741	2,315
KEARNY TOWN	HUDSON	442	211	60	3,342	221
NORTH BERGEN TOWNSHIP	HUDSON	962	0	43	3,468	225
SECAUCUS TOWN	HUDSON	67	590	181	4,055	290
UNION CITY	HUDSON	1,744	0	34	3,561	229
WEEHAWKEN TOWNSHIP	HUDSON	217	3	11	2,723	172
WEST NEW YORK TOWN	HUDSON	1,136	0	456	975	152
ALEXANDRIA TOWNSHIP	HUNTERDON	10	22	294	148	68
BETHLEHEM TOWNSHIP	HUNTERDON	5	42	194	44	42
BLOOMSBURY BOROUGH	HUNTERDON	0	17	20	-17	4
CALIFON BOROUGH	HUNTERDON	3	21	24	40	7
CLINTON TOWN	HUNTERDON	0	51	60	1,544	109
CLINTON TOWNSHIP	HUNTERDON	16	335	722	1,644	247
DELAWARE TOWNSHIP	HUNTERDON	8	23	227	142	54
EAST AMWELL TOWNSHIP	HUNTERDON	9	40	213	199	55
FLEMINGTON BOROUGH	HUNTERDON	17	38	93	321	39
FRANKLIN TOWNSHIP	HUNTERDON	19	36	184	452	65
FRENCHTOWN BOROUGH	HUNTERDON	7	2	37	2	8
GLEN GARDNER BOROUGH	HUNTERDON	6	7	31	26	8

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			Prior Round OBLIGATION	Housing Projection	Employment Projection	Projected Growth Share
HAMPTON BOROUGH	HUNTERDON	2	2	25	303	24
HIGH BRIDGE BOROUGH	HUNTERDON	0	27	79	223	30
HOLLAND TOWNSHIP	HUNTERDON	25	17	204	-64	41
KINGWOOD TOWNSHIP	HUNTERDON	11	19	284	128	65
LAMBERTVILLE CITY	HUNTERDON	37	0	252	929	108
LEBANON BOROUGH	HUNTERDON	3	34	10	270	19
LEBANON TOWNSHIP	HUNTERDON	20	28	153	73	35
MILFORD BOROUGH	HUNTERDON	6	5	28	-62	6
RARITAN TOWNSHIP	HUNTERDON	16	360	1,360	3,882	515
READINGTON TOWNSHIP	HUNTERDON	0	394	908	159	192
STOCKTON BOROUGH	HUNTERDON	4	6	13	61	6
TEWKSBURY TOWNSHIP	HUNTERDON	0	119	308	651	102
UNION TOWNSHIP	HUNTERDON	4	78	234	22	48
WEST AMWELL TOWNSHIP	HUNTERDON	4	16	235	79	52
EAST WINDSOR TOWNSHIP	MERCER	45	367	1,149	2,651	395
EWING TOWNSHIP	MERCER	73	481	703	4,496	422
HAMILTON TOWNSHIP	MERCER	277	706	1,852	7,712	852
HIGHTSTOWN BOROUGH	MERCER	30	45	64	710	57
HOPEWELL BOROUGH	MERCER	0	29	25	307	24
HOPEWELL TOWNSHIP	MERCER	5	520	1,474	4,064	549
LAWRENCE TOWNSHIP	MERCER	47	891	1,321	6,512	671
PENNINGTON BOROUGH	MERCER	0	52	68	335	35
PRINCETON BOROUGH	MERCER	67	311	-2	2,845	178
PRINCETON TOWNSHIP	MERCER	47	330	560	886	167
ROBBINSVILLE TOWNSHIP	MERCER	17	293	1,165	1,346	317
TRENTON CITY	MERCER	1,158	0	921	7,713	666
WEST WINDSOR TOWNSHIP	MERCER	23	899	1,850	7,848	861
CARTERET BOROUGH	MIDDLESEX	212	0	535	1,067	174
CRANBURY TOWNSHIP	MIDDLESEX	6	217	224	3,581	269
DUNELLEN BOROUGH	MIDDLESEX	39	0	-1	-45	0

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				Housing Projection	Employment Projection	Projected Growth Share
EAST BRUNSWICK TOWNSHIP	MIDDLESEX	46	648	1,277	3,869	497
EDISON TOWNSHIP	MIDDLESEX	173	965	2,573	9,440	1,105
HELMETTA BOROUGH	MIDDLESEX	3	26	42	113	15
HIGHLAND PARK BOROUGH	MIDDLESEX	75	0	274	728	100
JAMESBURG BOROUGH	MIDDLESEX	17	8	113	-643	23
METUCHEN BOROUGH	MIDDLESEX	42	99	241	1,151	120
MIDDLESEX BOROUGH	MIDDLESEX	24	105	212	326	63
MILLTOWN BOROUGH	MIDDLESEX	10	64	128	-194	26
MONROE TOWNSHIP	MIDDLESEX	101	554	4,545	9,531	1,505
NEW BRUNSWICK CITY	MIDDLESEX	832	0	594	2,917	301
NORTH BRUNSWICK TOWNSHIP	MIDDLESEX	64	395	1,724	6,144	729
OLD BRIDGE TOWNSHIP	MIDDLESEX	142	439	2,462	3,496	711
PERTH AMBOY CITY	MIDDLESEX	929	0	677	963	196
PISCATAWAY TOWNSHIP	MIDDLESEX	144	736	1,704	1,866	457
PLAINSBORO TOWNSHIP	MIDDLESEX	44	205	1,333	2,857	445
SAYREVILLE BOROUGH	MIDDLESEX	100	261	1,731	1,951	468
SOUTH AMBOY CITY	MIDDLESEX	28	0	239	394	72
SOUTH BRUNSWICK TOWNSHIP	MIDDLESEX	36	841	3,120	5,178	948
SOUTH PLAINFIELD BOROUGH	MIDDLESEX	101	379	518	3,131	299
SOUTH RIVER BOROUGH	MIDDLESEX	91	0	473	1,075	162
SPOTSWOOD BOROUGH	MIDDLESEX	19	48	190	170	49
WOODBIDGE TOWNSHIP	MIDDLESEX	300	955	2,000	6,893	831
ABERDEEN TOWNSHIP	MONMOUTH	31	270	245	1,935	170
ALLENHURST BOROUGH	MONMOUTH	1	50	-1	-181	0
ALLENTOWN BOROUGH	MONMOUTH	7	28	37	-61	7
ASBURY PARK CITY	MONMOUTH	299	0	200	1,102	109
ATLANTIC HIGHLANDS BOROUGH	MONMOUTH	6	86	81	602	54
AVON-BY-THE-SEA BOROUGH	MONMOUTH	13	20	19	-7	4
BELMAR BOROUGH	MONMOUTH	55	59	26	156	15
BRADLEY BEACH BOROUGH	MONMOUTH	31	20	55	15	12

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				Housing Projection	Employment Projection	Projected Growth Share
BRIELLE BOROUGH	MONMOUTH	0	159	91	120	26
COLTS NECK TOWNSHIP	MONMOUTH	0	218	279	166	66
DEAL BOROUGH	MONMOUTH	1	54	20	-90	4
EATONTOWN BOROUGH	MONMOUTH	32	504	278	6,955	490
ENGLISHTOWN BOROUGH	MONMOUTH	26	65	90	400	43
FAIR HAVEN BOROUGH	MONMOUTH	5	135	13	-105	3
FARMINGDALE BOROUGH	MONMOUTH	5	19	12	804	53
FREEHOLD BOROUGH	MONMOUTH	105	188	134	158	37
FREEHOLD TOWNSHIP	MONMOUTH	29	1,036	1,220	5,075	561
HAZLET TOWNSHIP	MONMOUTH	27	407	251	1,289	131
HIGHLANDS BOROUGH	MONMOUTH	21	20	71	440	42
HOLMDEL TOWNSHIP	MONMOUTH	16	768	777	1,009	218
HOWELL TOWNSHIP	MONMOUTH	76	955	1,980	7,213	847
INTERLAKEN BOROUGH	MONMOUTH	0	40	1	25	2
KEANSBURG BOROUGH	MONMOUTH	73	0	18	94	9
KEYPORT BOROUGH	MONMOUTH	23	1	95	583	55
LAKE COMO BOROUGH	MONMOUTH	12	30	5	-28	1
LITTLE SILVER BOROUGH	MONMOUTH	0	197	59	16	13
LOCH ARBOUR VILLAGE	MONMOUTH	0	31	1	1	0
LONG BRANCH CITY	MONMOUTH	322	0	593	2,164	254
MANALAPAN TOWNSHIP	MONMOUTH	36	706	1,531	2,089	437
MANASQUAN BOROUGH	MONMOUTH	31	149	27	-239	5
MARLBORO TOWNSHIP	MONMOUTH	36	1,019	1,804	4,684	654
MATAWAN BOROUGH	MONMOUTH	14	141	86	242	32
MIDDLETOWN TOWNSHIP	MONMOUTH	154	1,561	1,149	3,731	463
MILLSTONE TOWNSHIP	MONMOUTH	15	81	488	1,189	172
MONMOUTH BEACH BOROUGH	MONMOUTH	5	70	-10	76	5
NEPTUNE CITY BOROUGH	MONMOUTH	9	33	63	321	33
NEPTUNE TOWNSHIP	MONMOUTH	173	0	521	3,276	309
OCEAN TOWNSHIP	MONMOUTH	52	873	806	2,754	333

REHABILITATION SHARE, PRIOR ROUND OBLIGATION & GROWTH PROJECTIONS

effective October 20, 2008

Municipality	County	Rehabilitation SHARE	1987-1999 Prior Round OBLIGATION	PROJECTED Growth Share 2004 - 2018		
				Housing Projection	Employment Projection	Projected Growth Share
OCEANPORT BOROUGH	MONMOUTH	0	149	84	575	53
RED BANK BOROUGH	MONMOUTH	86	427	106	2,211	159
ROOSEVELT BOROUGH	MONMOUTH	3	29	13	18	4
RUMSON BOROUGH	MONMOUTH	0	268	72	115	22
SEA BRIGHT BOROUGH	MONMOUTH	21	37	20	-94	4
SEA GIRT BOROUGH	MONMOUTH	3	115	31	71	11
SHREWSBURY BOROUGH	MONMOUTH	0	277	52	326	31
SHREWSBURY TOWNSHIP	MONMOUTH	1	12	12	-5	2
SPRING LAKE BOROUGH	MONMOUTH	40	132	5	35	3
SPRING LAKE HEIGHTS BOROUGH	MONMOUTH	5	76	88	90	23
TINTON FALLS BOROUGH	MONMOUTH	26	622	665	5,772	494
UNION BEACH BOROUGH	MONMOUTH	25	83	85	138	26
UPPER FREEHOLD TOWNSHIP	MONMOUTH	9	43	568	456	142
WALL TOWNSHIP	MONMOUTH	45	1,073	1,320	6,450	667
WEST LONG BRANCH BOROUGH	MONMOUTH	0	219	70	205	27
BOONTON TOWN	MORRIS	57	11	214	130	51
BOONTON TOWNSHIP	MORRIS	0	20	271	395	79
BUTLER BOROUGH	MORRIS	36	16	211	332	63
CHATHAM BOROUGH	MORRIS	21	77	182	-14	36
CHATHAM TOWNSHIP	MORRIS	19	83	437	356	110
CHESTER BOROUGH	MORRIS	11	16	22	735	50
CHESTER TOWNSHIP	MORRIS	4	32	268	203	66
DENVILLE TOWNSHIP	MORRIS	31	325	829	1,976	289
DOVER TOWN	MORRIS	251	6	184	1,603	137
EAST HANOVER TOWNSHIP	MORRIS	0	262	571	2,243	254
FLORHAM PARK BOROUGH	MORRIS	25	326	1,051	5,560	558
HANOVER TOWNSHIP	MORRIS	17	356	265	4,108	310
HARDING TOWNSHIP	MORRIS	0	83	169	98	40
JEFFERSON TOWNSHIP	MORRIS	12	69	806	966	222
KINNELON BOROUGH	MORRIS	14	73	264	104	59

