

2008 HOUSING PLAN ELEMENT AND FAIR SHARE PLAN
OF THE
TOWNSHIP OF OCEAN MASTER PLAN

Draft for Planning Board Hearing
November 21, 2008

TOWNSHIP OF OCEAN
OCEAN COUNTY, NEW JERSEY

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INTRODUCTION

The Township of Ocean has prepared this housing plan element and fair share plan in accordance with the requirements of the Mount Laurel Doctrine, the New Jersey Municipal Land Use Law and the State Fair Housing Act. This plan updates and replaces the Township's previously adopted Housing Element and Fair Share Plan, which was adopted by the Township Land Use Board in December 2005. The December 2005 plan was submitted to the New Jersey Council on Affordable Housing (COAH) as part of the Township's petition for substantive certification of its Cycle I, II and III Fair Share Plan under COAH's previously adopted Cycle III rules.

COAH adopted a revised set of substantive rules (N.J.A.C. 5:97-1 et seq.) that became effective in May 2008 and was further amended in October 2008. In addition, in July 2008 the Governor signed into law Assembly Bill A-500 (P.L.2008, c.46) that made further changes to COAH's regulations and requirements. Therefore, the Township is required to revise its previously adopted Housing Plan element and Fair Share Plan to conform to the new regulatory and statutory requirements. This plan represents the Township's response to COAH's new Cycle III regulations.

COAH's current substantive rules presents a methodology for calculating a municipality's affordable housing obligation, consisting of three components. These include the rehabilitation share, which is a measure of old, overcrowded, deficient housing that is occupied by low and moderate income households, any remaining Prior Round (Cycles I and II) obligation for the period from 1987-1999, and the "growth share", which links the actual production of affordable housing with municipal development and growth. COAH calculates that the Township of Ocean's rehabilitation share is 11 units, and the remaining Prior Round obligation is 236 units. The Township's growth share obligation is 139 units as described in the following sections of this plan.

The Mount Laurel Doctrine

In 1975, the New Jersey Supreme Court, in Mt. Laurel I (Southern Burlington County NAACP v. The Township of Mount Laurel, 676 N.J. 151, 336 A. 2d 713 (1975)), held that a developing municipality must, through its land use regulations, create a realistic opportunity for an appropriate variety and choice of housing for all categories of people who may desire to live there, including those of low and moderate income.

As a result of Mount Laurel I, developing municipalities in the path of growth were obligated to provide for a mix of housing that addressed their fair share of the region's housing need. However, Mount Laurel I generally resulted in few housing opportunities for low and moderate households because many municipalities failed to use their powers to zone and provide a realistic opportunity for the provision of affordable housing.

In 1983, the New Jersey Supreme Court decided Mount Laurel II (Southern Burlington County NAACP v. the Township of Mount Laurel, 92 N.J. 158, 456 A. 2d 390 (1983)). In its Mount Laurel II decision, the Supreme Court held:

- *The existence of a municipal obligation to provide a realistic opportunity for a fair share of the region's present and prospective low and moderate income housing need, will no longer be determined by whether or not a municipality is 'developing'. The obligation extends, instead, to every municipality, any portion of which is designated by the state, through the SDGP (State Development Guide Plan, currently called the State Development and Redevelopment Plan), as a growth area.*

- *The lower income regional housing need is comprised of both low and moderate income housing. Low income housing need consists of households whose incomes do not exceed 50 percent of the median income of the area with adjustment for family size. Moderate income housing need consists of households whose income does not exceed 80 percent of the median income of the area with adjustment for family size.*

Under the doctrine established by the Supreme Court, a municipality that continued to use its power to zone without consideration of its impact on low and moderate households faced the prospect of loss of that power. Such municipalities faced the prospect of a court ordered rezoning, or the so-called “builder’s remedy.” The essence of the landmark decision, however, was that municipalities should use their zoning powers and other related powers to facilitate, rather than obstruct, the provision of affordable housing.

The Fair Housing Act

In 1985, two years after Mount Laurel II, the State adopted the Fair Housing Act and created an administrative alternative to court action in addressing municipal compliance with Mount Laurel II. The Fair Housing Act establishes the Council on Affordable Housing (COAH) as the state agency responsible for identifying housing regions, estimating low and moderate income housing need, and providing regulations that guide municipalities in addressing their obligations. The stated intent of the Act was to provide alternatives to the use of the builder's remedy as a method of achieving the provision of affordable housing.

