

## **THIRD ROUND AFFORDABLE HOUSING OBLIGATION**

The Mount Laurel II Supreme Court Decision, NJ Fair Housing Act and the Council on Affordable Housing (COAH) Third Round Substantive Rules have provided us with a Third Round Affordable Housing obligation. Colts Neck has two realistic options with respect to this obligation:

- 1.) Petition the Council on Affordable Housing for Certification of an Affordable Housing Plan, or
- 2.) Do not file a plan with COAH

Consequences of not participating in the COAH process leave the Township vulnerable to a Builders Remedy Lawsuit. A builder's remedy suit will determine how and where affordable housing will be provided through the judicial process. On the other hand, participation in the COAH process allows the Township to decide how and where affordable housing should be provided throughout the Township.

Colts Neck's cumulative 1<sup>st</sup> and 2<sup>nd</sup> round affordable housing obligation of 246 units has been satisfied, most recently through the settlement of the Westminster builder's remedy litigation and the purchase of about 100 RCA units from Long Branch. Our Final Judgment of Compliance of Repose, protecting the Township from another builders remedy suit, will expire on June 21, 2007. Therefore, we must decide now whether to file a Plan with COAH.

COAH's 3<sup>rd</sup> Round Affordable Housing obligation is based on a growth share methodology. In general, a municipality's obligation is directly related to the actual growth that occurs between January 1, 2004 and December 31, 2014. Municipalities that experience more growth will have a higher obligation than municipalities that experience less growth.

The Third Round Affordable Housing obligation is based on residential and nonresidential growth in a municipality. In determining the Third Round obligation, the residential growth share requires one affordable housing unit for every eight new residential dwellings unit receiving a certificate of occupancy between 2004 and 2014. The nonresidential growth share requires one affordable housing unit for every 25 jobs created. The calculation of new jobs is based on gross floor area and use groups of new commercial buildings, with office buildings generating one affordable housing unit for each 8,333 s.f. of new floor area and retail stores generating one affordable unit for each 25,000 s.f.

The Township has retained Mr. Tom Thomas, an affordable housing expert, to assist in preparing our third round plan. The Affordable Housing Subcommittee, in conjunction with Mr. Thomas and our Planner Tim Anfusio, have been analyzing the amount of new growth anticipated from now to 2014. This net growth consists of

developments with Planning Board approval but not constructed, plus anticipated future developments, minus demolitions. The Subcommittee believes that if we receive credit for the 118 units demolished in Earle, our Third Round obligation could be as low as 26 units. If we do not receive credit for the Earle demolitions our maximum obligation would be in the range of 40 units.

Mr. Thomas has advised that we could receive credit for the Earle demolitions and, therefore, has recommended we submit a plan for 26 units.

Assuming a Third Round obligation of 26 units, a maximum of 13 units (50%) can be satisfied through RCAs. It was the consensus of the Subcommittee that we should take advantage of all of the RCAs available to us, leaving us with an in town obligation of 13 units. Of the 13 unit in town obligation, three units (25%) must be rental and a maximum of six units (50%) could be age restricted senior housing.