REHABILITATION SHARE, PRIOR ROUND OBLIGATION & GROWTH PROJECTIONS

effective October 20, 2008

Municipality	County	Rehabilitation SHARE	1987-1999 Prior Round OBLIGATION	PROJECTED Growth Share 2004 - 2018		
				Housing Projection	Employment Projection	Projected Growth Share
LINCOLN PARK BOROUGH	MORRIS	31	74	279	463	85
LONG HILL TOWNSHIP	MORRIS	0	62	411	803	132
MADISON BOROUGH	MORRIS	86	86	527	3,203	306
MENDHAM BOROUGH	MORRIS	5	25	203	1,350	125
MENDHAM TOWNSHIP	MORRIS	0	41	272	350	76
MINE HILL TOWNSHIP	MORRIS	31	61	107	665	63
MONTVILLE TOWNSHIP	MORRIS	14	261	987	1,898	316
MORRIS PLAINS BOROUGH	MORRIS	4	144	181	1,842	151
MORRIS TOWNSHIP	MORRIS	37	293	982	435	224
MORRISTOWN TOWN	MORRIS	169	227	308	-1,402	62
MOUNT ARLINGTON BOROUGH	MORRIS	14	17	323	439	92
MOUNT OLIVE TOWNSHIP	MORRIS	67	45	1,027	4,796	505
MOUNTAIN LAKES BOROUGH	MORRIS	0	80	150	1,060	96
NETCONG BOROUGH	MORRIS	10	0	72	178	26
PARSIPPANY-TROY HILLS TOWNSHIP	MORRIS	242	664	903	25,020	1,744
PEQUANNOCK TOWNSHIP	MORRIS	0	134	518	1,627	205
RANDOLPH TOWNSHIP	MORRIS	34	261	1,175	2,170	371
RIVERDALE BOROUGH	MORRIS	3	58	252	1,528	146
ROCKAWAY BOROUGH	MORRIS	12	43	164	855	86
ROCKAWAY TOWNSHIP	MORRIS	42	370	1,621	3,315	531
ROXBURY TOWNSHIP	MORRIS	35	255	811	2,986	349
VICTORY GARDENS BOROUGH	MORRIS	21	0	39	13	9
WASHINGTON TOWNSHIP	MORRIS	6	66	602	1,288	201
WHARTON BOROUGH	MORRIS	29	42	260	1,288	133
BARNEGAT LIGHT BOROUGH	OCEAN	4	84	2	-2	0
BARNEGAT TOWNSHIP	OCEAN	0	329	1,085	1,967	340
BAY HEAD BOROUGH	OCEAN	5	65	4	-117	1
BEACH HAVEN BOROUGH	OCEAN	0	70	43	-236	9
BEACHWOOD BOROUGH	OCEAN	19	123	209	170	52
BERKELEY TOWNSHIP	OCEAN	63	610	2,160	2,005	557

REHABILITATION SHARE, PRIOR ROUND OBLIGATION & GROWTH PROJECTIONS

effective October 20, 2008

Municipality	County	Rehabilitation SHARE	1987-1999	PROJECTED Growth Share 2004 - 2018		
			Prior Round OBLIGATION	Housing Projection	Employment Projection	Projected Growth Share
BRICK TOWNSHIP	OCEAN	92	930	3,726	4,680	1,038
EAGLEWOOD TOWNSHIP	OCEAN	2	36	163	1,225	109
HARVEY CEDARS BOROUGH	OCEAN	0	37	0	-19	0
ISLAND HEIGHTS BOROUGH	OCEAN	0	31	36	27	9
JACKSON TOWNSHIP	OCEAN	46	1,247	5,885	2,894	1,358
LACEY TOWNSHIP	OCEAN	25	580	1,776	2,425	507
LAKEHURST BOROUGH	OCEAN	2	66	92	-67	18
LAKEWOOD TOWNSHIP	OCEAN	350	0	4,615	7,572	1,396
LAVALLETTE BOROUGH	OCEAN	0	82	27	-19	5
LITTLE EGG HARBOR TOWNSHIP	OCEAN	0	194	1,118	1,901	342
LONG BEACH TOWNSHIP	OCEAN	0	41	25	-84	5
MANCHESTER TOWNSHIP	OCEAN	38	370	5,061	3,594	1,237
MANTOLOKING BOROUGH	OCEAN	2	59	-3	-25	0
OCEAN GATE BOROUGH	OCEAN	5	12	4	40	3
OCEAN TOWNSHIP	OCEAN	11	236	458	748	138
PINE BEACH BOROUGH	OCEAN	0	41	60	224	26
PLUMSTED TOWNSHIP	OCEAN	9	47	770	210	167
POINT PLEASANT BEACH BOROUGH	OCEAN	44	167	37	-133	7
POINT PLEASANT BOROUGH	OCEAN	15	343	54	-343	11
SEASIDE HEIGHTS BOROUGH	OCEAN	18	0	89	-100	18
SEASIDE PARK BOROUGH	OCEAN	9	52	25	-74	5
SHIP BOTTOM BOROUGH	OCEAN	7	71	31	-73	6
SOUTH TOMS RIVER BOROUGH	OCEAN	3	51	145	219	43
STAFFORD TOWNSHIP	OCEAN	24	555	1,669	3,133	530
SURF CITY BOROUGH	OCEAN	4	49	47	-22	9
TOMS RIVER TOWNSHIP	OCEAN	92	2,233	8,606	8,160	2,231
TUCKERTON BOROUGH	OCEAN	5	69	389	52	81
BLOOMINGDALE BOROUGH	PASSAIC	16	168	300	259	76
CLIFTON CITY	PASSAIC	710	379	3,125	6,761	1,048
HALEDON BOROUGH	PASSAIC	81	5	226	706	89

REHABILITATION SHARE, PRIOR ROUND OBLIGATION & GROWTH PROJECTIONS

effective October 20, 2008

Municipality	County	Rehabilitation SHARE	1987-1999 Prior Round OBLIGATION	PROJECTED Growth Share 2004 - 2018		
				Housing Projection	Employment Projection	Projected Growth Share
HAWTHORNE BOROUGH	PASSAIC	34	58	586	1,808	230
LITTLE FALLS TOWNSHIP	PASSAIC	15	101	268	1,205	129
NORTH HALEDON BOROUGH	PASSAIC	0	92	273	921	112
PASSAIC CITY	PASSAIC	1,484	0	569	4,258	380
PATERSON CITY	PASSAIC	2,896	0	1,070	6,500	620
POMPTON LAKES BOROUGH	PASSAIC	36	102	212	433	69
PROSPECT PARK BOROUGH	PASSAIC	60	0	55	135	19
RINGWOOD BOROUGH	PASSAIC	30	51	191	-44	38
TOTOWA BOROUGH	PASSAIC	35	247	544	2,646	274
WANAQUE BOROUGH	PASSAIC	35	332	369	1,014	137
WAYNE TOWNSHIP	PASSAIC	84	1,158	2,870	7,276	1,029
WEST MILFORD TOWNSHIP	PASSAIC	66	98	366	397	98
WEST PATERSON BOROUGH	PASSAIC	19	146	720	2,744	316
ALLOWAY TOWNSHIP	SALEM	8	17	109	245	37
CARNEYS POINT TOWNSHIP	SALEM	21	184	281	1,420	145
ELMER BOROUGH	SALEM	5	12	13	45	5
ELSINBORO TOWNSHIP	SALEM	0	26	8	-31	2
LOWER ALLOWAYS CREEK TOWNSHIP	SALEM	11	26	78	-191	16
MANNINGTON TOWNSHIP	SALEM	7	19	42	-50	8
OLDMANS TOWNSHIP	SALEM	5	183	66	-254	13
PENNS GROVE BOROUGH	SALEM	62	4	42	-38	8
PENNSVILLE TOWNSHIP	SALEM	19	228	309	159	72
PILESGROVE TOWNSHIP	SALEM	4	35	259	460	81
PITTSGROVE TOWNSHIP	SALEM	17	58	434	866	141
QUINTON TOWNSHIP	SALEM	9	15	82	53	20
SALEM CITY	SALEM	56	0	79	56	19
UPPER PITTSGROVE TOWNSHIP	SALEM	4	27	99	321	40
WOODSTOWN BOROUGH	SALEM	19	8	143	44	31
BEDMINSTER TOWNSHIP	SOMERSET	0	154	458	2,514	249
BERNARDS TOWNSHIP	SOMERSET	12	508	724	3,575	368

REHABILITATION SHARE, PRIOR ROUND OBLIGATION & GROWTH PROJECTIONS

effective October 20, 2008

Municipality	County	Rehabilitation SHARE	1987-1999 Prior Round OBLIGATION	PROJECTED Growth Share 2004 - 2018		
				Housing Projection	Employment Projection	Projected Growth Share
BERNARDSVILLE BOROUGH	SOMERSET	15	127	292	981	120
BOUND BROOK BOROUGH	SOMERSET	131	0	31	165	17
BRANCHBURG TOWNSHIP	SOMERSET	22	302	824	2,922	347
BRIDGEWATER TOWNSHIP	SOMERSET	97	713	2,449	6,416	891
FAR HILLS BOROUGH	SOMERSET	2	38	92	80	23
FRANKLIN TOWNSHIP	SOMERSET	142	766	3,583	6,853	1,145
GREEN BROOK TOWNSHIP	SOMERSET	0	151	296	757	107
HILLSBOROUGH TOWNSHIP	SOMERSET	19	461	1,808	4,613	650
MANVILLE BOROUGH	SOMERSET	70	0	154	228	45
MILLSTONE BOROUGH	SOMERSET	2	21	14	12	4
MONTGOMERY TOWNSHIP	SOMERSET	11	307	2,138	1,170	501
NORTH PLAINFIELD BOROUGH	SOMERSET	282	0	143	119	36
PEAPACK-GLADSTONE BOROUGH	SOMERSET	6	82	105	261	37
RARITAN BOROUGH	SOMERSET	44	82	273	2,367	203
ROCKY HILL BOROUGH	SOMERSET	4	25	25	97	11
SOMERVILLE BOROUGH	SOMERSET	73	153	280	1,038	121
SOUTH BOUND BROOK BOROUGH	SOMERSET	51	0	123	-137	25
WARREN TOWNSHIP	SOMERSET	13	543	990	3,346	407
WATCHUNG BOROUGH	SOMERSET	12	206	131	749	73
ANDOVER BOROUGH	SUSSEX	0	7	30	686	49
ANDOVER TOWNSHIP	SUSSEX	0	55	456	732	137
BRANCHVILLE BOROUGH	SUSSEX	0	13	22	130	13
BYRAM TOWNSHIP	SUSSEX	24	33	373	110	81
FRANKFORD TOWNSHIP	SUSSEX	6	36	416	219	97
FRANKLIN BOROUGH	SUSSEX	21	9	204	580	77
FREDON TOWNSHIP	SUSSEX	0	29	258	77	56
GREEN TOWNSHIP	SUSSEX	5	20	250	137	59
HAMBURG BOROUGH	SUSSEX	7	14	93	467	48
HAMPTON TOWNSHIP	SUSSEX	0	44	346	270	86
HARDYSTON TOWNSHIP	SUSSEX	9	18	611	1,451	213

REHABILITATION SHARE, PRIOR ROUND OBLIGATION & GROWTH PROJECTIONS

effective October 20, 2008

Municipality	County	Rehabilitation SHARE	1987-1999 Prior Round OBLIGATION	PROJECTED Growth Share 2004 - 2018		
				Housing Projection	Employment Projection	Projected Growth Share
HOPATCONG BOROUGH	SUSSEX	33	93	386	409	103
LAFAYETTE TOWNSHIP	SUSSEX	3	27	186	948	96
MONTAGUE TOWNSHIP	SUSSEX	15	9	386	544	111
NEWTON TOWN	SUSSEX	43	24	409	2,108	214
OGDENSBURG BOROUGH	SUSSEX	7	13	29	-12	6
SANDYSTON TOWNSHIP	SUSSEX	6	13	143	114	36
SPARTA TOWNSHIP	SUSSEX	15	76	734	970	207
STANHOPE BOROUGH	SUSSEX	4	15	116	523	56
STILLWATER TOWNSHIP	SUSSEX	18	15	447	13	90
SUSSEX BOROUGH	SUSSEX	35	0	57	145	20
VERNON TOWNSHIP	SUSSEX	31	60	1,428	1,658	389
WALPACK TOWNSHIP	SUSSEX	0	0	0	5	0
WANTAGE TOWNSHIP	SUSSEX	0	35	938	499	219
BERKELEY HEIGHTS TOWNSHIP	UNION	24	183	762	2,267	294
CLARK TOWNSHIP	UNION	11	92	377	1,103	144
CRANFORD TOWNSHIP	UNION	55	148	611	3,292	328
ELIZABETH CITY	UNION	2,728	0	3,399	13,539	1,526
FANWOOD BOROUGH	UNION	34	45	87	140	26
GARWOOD BOROUGH	UNION	10	19	15	114	10
HILLSIDE TOWNSHIP	UNION	178	0	305	1,534	157
KENILWORTH BOROUGH	UNION	26	83	152	1,465	122
LINDEN CITY	UNION	193	209	1,216	3,246	446
MOUNTAINSIDE BOROUGH	UNION	28	123	159	232	46
NEW PROVIDENCE BOROUGH	UNION	19	135	360	1,845	187
PLAINFIELD CITY	UNION	690	0	374	1,302	156
RAHWAY CITY	UNION	196	70	1,696	2,327	485
ROSELLE BOROUGH	UNION	167	0	165	539	67
ROSELLE PARK BOROUGH	UNION	96	0	101	251	36
SCOTCH PLAINS TOWNSHIP	UNION	26	182	663	655	174
SPRINGFIELD TOWNSHIP	UNION	19	135	707	2,504	298

REHABILITATION SHARE, PRIOR ROUND OBLIGATION & GROWTH PROJECTIONS

effective October 20, 2008

Municipality	County	Rehabilitation SHARE	1987-1999	PROJECTED Growth Share 2004 - 2018		
			Prior Round OBLIGATION	Housing Projection	Employment Projection	Projected Growth Share
SUMMIT CITY	UNION	76	171	500	1,750	209
UNION TOWNSHIP	UNION	199	233	1,522	8,365	827
WESTFIELD TOWN	UNION	41	139	701	642	180
WINFIELD TOWNSHIP	UNION	18	0	38	47	11
ALLAMUCHY TOWNSHIP	WARREN	4	13	268	52	57
ALPHA BOROUGH	WARREN	2	13	101	205	33
BELVIDERE TOWN	WARREN	7	0	122	-242	24
BLAIRSTOWN TOWNSHIP	WARREN	16	12	402	597	118
FRANKLIN TOWNSHIP	WARREN	9	11	220	898	100
FRELINGHUYSEN TOWNSHIP	WARREN	6	6	126	104	32
GREENWICH TOWNSHIP	WARREN	20	41	522	378	128
HACKETTSTOWN TOWN	WARREN	76	62	80	1,850	132
HARDWICK TOWNSHIP	WARREN	3	6	130	154	36
HARMONY TOWNSHIP	WARREN	3	47	129	4	26
HOPE TOWNSHIP	WARREN	9	8	146	-82	29
INDEPENDENCE TOWNSHIP	WARREN	19	10	259	-43	52
KNOWLTON TOWNSHIP	WARREN	14	14	238	193	60
LIBERTY TOWNSHIP	WARREN	11	7	158	92	37
LOPATCONG TOWNSHIP	WARREN	11	56	463	37	95
MANSFIELD TOWNSHIP	WARREN	0	3	516	286	121
OXFORD TOWNSHIP	WARREN	6	2	170	127	42
PHILLIPSBURG TOWN	WARREN	95	0	468	3,357	303
POHATCONG TOWNSHIP	WARREN	0	47	133	959	87
WASHINGTON BOROUGH	WARREN	52	0	190	210	51
WASHINGTON TOWNSHIP	WARREN	0	48	297	-163	59
WHITE TOWNSHIP	WARREN	0	16	490	-44	98
NEW JERSEY		51,904	85,964	269,448	790,472	103,908*

*Does not include replacement units

Households with Low/Moderate Income Based on 2000 US Census¹

County	Municipality	Total Households	Low/Moderate Income Households (Percent) ²
Atlantic	Absecon City	2774	24%
Atlantic	Atlantic City City	15886	61%
Atlantic	Brigantine City	5473	39%
Atlantic	Buena Borough	1459	49%
Atlantic	Buena Vista Township	2641	41%
Atlantic	Corbin City City	178	32%
Atlantic	Egg Harbor City City	1659	54%
Atlantic	Egg Harbor Township	11135	30%
Atlantic	Estell Manor City	517	28%
Atlantic	Folsom Borough	670	23%
Atlantic	Galloway Township	10768	30%
Atlantic	Hamilton Township	7145	30%
Atlantic	Hammonton town	4633	40%
Atlantic	Linwood City	2668	27%
Atlantic	Longport Borough	544	33%
Atlantic	Margate City City	3979	41%
Atlantic	Mullica Township	2037	28%
Atlantic	Northfield City	2824	25%
Atlantic	Pleasantville City	6430	47%
Atlantic	Port Republic City	356	20%
Atlantic	Somers Point City	4906	41%
Atlantic	Ventnor City City	5493	42%
Atlantic	Weymouth Township	850	38%
Bergen	Allendale Borough	2113	17%
Bergen	Alpine Borough	708	16%
Bergen	Bergenfield Borough	8977	35%
Bergen	Bogota Borough	2871	37%
Bergen	Carlstadt Borough	2388	42%
Bergen	Cliffside Park Borough	10014	49%
Bergen	Closter Borough	2789	20%
Bergen	Cresskill Borough	2663	23%
Bergen	Demarest Borough	1603	20%
Bergen	Dumont Borough	6361	34%
Bergen	East Rutherford Borough	3633	45%
Bergen	Edgewater Borough	3834	33%
Bergen	Elmwood Park Borough	7096	43%
Bergen	Emerson Borough	2390	26%
Bergen	Englewood City	9291	39%
Bergen	Englewood Cliffs Borough	1812	22%
Bergen	Fair Lawn Borough	11824	30%
Bergen	Fairview Borough	4868	56%
Bergen	Fort Lee Borough	16533	40%
Bergen	Franklin Lakes Borough	3294	15%
Bergen	Garfield City	11218	53%
Bergen	Glen Rock Borough	3966	17%
Bergen	Hackensack City	18114	46%
Bergen	Harrington Park Borough	1553	16%
Bergen	Hasbrouck Heights Borough	4527	33%
Bergen	Haworth Borough	1133	16%
Bergen	Hillsdale Borough	3487	24%

Households with Low/Moderate Income Based on 2000 US Census¹

County	Municipality	Total Households	Low/Moderate Income Households (Percent) ²
Bergen	Ho-Ho-Kus Borough	1429	17%
Bergen	Leonia Borough	3249	31%
Bergen	Little Ferry Borough	4355	45%
Bergen	Lodi Borough	9518	52%
Bergen	Lyndhurst Township	7906	43%
Bergen	Mahwah Township	9355	25%
Bergen	Maywood Borough	3711	34%
Bergen	Midland Park Borough	2630	28%
Bergen	Montvale Borough	2518	19%
Bergen	Moonachie Borough	1046	44%
Bergen	New Milford Borough	6355	36%
Bergen	North Arlington Borough	6405	44%
Bergen	Northvale Borough	1590	30%
Bergen	Norwood Borough	1843	23%
Bergen	Oakland Borough	4263	18%
Bergen	Old Tappan Borough	1783	15%
Bergen	Oradell Borough	2809	23%
Bergen	Palisades Park Borough	6238	48%
Bergen	Paramus Borough	8076	26%
Bergen	Park Ridge Borough	3181	25%
Bergen	Ramsey Borough	5315	21%
Bergen	Ridgefield Borough	4024	43%
Bergen	Ridgefield Park village	5020	43%
Bergen	Ridgewood village	8582	21%
Bergen	River Edge Borough	4185	31%
Bergen	River Vale Township	3284	19%
Bergen	Rochelle Park Township	2055	37%
Bergen	Rockleigh Borough	66	14%
Bergen	Rutherford Borough	7052	34%
Bergen	Saddle Brook Township	5073	34%
Bergen	Saddle River Borough	1128	16%
Bergen	South Hackensack Township	808	40%
Bergen	Teaneck Township	13416	27%
Bergen	Tenafly Borough	4781	23%
Bergen	Teterboro Borough	8	46%
Bergen	Upper Saddle River Borough	2510	13%
Bergen	Waldwick Borough	3423	25%
Bergen	Wallington Borough	4747	50%
Bergen	Washington Township	3222	22%
Bergen	Westwood Borough	4488	38%
Bergen	Woodcliff Lake Borough	1815	18%
Bergen	Wood-Ridge Borough	3031	33%
Bergen	Wyckoff Township	5538	19%
Burlington	Bass River Township	553	48%
Burlington	Beverly City	953	51%
Burlington	Bordentown City	1767	48%
Burlington	Bordentown Township	3301	35%
Burlington	Burlington City	3891	54%
Burlington	Burlington Township	7132	35%
Burlington	Chesterfield Township	896	19%

Households with Low/Moderate Income Based on 2000 US Census¹

County	Municipality	Total Households	Low/Moderate Income Households (Percent) ²
Burlington	Cinnaminson Township	5049	30%
Burlington	Delanco Township	1216	45%
Burlington	Delran Township	5804	36%
Burlington	Eastampton Township	2231	31%
Burlington	Edgewater Park Township	3146	47%
Burlington	Evesham Township	15914	30%
Burlington	Fieldsboro Borough	189	32%
Burlington	Florence Township	4155	39%
Burlington	Hainesport Township	1473	30%
Burlington	Lumberton Township	3864	39%
Burlington	Mansfield Township	2058	44%
Burlington	Maple Shade Township	8434	51%
Burlington	Medford Lakes Borough	1531	23%
Burlington	Medford Township	7971	21%
Burlington	Moorestown Township	7007	27%
Burlington	Mount Holly Township	3913	52%
Burlington	Mount Laurel Township	16581	33%
Burlington	New Hanover Township	1167	49%
Burlington	North Hanover Township	2515	55%
Burlington	Palmyra Borough	3007	43%
Burlington	Pemberton Borough	467	53%
Burlington	Pemberton Township	10075	47%
Burlington	Riverside Township	2972	52%
Burlington	Riverton Borough	1069	39%
Burlington	Shamong Township	2118	24%
Burlington	Southampton Township	4561	51%
Burlington	Springfield Township	1094	25%
Burlington	Tabernacle Township	2352	24%
Burlington	Washington Township	157	58%
Burlington	Westampton Township	2512	28%
Burlington	Willingboro Township	10747	33%
Burlington	Woodland Township	423	34%
Burlington	Wrightstown Borough	306	71%
Camden	Audubon Borough	3681	38%
Camden	Audubon Park Borough	498	58%
Camden	Barrington Borough	3029	43%
Camden	Bellmawr Borough	4440	45%
Camden	Berlin Borough	2203	29%
Camden	Berlin Township	1898	35%
Camden	Brooklawn Borough	954	50%
Camden	Camden City	24233	72%
Camden	Cherry Hill Township	26181	27%
Camden	Chesilhurst Borough	500	48%
Camden	Clementon Borough	1975	45%
Camden	Collingswood Borough	6289	45%
Camden	Gibbsboro Borough	833	31%
Camden	Gloucester City City	4248	53%
Camden	Gloucester Township	23076	34%
Camden	Haddon Heights Borough	3039	34%
Camden	Haddon Township	6225	38%

Households with Low/Moderate Income Based on 2000 US Census¹

County	Municipality	Total Households	Low/Moderate Income Households (Percent) ²
Camden	Haddonfield Borough	4500	22%
Camden	Hi-Nella Borough	481	59%
Camden	Laurel Springs Borough	758	35%
Camden	Lawnside Borough	1030	47%
Camden	Lindenwold Borough	7465	55%
Camden	Magnolia Borough	1696	45%
Camden	Merchantville Borough	1512	41%
Camden	Mount Ephraim Borough	1822	43%
Camden	Oaklyn Borough	1778	43%
Camden	Pennsauken Township	12381	41%
Camden	Pine Hill Borough	4255	47%
Camden	Pine Valley Borough	7	57%
Camden	Runnemede Borough	3374	48%
Camden	Somerdale Borough	2080	41%
Camden	Stratford Borough	2743	37%
Camden	Tavistock Borough	5	13%
Camden	Voorhees Township	10505	27%
Camden	Waterford Township	3524	29%
Camden	Winslow Township	11707	33%
Camden	Woodlynne Borough	912	49%
Cape May	Avalon Borough	1041	28%
Cape May	Cape May City	1826	51%
Cape May	Cape May Point Borough	121	32%
Cape May	Dennis Township	2199	24%
Cape May	Lower Township	9280	44%
Cape May	Middle Township	6023	43%
Cape May	North Wildwood City	2306	54%
Cape May	Ocean City City	7479	38%
Cape May	Sea Isle City City	1335	41%
Cape May	Stone Harbor Borough	600	35%
Cape May	Upper Township	4276	27%
Cape May	West Cape May Borough	530	45%
Cape May	West Wildwood Borough	203	52%
Cape May	Wildwood City	2396	68%
Cape May	Wildwood Crest Borough	1762	50%
Cape May	Woodbine Borough	763	54%
Cumberland	Bridgeton City	6173	61%
Cumberland	Commercial Township	1878	50%
Cumberland	Deerfield Township	1000	36%
Cumberland	Downe Township	658	51%
Cumberland	Fairfield Township	1744	44%
Cumberland	Greenwich Township	340	33%
Cumberland	Hopewell Township	1667	34%
Cumberland	Lawrence Township	913	35%
Cumberland	Maurice River Township	1338	39%
Cumberland	Millville City	10072	44%
Cumberland	Shiloh Borough	167	30%
Cumberland	Stow Creek Township	514	33%
Cumberland	Upper Deerfield Township	2756	42%
Cumberland	Vineland City	19876	44%

Households with Low/Moderate Income Based on 2000 US Census¹

County	Municipality	Total Households	Low/Moderate Income Households (Percent) ²
Essex	Belleville Township	13716	50%
Essex	Bloomfield Township	19028	45%
Essex	Caldwell Borough	3316	39%
Essex	Cedar Grove Township	4392	29%
Essex	City of Orange Township	11891	67%
Essex	East Orange City	26076	67%
Essex	Essex Fells Borough	737	10%
Essex	Fairfield Township	2303	26%
Essex	Glen Ridge Borough	2465	20%
Essex	Irvington Township	21988	64%
Essex	Livingston Township	9295	20%
Essex	Maplewood Township	8447	29%
Essex	Millburn Township	7025	16%
Essex	Montclair Township	15050	33%
Essex	Newark City	91366	73%
Essex	North Caldwell Borough	2085	12%
Essex	Nutley Township	10881	40%
Essex	Roseland Borough	2120	25%
Essex	South Orange Village Township	5504	29%
Essex	Verona Township	5617	33%
Essex	West Caldwell Township	4002	24%
Essex	West Orange Township	16388	35%
Gloucester	Clayton Borough	2451	37%
Gloucester	Deptford Township	9991	38%
Gloucester	East Greenwich Township	1903	31%
Gloucester	Elk Township	1267	37%
Gloucester	Franklin Township	5228	34%
Gloucester	Glassboro Borough	6241	44%
Gloucester	Greenwich Township	1877	35%
Gloucester	Harrison Township	2861	24%
Gloucester	Logan Township	2005	26%
Gloucester	Mantua Township	5291	29%
Gloucester	Monroe Township	10527	39%
Gloucester	National Park Borough	1114	39%
Gloucester	Newfield Borough	598	38%
Gloucester	Paulsboro Borough	2365	55%
Gloucester	Pitman Borough	3482	38%
Gloucester	South Harrison Township	809	26%
Gloucester	Swedesboro Borough	770	41%
Gloucester	Washington Township	15573	24%
Gloucester	Wenonah Borough	833	21%
Gloucester	West Deptford Township	7722	37%
Gloucester	Westville Borough	1814	50%
Gloucester	Woodbury City	4041	49%
Gloucester	Woodbury Heights Borough	1031	32%
Gloucester	Woolwich Township	961	18%
Hudson	Bayonne City	25581	54%
Hudson	East Newark Borough	772	53%
Hudson	Guttenberg town	4460	50%
Hudson	Harrison town	5121	54%

Households with Low/Moderate Income Based on 2000 US Census¹

County	Municipality	Total Households	Low/Moderate Income Households (Percent) ²
Hudson	Hoboken City	19462	37%
Hudson	Jersey City City	88617	58%
Hudson	Kearny town	13561	48%
Hudson	North Bergen Township	21247	55%
Hudson	Secaucus town	6200	38%
Hudson	Union City City	22913	70%
Hudson	Weehawken Township	5996	46%
Hudson	West New York town	16768	66%
Hunterdon	Alexandria Township	1538	26%
Hunterdon	Bethlehem Township	1273	24%
Hunterdon	Bloomsbury Borough	325	46%
Hunterdon	Califon Borough	402	32%
Hunterdon	Clinton town	1077	34%
Hunterdon	Clinton Township	4126	18%
Hunterdon	Delaware Township	1639	28%
Hunterdon	East Amwell Township	1584	26%
Hunterdon	Flemington Borough	1811	63%
Hunterdon	Franklin Township	1097	24%
Hunterdon	Frenchtown Borough	611	52%
Hunterdon	Glen Gardner Borough	805	44%
Hunterdon	Hampton Borough	554	53%
Hunterdon	High Bridge Borough	1423	35%
Hunterdon	Holland Township	1869	41%
Hunterdon	Kingwood Township	1345	36%
Hunterdon	Lambertville City	1862	51%
Hunterdon	Lebanon Borough	457	35%
Hunterdon	Lebanon Township	1960	32%
Hunterdon	Milford Borough	471	52%
Hunterdon	Raritan Township	6937	28%
Hunterdon	Readington Township	5698	25%
Hunterdon	Stockton Borough	249	53%
Hunterdon	Tewksbury Township	1996	19%
Hunterdon	Union Township	1670	33%
Hunterdon	West Amwell Township	951	35%
Mercer	East Windsor Township	9469	30%
Mercer	Ewing Township	12488	36%
Mercer	Hamilton Township	33525	36%
Mercer	Hightstown Borough	2011	29%
Mercer	Hopewell Borough	812	24%
Mercer	Hopewell Township	5507	17%
Mercer	Lawrence Township	10839	30%
Mercer	Pennington Borough	999	19%
Mercer	Princeton Borough	3305	34%
Mercer	Princeton Township	6037	27%
Mercer	Trenton City	29370	64%
Mercer	Washington Township	4093	27%
Mercer	West Windsor Township	7332	14%
Middlesex	Carteret Borough	7057	46%
Middlesex	Cranbury Township	1094	18%
Middlesex	Dunellen Borough	2441	33%

Households with Low/Moderate Income Based on 2000 US Census¹

County	Municipality	Total Households	Low/Moderate Income Households (Percent) ²
Middlesex	East Brunswick Township	16378	24%
Middlesex	Edison Township	35118	28%
Middlesex	Helmetta Borough	743	29%
Middlesex	Highland Park Borough	5905	42%
Middlesex	Jamesburg Borough	2167	35%
Middlesex	Metuchen Borough	4991	25%
Middlesex	Middlesex Borough	5057	34%
Middlesex	Milltown Borough	2610	30%
Middlesex	Monroe Township	12540	40%
Middlesex	New Brunswick City	13053	58%
Middlesex	North Brunswick Township	13646	33%
Middlesex	Old Bridge Township	21507	31%
Middlesex	Perth Amboy City	14563	57%
Middlesex	Piscataway Township	16490	27%
Middlesex	Plainsboro Township	8742	24%
Middlesex	Sayreville Borough	14964	35%
Middlesex	South Amboy City	2979	43%
Middlesex	South Brunswick Township	13439	21%
Middlesex	South Plainfield Borough	7143	27%
Middlesex	South River Borough	5628	41%
Middlesex	Spotswood Borough	3114	40%
Middlesex	Woodbridge Township	34529	34%
Monmouth	Aberdeen Township	6459	28%
Monmouth	Allenhurst Borough	288	27%
Monmouth	Allentown Borough	707	28%
Monmouth	Asbury Park City	6786	75%
Monmouth	Atlantic Highlands Borough	1989	32%
Monmouth	Avon-by-the-Sea Borough	1066	39%
Monmouth	Belmar Borough	2936	48%
Monmouth	Bradley Beach Borough	2290	52%
Monmouth	Brielle Borough	1949	29%
Monmouth	Colts Neck Township	3519	20%
Monmouth	Deal Borough	427	42%
Monmouth	Eatontown Borough	5807	40%
Monmouth	Englishtown Borough	653	39%
Monmouth	Fair Haven Borough	1997	20%
Monmouth	Farmingdale Borough	626	43%
Monmouth	Freehold Borough	3698	45%
Monmouth	Freehold Township	10821	26%
Monmouth	Hazlet Township	7273	32%
Monmouth	Highlands Borough	2449	48%
Monmouth	Holmdel Township	4951	19%
Monmouth	Howell Township	16072	28%
Monmouth	Interlaken Borough	386	27%
Monmouth	Keansburg Borough	3872	57%
Monmouth	Keyport Borough	3265	51%
Monmouth	Little Silver Borough	2238	16%
Monmouth	Loch Arbour village	113	22%
Monmouth	Long Branch City	12594	55%
Monmouth	Manalapan Township	10760	25%

Households with Low/Moderate Income Based on 2000 US Census¹

County	Municipality	Total Households	Low/Moderate Income Households (Percent) ²
Monmouth	Manasquan Borough	2593	32%
Monmouth	Marlboro Township	11483	18%
Monmouth	Matawan Borough	3489	31%
Monmouth	Middletown Township	23259	25%
Monmouth	Millstone Township	2746	17%
Monmouth	Monmouth Beach Borough	1632	22%
Monmouth	Neptune City Borough	2222	52%
Monmouth	Neptune Township	10908	47%
Monmouth	Ocean Township	10266	34%
Monmouth	Oceanport Borough	2037	25%
Monmouth	Red Bank Borough	5205	46%
Monmouth	Roosevelt Borough	324	26%
Monmouth	Rumson Borough	2454	18%
Monmouth	Sea Bright Borough	973	33%
Monmouth	Sea Girt Borough	936	23%
Monmouth	Shrewsbury Borough	1209	19%
Monmouth	Shrewsbury Township	516	57%
Monmouth	South Belmar Borough	823	44%
Monmouth	Spring Lake Borough	1474	23%
Monmouth	Spring Lake Heights Borough	2521	42%
Monmouth	Tinton Falls Borough	5896	28%
Monmouth	Union Beach Borough	2147	31%
Monmouth	Upper Freehold Township	1439	23%
Monmouth	Wall Township	9454	26%
Monmouth	West Long Branch Borough	2450	30%
Morris	Boonton town	3275	38%
Morris	Boonton Township	1478	24%
Morris	Butler Borough	2857	43%
Morris	Chatham Borough	3143	21%
Morris	Chatham Township	3940	20%
Morris	Chester Borough	604	34%
Morris	Chester Township	2314	15%
Morris	Denville Township	5996	27%
Morris	Dover town	5463	46%
Morris	East Hanover Township	3847	22%
Morris	Florham Park Borough	3249	27%
Morris	Hanover Township	4768	25%
Morris	Harding Township	1190	18%
Morris	Jefferson Township	7158	29%
Morris	Kinnelon Borough	3060	17%
Morris	Lincoln Park Borough	4044	29%
Morris	Long Hill Township	3140	27%
Morris	Madison Borough	5522	29%
Morris	Mendham Borough	1781	23%
Morris	Mendham Township	1782	12%
Morris	Mine Hill Township	1364	36%
Morris	Montville Township	7374	21%
Morris	Morris Plains Borough	1956	22%
Morris	Morris Township	8094	21%
Morris	Morristown town	7261	43%

Households with Low/Moderate Income Based on 2000 US Census¹

County	Municipality	Total Households	Low/Moderate Income Households (Percent) ²
Morris	Mount Arlington Borough	1915	32%
Morris	Mount Olive Township	9041	33%
Morris	Mountain Lakes Borough	1343	12%
Morris	Netcong Borough	1006	42%
Morris	Parsippany-Troy Hills Township	19628	32%
Morris	Pequannock Township	5023	29%
Morris	Randolph Township	8691	20%
Morris	Riverdale Borough	927	33%
Morris	Rockaway Borough	2449	37%
Morris	Rockaway Township	8107	23%
Morris	Roxbury Township	8343	29%
Morris	Victory Gardens Borough	562	60%
Morris	Washington Township	5772	20%
Morris	Wharton Borough	2327	42%
Ocean	Barnegat Light Borough	371	42%
Ocean	Barnegat Township	5499	45%
Ocean	Bay Head Borough	580	27%
Ocean	Beach Haven Borough	561	46%
Ocean	Beachwood Borough	3402	33%
Ocean	Berkeley Township	19878	66%
Ocean	Brick Township	29570	41%
Ocean	Dover Township	33670	39%
Ocean	Eagleswood Township	555	53%
Ocean	Harvey Cedars Borough	183	34%
Ocean	Island Heights Borough	649	34%
Ocean	Jackson Township	14151	30%
Ocean	Lacey Township	9352	38%
Ocean	Lakehurst Borough	875	49%
Ocean	Lakewood Township	19939	57%
Ocean	Lavallette Borough	1204	49%
Ocean	Little Egg Harbor Township	6140	48%
Ocean	Long Beach Township	1663	45%
Ocean	Manchester Township	20699	67%
Ocean	Mantoloking Borough	197	16%
Ocean	Ocean Gate Borough	831	51%
Ocean	Ocean Township	2447	45%
Ocean	Pine Beach Borough	775	36%
Ocean	Plumsted Township	2497	33%
Ocean	Point Pleasant Beach Borough	2306	43%
Ocean	Point Pleasant Borough	7551	36%
Ocean	Seaside Heights Borough	1411	71%
Ocean	Seaside Park Borough	1112	47%
Ocean	Ship Bottom Borough	665	49%
Ocean	South Toms River Borough	1078	49%
Ocean	Stafford Township	8555	40%
Ocean	Surf City Borough	700	55%
Ocean	Tuckerton Borough	1487	54%
Passaic	Bloomington Borough	2842	29%
Passaic	Clifton City	30242	45%
Passaic	Haledon Borough	2820	50%

Households with Low/Moderate Income Based on 2000 US Census¹

County	Municipality	Total Households	Low/Moderate Income Households (Percent) ²
Passaic	Hawthorne Borough	7248	40%
Passaic	Little Falls Township	4681	38%
Passaic	North Haledon Borough	2622	28%
Passaic	Passaic City	19499	64%
Passaic	Paterson City	44760	65%
Passaic	Pompton Lakes Borough	3923	31%
Passaic	Prospect Park Borough	1813	49%
Passaic	Ringwood Borough	4091	20%
Passaic	Totowa Borough	3528	37%
Passaic	Wanaque Borough	3447	29%
Passaic	Wayne Township	18760	26%
Passaic	West Milford Township	9235	25%
Passaic	West Paterson Borough	4406	36%
Salem	Alloway Township	945	28%
Salem	Carneys Point Township	3125	43%
Salem	Elmer Borough	529	33%
Salem	Elsinboro Township	476	29%
Salem	Lower Alloways Creek Township	700	30%
Salem	Mannington Township	545	33%
Salem	Oldmans Township	649	27%
Salem	Penns Grove Borough	1779	60%
Salem	Pennsville Township	5436	33%
Salem	Pilesgrove Township	1264	22%
Salem	Pittsgrove Township	3009	28%
Salem	Quinton Township	1080	42%
Salem	Salem City	2279	62%
Salem	Upper Pittsgrove Township	1203	29%
Salem	Woodstown Borough	1297	32%
Somerset	Bedminster Township	4238	34%
Somerset	Bernards Township	9203	21%
Somerset	Bernardsville Borough	2722	25%
Somerset	Bound Brook Borough	3656	57%
Somerset	Branchburg Township	5311	25%
Somerset	Bridgewater Township	15528	27%
Somerset	Far Hills Borough	371	25%
Somerset	Franklin Township	19339	38%
Somerset	Green Brook Township	1890	31%
Somerset	Hillsborough Township	12656	27%
Somerset	Manville Borough	4102	53%
Somerset	Millstone Borough	164	35%
Somerset	Montgomery Township	5804	19%
Somerset	North Plainfield Borough	7242	49%
Somerset	Peapack and Gladstone Borough	836	24%
Somerset	Raritan Borough	2559	53%
Somerset	Rocky Hill Borough	288	33%
Somerset	Somerville Borough	4795	53%
Somerset	South Bound Brook Borough	1632	56%
Somerset	Warren Township	4634	22%
Somerset	Watchung Borough	2100	24%
Sussex	Andover Borough	250	35%

Households with Low/Moderate Income Based on 2000 US Census¹

County	Municipality	Total Households	Low/Moderate Income Households (Percent) ²
Sussex	Andover Township	1897	25%
Sussex	Branchville Borough	365	52%
Sussex	Byram Township	2852	20%
Sussex	Frankford Township	1838	34%
Sussex	Franklin Borough	1911	50%
Sussex	Fredon Township	973	24%
Sussex	Green Township	1043	16%
Sussex	Hamburg Borough	1157	35%
Sussex	Hampton Township	1848	34%
Sussex	Hardyston Township	2292	34%
Sussex	Hopatcong Borough	5660	30%
Sussex	Lafayette Township	751	22%
Sussex	Montague Township	1278	51%
Sussex	Newton town	3270	53%
Sussex	Ogdensburg Borough	881	32%
Sussex	Sandyston Township	696	39%
Sussex	Sparta Township	6226	20%
Sussex	Stanhope Borough	1363	31%
Sussex	Stillwater Township	1497	28%
Sussex	Sussex Borough	901	64%
Sussex	Vernon Township	8386	28%
Sussex	Walpack Township	19	68%
Sussex	Wantage Township	3435	37%
Union	Berkeley Heights Township	4475	18%
Union	Clark Township	5648	35%
Union	Cranford Township	8401	28%
Union	Elizabeth City	40489	65%
Union	Fanwood Borough	2564	23%
Union	Garwood Borough	1724	46%
Union	Hillside Township	7155	40%
Union	Kenilworth Borough	2846	40%
Union	Linden City	15029	53%
Union	Mountainside Borough	2436	25%
Union	New Providence Borough	4398	23%
Union	Plainfield City	15149	52%
Union	Rahway City	10028	47%
Union	Roselle Borough	7521	47%
Union	Roselle Park Borough	5144	44%
Union	Scotch Plains Township	8338	26%
Union	Springfield Township	5995	32%
Union	Summit City	7893	25%
Union	Union Township	19531	41%
Union	Westfield town	10639	24%
Union	Winfield Township	690	63%
Warren	Allamuchy Township	1705	30%
Warren	Alpha Borough	984	58%
Warren	Belvidere town	1083	47%
Warren	Blairstown Township	2023	35%
Warren	Franklin Township	971	31%
Warren	Frelinghuysen Township	713	25%

Households with Low/Moderate Income Based on 2000 US Census¹

County	Municipality	Total Households	Low/Moderate Income Households (Percent) ²
Warren	Greenwich Township	1417	22%
Warren	Hackettstown town	4126	45%
Warren	Hardwick Township	498	29%
Warren	Harmony Township	1011	36%
Warren	Hope Township	699	38%
Warren	Independence Township	2145	28%
Warren	Knowlton Township	1046	33%
Warren	Liberty Township	971	36%
Warren	Lopatcong Township	2160	47%
Warren	Mansfield Township	2336	37%
Warren	Oxford Township	901	44%
Warren	Phillipsburg town	6038	62%
Warren	Pohatcong Township	1341	45%
Warren	Washington Borough	2728	52%
Warren	Washington Township	2099	24%
Warren	White Township	1680	43%

¹ Source: Census 2000 Demographic Profile for New Jersey, Counties, Municipalities, Census Designated Places, & Congressional Districts available at http://lwd.dol.state.nj.us/labor/lpa/census/2kcensus/inc_ndx.html

² Based on 1999 moderate income CAPS for a 3 person household by COAH Region as follows:

- Region 1: \$46,114
- Region 2: \$48,888
- Region 3: \$55,224
- Region 4: \$43,963
- Region 5: \$40,032
- Region 6: \$35,160

New Jersey Payroll Employment Change

1990 - 2009

	Dec. 1999 – Dec. 2009	Jan. 1990 – Dec. 1999
Total	-86,700	254,200
Private Sector	-156,100	243,200
Government	69,400	11,000

Source: New Jersey Department of Labor and Workforce Development.

U.S. Total Nonfarm Employment Change

Annual Change (December to December), 1980-2009

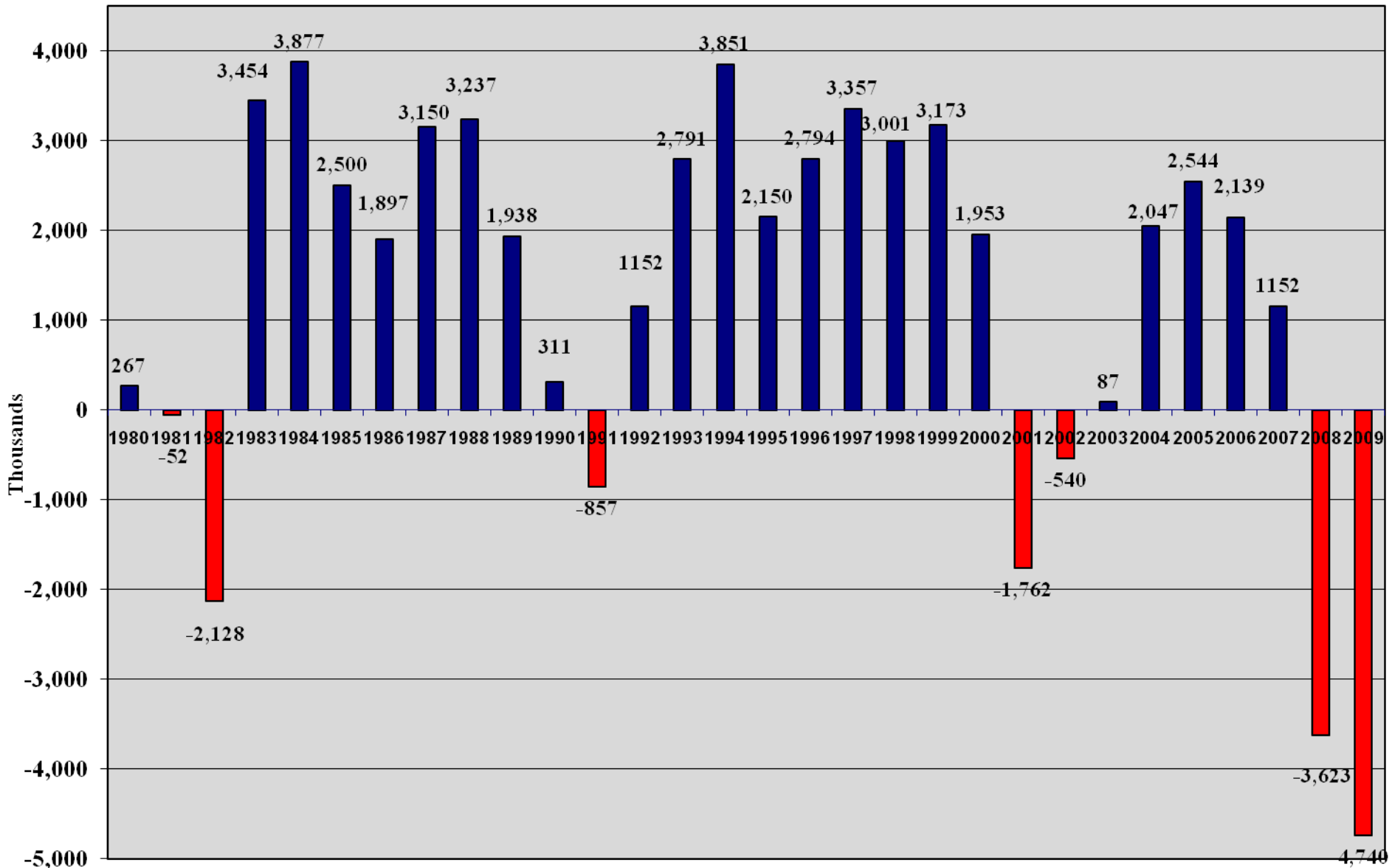


Table 4
Cyclical Employment Peak to Current
New Jersey Nonfarm Payroll Employment
January 2008 to January 2010
(Seasonally Adjusted) (Numbers in thousands)

	January 2008	January 2010	Change: 2008 to 2010	
			Number	Percent
TOTAL NONFARM	4,092.5	3,849.6	-242.9	-5.9
TOTAL PRIVATE SECTOR	3,443.1	3,197.7	-245.4	-7.1
GOODS PRODUCING	478.3	385.8	-92.5	-19.3
Natural Resources And Mining	1.6	1.5	-0.1	-6.3
Construction	171.1	126.6	-44.5	-26.0
Manufacturing	305.6	257.7	-47.9	-15.7
Durable Goods	138.5	114.4	-24.1	-17.4
Non-Durable Goods	167.1	143.3	-23.8	-14.2
PRIVATE SERVICE-PROVIDING	2,964.8	2,811.9	-152.9	-5.2
Trade, Transportation & Utilities	875.6	810.0	-65.6	-7.5
Wholesale Trade	233.4	213.3	-20.1	-8.6
Retail Trade	465.8	431.6	-34.2	-7.3
Transportation, Warehousing, and Utilities	176.4	165.1	-11.3	-6.4
Information	94.2	81.5	-12.7	-13.5
Financial Activities	274.8	246.1	-28.7	-10.4
Finance and Insurance	214.4	195.0	-19.4	-9.0
Real Estate and Rental and Leasing	60.4	51.1	-9.3	-15.4
Professional And Business Services	623.9	571.7	-52.2	-8.4
Professional, Scientific, & Technical Services	291.4	273.8	-17.6	-6.0

Management of Companies and Enterprises	75.4	74.7	-0.7	-0.9
Adm/Support, Waste Mgt/ Remediation Services	257.1	223.2	-33.9	-13.2
Education & Health Services	587.0	605.3	18.3	3.1
Educational Services	89.9	94.1	4.2	4.7
Health Care and Social Assistance	497.1	511.2	14.1	2.8
Leisure And Hospitality	344.3	337.6	-6.7	-1.9
Arts, Entertainment, and Recreation	54.8	56.5	1.7	3.1
Accommodation and Food Services	289.5	281.1	-8.4	-2.9
Other Services	165.0	159.7	-5.3	-3.2
GOVERNMENT	649.4	651.9	2.5	0.4
Federal Government	60.1	59.6	-0.5	-0.8
State Government	153.6	145.3	-8.3	-5.4
Local Government	435.7	447.0	11.3	2.6

Note: North American Industry Classification System (NAICS) employment sectors.

Source: New Jersey Department of Labor.

Table 9
Cyclical Employment Peak to Current
New Jersey Nonfarm Payroll Employment
January 2008 to December 2009
(Seasonally Adjusted) (Numbers in thousands)

	January 2008	December 2009	Change: 2008 to 2009	
			Number	Percent
TOTAL NONFARM	4,092.5	3,858.7	-233.8	-5.7
TOTAL PRIVATE SECTOR	3,443.1	3,207.4	-235.7	-6.8
GOODS PRODUCING	478.3	391.4	-86.9	-18.2
Natural Resources And Mining	1.6	1.6	0.0	0.0
Construction	171.1	130.7	-40.4	-23.6
Manufacturing	305.6	259.1	-46.5	-15.2
Durable Goods	138.5	114.3	-24.2	-17.5
Non-Durable Goods	167.1	144.8	-22.3	-13.3
PRIVATE SERVICE-PROVIDING	2,964.8	2,816.0	-148.8	-5.0
Trade, Transportation & Utilities	875.6	809.6	-66.0	-7.5
Wholesale Trade	233.4	213.6	-19.8	-8.5
Retail Trade	465.8	429.7	-36.1	-7.8
Transportation, Warehousing, and Utilities	176.4	166.3	-10.1	-5.7
Information	94.2	81.9	-12.3	-13.1
Financial Activities	274.8	249.4	-25.4	-9.2
Finance and Insurance	214.4	197.0	-17.4	-8.1
Real Estate and Rental and Leasing	60.4	52.4	-8.0	-13.2
Professional And Business Services	623.9	573.3	-50.6	-8.1
Professional, Scientific, & Technical Services	291.4	275.7	-15.7	-5.4

Management of Companies and Enterprises	75.4	73.2	-2.2	-2.9
Adm/Support, Waste Mgt/ Remediation Services	257.1	224.4	-32.7	-12.7
Education & Health Services	587.0	603.4	16.4	2.8
Educational Services	89.9	92.5	2.6	2.9
Health Care and Social Assistance	497.1	510.9	13.8	2.8
Leisure And Hospitality	344.3	336.5	-7.8	-2.3
Arts, Entertainment, and Recreation	54.8	56.4	1.6	2.9
Accommodation and Food Services	289.5	280.1	-9.4	-3.2
Other Services	165.0	161.9	-3.1	-1.9
GOVERNMENT	649.4	651.3	1.9	0.3
Federal Government	60.1	58.3	-1.8	-3.0
State Government	153.6	145.3	-8.3	-5.4
Local Government	435.7	447.7	12.0	2.8

Note: North American Industry Classification System (NAICS) employment sectors.

Source: New Jersey Department of Labor.

Table 9
Cyclical Employment Peak to Current
New Jersey Nonfarm Payroll Employment
January 2008 to November 2009
(Seasonally Adjusted) (Numbers in thousands)

	January 2008	November 2009	Change: 2008 to 2009	
			Number	Percent
TOTAL NONFARM	4,092.5	3,864.7	-227.8	-5.6
TOTAL PRIVATE SECTOR	3,443.1	3,212.9	-230.2	-6.7
GOODS PRODUCING	478.3	397.8	-80.5	-16.8
Natural Resources And Mining	1.6	1.6	0.0	0.0
Construction	171.1	132.1	-39.0	-22.8
Manufacturing	305.6	264.1	-41.5	-13.6
Durable Goods	138.5	116.1	-22.4	-16.2
Non-Durable Goods	167.1	148.0	-19.1	-11.4
PRIVATE SERVICE-PROVIDING	2,964.8	2,815.1	-149.7	-5.0
Trade, Transportation & Utilities	875.6	807.0	-68.6	-7.8
Wholesale Trade	233.4	214.0	-19.4	-8.3
Retail Trade	465.8	429.2	-36.6	-7.9
Transportation, Warehousing, and Utilities	176.4	163.8	-12.6	-7.1
Information	94.2	81.0	-13.2	-14.0
Financial Activities	274.8	251.0	-23.8	-8.7
Finance and Insurance	214.4	197.1	-17.3	-8.1
Real Estate and Rental and Leasing	60.4	53.9	-6.5	-10.8
Professional And Business Services	623.9	572.6	-51.3	-8.2
Professional, Scientific, & Technical Services	291.4	274.6	-16.8	-5.8

Management of Companies and Enterprises	75.4	73.3	-2.1	-2.8
Adm/Support, Waste Mgt/ Remediation Services	257.1	224.7	-32.4	-12.6
Education & Health Services	587.0	603.0	16.0	2.7
Educational Services	89.9	92.5	2.6	2.9
Health Care and Social Assistance	497.1	510.5	13.4	2.7
Leisure And Hospitality	344.3	338.5	-5.8	-1.7
Arts, Entertainment, and Recreation	54.8	57.4	2.6	4.7
Accommodation and Food Services	289.5	281.1	-8.4	-2.9
Other Services	165.0	162.0	-3.0	-1.8
GOVERNMENT	649.4	651.8	2.4	0.4
Federal Government	60.1	59.2	-0.9	-1.5
State Government	153.6	145.5	-8.1	-5.3
Local Government	435.7	447.1	11.4	2.6

Note: North American Industry Classification System (NAICS) employment sectors.

Source: New Jersey Department of Labor.

Table 9
Cyclical Employment Peak to Current
New Jersey Nonfarm Payroll Employment
January 2008 to October 2009
(Seasonally Adjusted) (Numbers in thousands)

	January 2008	October 2009	Change	
			Number	Percent
TOTAL NONFARM	4,091.0	3,918.0	-173.0	-4.2
TOTAL PRIVATE SECTOR	3,441.2	3,268.5	-172.7	-5.0
GOODS PRODUCING	477.8	416.0	-61.8	-12.9
Natural Resources And Mining	1.6	1.7	0.1	6.2
Construction	170.5	140.1	-30.4	-17.8
Manufacturing	305.7	274.2	-31.5	-10.3
Durable Goods	138.5	120.8	-17.7	-12.8
Non-Durable Goods	167.2	153.4	-13.8	-8.3
PRIVATE SERVICE-PROVIDING	2,963.4	2,852.5	-110.9	-3.7
Trade, Transportation & Utilities	874.5	836.9	-37.6	-4.3
Wholesale Trade	233.3	226.6	-6.7	-2.9
Retail Trade	464.8	449.1	-15.7	-3.4
Transportation, Warehousing, and Utilities	176.4	161.2	-15.2	-8.6
Information	94.2	88.9	-5.3	-5.6
Financial Activities	274.5	252.8	-21.7	-7.9
Finance and Insurance	214.2	198.0	-16.2	-7.6
Real Estate and Rental and Leasing	60.3	54.8	-5.5	-9.1
Professional And Business Services	624.7	576.5	-48.2	-7.7
Professional, Scientific, & Technical Services	291.7	274.4	-17.3	-5.9
Management of Companies and Enterprises	75.3	74.8	-0.5	-0.7
Adm/Support, Waste Mgt/ Remediation Services	257.7	227.3	-30.4	-11.8
Education & Health Services	586.9	593.9	7.0	1.2
Educational Services	90.0	87.5	-2.5	-2.8
Health Care and Social Assistance	496.9	506.4	9.5	1.9
Leisure And Hospitality	343.8	338.3	-5.5	-1.6
Arts, Entertainment, and Recreation	54.6	52.4	-2.2	-4.0
Accommodation and Food Services	289.2	285.9	-3.3	-1.1

Other Services	164.8	165.2	0.4	0.2
GOVERNMENT	649.8	649.5	-0.3	0.0
Federal Government	60.1	59.1	-1.0	-1.7
State Government	153.5	145.6	-7.9	-5.1
Local Government	436.2	444.8	8.6	2.0

Note: North American Industry Classification System (NAICS) employment sectors.

Source: New Jersey Department of Labor.

Table 9
Cyclical Employment Peak to Current
New Jersey Nonfarm Payroll Employment
January 2008 to September 2009
(Seasonally Adjusted) (Numbers in thousands)

	January 2008	September 2009	Change	
			Number	Percent
TOTAL NONFARM	4,091.0	3,917.7	-173.3	-4.2
TOTAL PRIVATE SECTOR	3,441.2	3,275.3	-165.9	-4.8
GOODS PRODUCING	477.8	414.6	-63.2	-13.2
Natural Resources And Mining	1.6	1.7	0.1	6.2
Construction	170.5	139.8	-30.7	-18.0
Manufacturing	305.7	273.1	-32.6	-10.7
Durable Goods	138.5	120.1	-18.4	-13.3
Non-Durable Goods	167.2	153.0	-14.2	-8.5
PRIVATE SERVICE-PROVIDING	2,963.4	2,860.7	-102.7	-3.5
Trade, Transportation & Utilities	874.5	837.2	-37.3	-4.3
Wholesale Trade	233.3	225.4	-7.9	-3.4
Retail Trade	464.8	453.0	-11.8	-2.5
Transportation, Warehousing, and Utilities	176.4	158.8	-17.6	-10.0
Information	94.2	89.2	-5.0	-5.3
Financial Activities	274.5	255.9	-18.6	-6.8
Finance and Insurance	214.2	199.9	-14.3	-6.7
Real Estate and Rental and Leasing	60.3	56.0	-4.3	-7.1
Professional And Business Services	624.7	580.9	-43.8	-7.0
Professional, Scientific, & Technical Services	291.7	272.3	-19.4	-6.7
Management of Companies and Enterprises	75.3	75.7	0.4	0.5
Adm/Support, Waste Mgt/ Remediation Services	257.7	232.9	-24.8	-9.6
Education & Health Services	586.9	593.7	6.8	1.2
Educational Services	90.0	86.6	-3.4	-3.8
Health Care and Social Assistance	496.9	507.1	10.2	2.1
Leisure And Hospitality	343.8	339.3	-4.5	-1.3
Arts, Entertainment, and Recreation	54.6	53.3	-1.3	-2.4
Accommodation and Food Services	289.2	286.0	-3.2	-1.1

Other Services	164.8	164.5	-0.3	-0.2
GOVERNMENT	649.8	642.4	-7.4	-1.1
Federal Government	60.1	58.9	-1.2	-2.0
State Government	153.5	147.3	-6.2	-4.0
Local Government	436.2	436.2	0.0	0.0

Note: North American Industry Classification System (NAICS) employment sectors.

Source: New Jersey Department of Labor.

Table 9
Cyclical Employment Peak to Current
New Jersey Nonfarm Payroll Employment
January 2008 to August 2009
(Seasonally Adjusted) (Numbers in thousands)

	January 2008	August 2009	Change	
			Number	Percent
TOTAL NONFARM	4,091.0	3,930.5	-160.5	-3.9
TOTAL PRIVATE SECTOR	3,441.2	3,288.3	-152.9	-4.4
GOODS PRODUCING	477.8	418.9	-58.9	-12.3
Natural Resources And Mining	1.6	1.7	0.1	6.2
Construction	170.5	144.1	-26.4	-15.5
Manufacturing	305.7	273.1	-32.6	-10.7
Durable Goods	138.5	121.4	-17.1	-12.3
Non-Durable Goods	167.2	151.7	-15.5	-9.3
PRIVATE SERVICE-PROVIDING	2,963.4	2,869.4	-94.0	-3.2
Trade, Transportation & Utilities	874.5	839.7	-34.8	-4.0
Wholesale Trade	233.3	224.3	-9.0	-3.9
Retail Trade	464.8	452.5	-12.3	-2.6
Transportation, Warehousing, and Utilities	176.4	162.9	-13.5	-7.7
Information	94.2	89.5	-4.7	-5.0
Financial Activities	274.5	255.2	-19.3	-7.0
Finance and Insurance	214.2	199.0	-15.2	-7.1
Real Estate and Rental and Leasing	60.3	56.2	-4.1	-6.8
Professional And Business Services	624.7	584.2	-40.5	-6.5
Professional, Scientific, & Technical Services	291.7	274.8	-16.9	-5.8
Management of Companies and Enterprises	75.3	75.9	0.6	0.8
Adm/Support, Waste Mgt/ Remediation Services	257.7	233.5	-24.2	-9.4

Education & Health Services	586.9	593.6	6.7	1.1
Educational Services	90.0	89.9	-0.1	-0.1
Health Care and Social Assistance	496.9	503.7	6.8	1.4
Leisure And Hospitality	343.8	338.6	-5.2	-1.5
Arts, Entertainment, and Recreation	54.6	55.6	1.0	1.8
Accommodation and Food Services	289.2	283.0	-6.2	-2.1
Other Services	164.8	168.6	3.8	2.3
GOVERNMENT	649.8	642.2	-7.6	-1.2
Federal Government	60.1	58.6	-1.5	-2.5
State Government	153.5	147.6	-5.9	-3.8
Local Government	436.2	436.0	-0.2	0.0

Note: North American Industry Classification System (NAICS) employment sectors.

Source: New Jersey Department of Labor.

Table 9
Cyclical Employment Peak to Current
New Jersey Nonfarm Payroll Employment
January 2008 to July 2009
(Seasonally Adjusted) (Numbers in thousands)

	January 2008	July 2009	Change	
			Number	Percent
TOTAL NONFARM	4,091.0	3,936.1	-154.9	-3.8
TOTAL PRIVATE SECTOR	3,441.2	3,292.8	-148.4	-4.3
GOODS PRODUCING	477.8	421.9	-55.9	-11.7
Natural Resources And Mining	1.6	1.7	0.1	6.2
Construction	170.5	144.3	-26.2	-15.4
Manufacturing	305.7	275.9	-29.8	-9.7
Durable Goods	138.5	122.5	-16.0	-11.6
Non-Durable Goods	167.2	153.4	-13.8	-8.3
PRIVATE SERVICE-PROVIDING	2,963.4	2,870.9	-92.5	-3.1
Trade, Transportation & Utilities	874.5	839.2	-35.3	-4.0
Wholesale Trade	233.3	222.6	-10.7	-4.6
Retail Trade	464.8	452.6	-12.2	-2.6
Transportation, Warehousing, and Utilities	176.4	164.0	-12.4	-7.0
Information	94.2	88.6	-5.6	-5.9
Financial Activities	274.5	256.0	-18.5	-6.7
Finance and Insurance	214.2	198.7	-15.5	-7.2
Real Estate and Rental and Leasing	60.3	57.3	-3.0	-5.0
Professional And Business Services	624.7	581.5	-43.2	-6.9
Professional, Scientific, & Technical Services	291.7	274.0	-17.7	-6.1
Management of Companies and Enterprises	75.3	75.3	0.0	0.0
Adm/Support, Waste Mgt/ Remediation Services	257.7	232.2	-25.5	-9.9
Education & Health Services	586.9	596.2	9.3	1.6
Educational Services	90.0	91.3	1.3	1.4
Health Care and Social Assistance	496.9	504.9	8.0	1.6
Leisure And Hospitality	343.8	339.8	-4.0	-1.2

Arts, Entertainment, and Recreation	54.6	56.5	1.9	3.5
Accommodation and Food Services	289.2	283.3	-5.9	-2.0
Other Services	164.8	169.6	4.8	2.9
GOVERNMENT	649.8	643.3	-6.5	-1.0
Federal Government	60.1	58.7	-1.4	-2.3
State Government	153.5	147.8	-5.7	-3.7
Local Government	436.2	436.8	0.6	0.1

Note: North American Industry Classification System (NAICS) employment sectors.

Source: New Jersey Department of Labor.

Table 9
Cyclical Employment Peak to Current
New Jersey Nonfarm Payroll Employment
January 2008 to August 2009
(Seasonally Adjusted) (Numbers in thousands)

	January 2008	August 2009	Change	
			Number	Percent
TOTAL NONFARM	4,091.0	3,930.5	-160.5	-3.9
TOTAL PRIVATE SECTOR	3,441.2	3,288.3	-152.9	-4.4
GOODS PRODUCING	477.8	418.9	-58.9	-12.3
Natural Resources And Mining	1.6	1.7	0.1	6.2
Construction	170.5	144.1	-26.4	-15.5
Manufacturing	305.7	273.1	-32.6	-10.7
Durable Goods	138.5	121.4	-17.1	-12.3
Non-Durable Goods	167.2	151.7	-15.5	-9.3
PRIVATE SERVICE-PROVIDING	2,963.4	2,869.4	-94.0	-3.2
Trade, Transportation & Utilities	874.5	839.7	-34.8	-4.0
Wholesale Trade	233.3	224.3	-9.0	-3.9
Retail Trade	464.8	452.5	-12.3	-2.6
Transportation, Warehousing, and Utilities	176.4	162.9	-13.5	-7.7
Information	94.2	89.5	-4.7	-5.0
Financial Activities	274.5	255.2	-19.3	-7.0
Finance and Insurance	214.2	199.0	-15.2	-7.1
Real Estate and Rental and Leasing	60.3	56.2	-4.1	-6.8
Professional And Business Services	624.7	584.2	-40.5	-6.5
Professional, Scientific, & Technical Services	291.7	274.8	-16.9	-5.8
Management of Companies and Enterprises	75.3	75.9	0.6	0.8
Adm/Support, Waste Mgt/ Remediation Services	257.7	233.5	-24.2	-9.4

Education & Health Services	586.9	593.6	6.7	1.1
Educational Services	90.0	89.9	-0.1	-0.1
Health Care and Social Assistance	496.9	503.7	6.8	1.4
Leisure And Hospitality	343.8	338.6	-5.2	-1.5
Arts, Entertainment, and Recreation	54.6	55.6	1.0	1.8
Accommodation and Food Services	289.2	283.0	-6.2	-2.1
Other Services	164.8	168.6	3.8	2.3
GOVERNMENT	649.8	642.2	-7.6	-1.2
Federal Government	60.1	58.6	-1.5	-2.5
State Government	153.5	147.6	-5.9	-3.8
Local Government	436.2	436.0	-0.2	0.0

Note: North American Industry Classification System (NAICS) employment sectors.

Source: New Jersey Department of Labor.

Table 9
Cyclical Employment Peak to Current
New Jersey Nonfarm Payroll Employment
January 2008 to July 2009
(Seasonally Adjusted) (Numbers in thousands)

	January 2008	July 2009	Change	
			Number	Percent
TOTAL NONFARM	4,091.0	3,936.1	-154.9	-3.8
TOTAL PRIVATE SECTOR	3,441.2	3,292.8	-148.4	-4.3
GOODS PRODUCING	477.8	421.9	-55.9	-11.7
Natural Resources And Mining	1.6	1.7	0.1	6.2
Construction	170.5	144.3	-26.2	-15.4
Manufacturing	305.7	275.9	-29.8	-9.7
Durable Goods	138.5	122.5	-16.0	-11.6
Non-Durable Goods	167.2	153.4	-13.8	-8.3
PRIVATE SERVICE-PROVIDING	2,963.4	2,870.9	-92.5	-3.1
Trade, Transportation & Utilities	874.5	839.2	-35.3	-4.0
Wholesale Trade	233.3	222.6	-10.7	-4.6
Retail Trade	464.8	452.6	-12.2	-2.6
Transportation, Warehousing, and Utilities	176.4	164.0	-12.4	-7.0
Information	94.2	88.6	-5.6	-5.9
Financial Activities	274.5	256.0	-18.5	-6.7
Finance and Insurance	214.2	198.7	-15.5	-7.2
Real Estate and Rental and Leasing	60.3	57.3	-3.0	-5.0
Professional And Business Services	624.7	581.5	-43.2	-6.9
Professional, Scientific, & Technical Services	291.7	274.0	-17.7	-6.1
Management of Companies and Enterprises	75.3	75.3	0.0	0.0
Adm/Support, Waste Mgt/ Remediation Services	257.7	232.2	-25.5	-9.9
Education & Health Services	586.9	596.2	9.3	1.6
Educational Services	90.0	91.3	1.3	1.4
Health Care and Social Assistance	496.9	504.9	8.0	1.6
Leisure And Hospitality	343.8	339.8	-4.0	-1.2

Arts, Entertainment, and Recreation	54.6	56.5	1.9	3.5
Accommodation and Food Services	289.2	283.3	-5.9	-2.0
Other Services	164.8	169.6	4.8	2.9
GOVERNMENT	649.8	643.3	-6.5	-1.0
Federal Government	60.1	58.7	-1.4	-2.3
State Government	153.5	147.8	-5.7	-3.7
Local Government	436.2	436.8	0.6	0.1

Note: North American Industry Classification System (NAICS) employment sectors.

Source: New Jersey Department of Labor.

Attachment #5

Stakeholder Meetings and Conference Calls:

New Jersey Conservation Foundation
Sierra Club
NJ Environmental Federation
Dept. of Agriculture
Farm Bureau
NJ Hands, Inc.
Affordable Housing Professionals of NJ
Apartment Association of NJ
Housing Community Dev. Network of NJ
NJ Manufactured Housing Association
Fair Share Housing Center (including Counsel)
NJ Apartment Association
NAACP
Women Who Never Give Up
NJ County Planners Association
American Planning Association of New Jersey
NJ Business and Industry Association
State Chamber of Commerce
NAIOP (including Counsel)
CAINJ (including Counsel)

NJ Conference of Mayors
Pinelands Commission
NJ Meadowlands Commission
Highlands Council
State Planning Commission
NJ Future
NJ Builders Association
Woodmont Properties
K. Hovnanian
Orleans Homes
Coalition for Affordable Housing & the Environ.
The Morris-Sussex Land Use Group
Carlstadt, Bergen County
NJ League of Municipalities Executive Board
(including Counsel), Housing
Committee and the Mayors of East
Windsor, Eatontown, East Orange,
Montgomery Twp., Buena Vista Twp.,
Bridgewater, Mount Arlington,
Collingswood, Hampton Twp. (Sussex)

Additional Correspondence and Communication

Randolph Twp., Morris County
Norwescap
Princeton University
The Twenty Town Group
Sparta Township, Sussex County
Princeton Community Housing
Hunterdon County Planning Board
Hudson County Planning Board
Bayonne City Planner
Town of Secaucus, Hudson County
Somerset County Planning Board
Atlantic County Planning Board
Franklin Township, Warren County
Franklin Township, Hunterdon County
Warren County Planning Board

Ursula H. Leon, Esq. of Laddey, Clark &
Ryan, LLP
David Banisch, PP/AICP, Banisch Assoc.
Frank Banisch
Gail Fraser, Esq.
Thomas Collins, Esq. of Vogel, Chait, Collins
and Schneider
Montgomery Township, Somerset County
Raritan Township, Hunterdon County
Hopewell Twp., Mercer County
Town of Clinton, Hunterdon County
Union Township, Hunterdon County
Milford Borough, Hunterdon County
Catholic Charities, Diocese of Metuchen

Volunteer Counsel to the Task Force

Gary Hall, Esq.
Jennifer Krimko, Esq.
Michael A. Pane, Esq.