As the State agency responsible for administering the Fair Housing Act, COAH establishes affordable housing guidelines and criteria. COAH estimates the total lower income housing need statewide, organizes the State into housing regions, and allocates a share of the regional housing need to each municipality in the region. COAH also identifies those circumstances where an “adjustment” to a municipality’s fair share is appropriate. Finally, COAH identifies the types of housing activities and programs that will be readily recognized as credits or reductions to the municipal fair share.

The Municipal Planning Responsibility

Each municipality is obligated to plan to meet its fair share. The New Jersey Municipal Land Use Law enables a municipality to adopt a zoning ordinance to regulate land use provided that the municipality has also adopted a master plan that includes a land use element and a housing element.

Mandatory Contents of the Housing Element

The essential components of a local housing element, as set forth in N.J.S.A. 52:27D-310, are the following:

- *An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low and moderate income households and substandard housing capable of being rehabilitated.*
- *A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for the next six years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands.*
- *An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level, and age.*
- *An analysis of the existing and probable future employment characteristics of the municipality.*
- *A determination of the municipality's present and prospective fair share for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing.*
- *A consideration of the lands that are most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing.*

In addition, COAH's substantive rules (N.J.A.C. 5:97) for the period from January 1, 2004 through December 31, 2018 require the following:

- *The household projection for the municipality as provided in Appendix F of N.J.A.C. 5:97;*
- *The employment projection for the municipality as provided in Appendix F of N.J.A.C. 5:97;*
- *The municipality's prior round obligation as provided in Appendix C of N.J.A.C. 5:97;*
- *The municipality's rehabilitation share as provided in Appendix B of N.J.A.C. 5:97; and,*
- *The projected growth share in accordance with the procedures in N.J.A.C. 5:97-2.4.*

The Township's Cycle III growth share obligation is 139 units. The following Housing Element and Fair Share Plan include all the required contents as specified in the MLUL and COAH's regulations.

COAH calculates that the Township of Ocean's current rehabilitation share is 11 units, its remaining Prior Round obligation is 236 units, and the Township's Cycle III growth share is 139 units. The Fair Share Plan specifies the mechanisms by which the Township will address this obligation.

ANALYSIS OF DEMOGRAPHIC, HOUSING AND EMPLOYMENT CHARACTERISTICS

As required by N.J.S.A.52:27D-310, all housing elements must contain a discussion of the community’s demographic, housing, and economic characteristics. In fulfillment of this requirement, the following sections profile the Township of Ocean with information obtained from the U.S. Census Bureau, the North Jersey Transportation Planning Authority, and the New Jersey Department of Labor and Workforce Development.

Ocean’s Demographics

At the time of the 2000 U.S. Census, the Township of Ocean had a population of 6,450 residents (Table 1). This figure represents a 19.1 percent increase from the population of 5,416 residents that was reported in 1990. In comparison, the population of Ocean County grew by 17.9 percent during the same time period. As indicated by the North Jersey Transportation Planning Authority (NJTPA)’s population projections, the Township and the County will continue to grow, reaching respective populations of 15,350 and 739,300 by the year 2030. Based on these projections, the Township can expect to increase its population by approximately 138 percent over the next quarter-century, more than tripling the County’s growth rate of 44.7 percent.

Table 1: Population Trends, 1990-2005

	1990	2000	2005*	2030*	% Change 1990-2000	% Change 2000-2005	% Change 2000-2030
Township of Ocean	5,416	6,450	7,280	15,350	19.1%	12.9%	138.0%
Ocean County	433,203	510,916	553,500	739,300	17.9%	4.4%	44.7%

*Projected population

Source: U.S. Census Bureau, North Jersey Transportation Planning Authority (data release March 2005).

Compiled by: T&M Associates

According to the 2000 U.S. Census, the Township’s population is composed of 2,446 households, with an average household size of 2.61 members (Table 2). The average household size is smaller than the State of New Jersey’s average of 2.68, but greater than the County’s average of 2.51 persons per households. The percentage of the Township’s population that is over 65 years of age, (13.8 percent) is less than the County and the State. The median household income in Ocean Township is slightly higher than the County median, but lower than the State median.

Table 4: Housing Characteristics, 2000

	Number	% of Total
I. Housing Units		
Number of units	2,981	100.0%
Occupied Housing Units	2,446	82.1%
Vacant Housing Units	535	17.9%
Number of units (1990)	2,828	100.0%
II. Occupancy/Household Characteristics		
Number of Households	2,446	100.0%
Persons Per Household	2.61	N/A
Family Households	1,745	71.3%
Non-Family Households	701	28.7%
Householders 65 and over	246	10.1%
III. Year Structure Built		
1999 to March 2000	47	1.6%
1995 to 1998	105	3.5%
1990 to 1994	215	7.2%
1980 to 1989	460	15.4%
1970 to 1979	684	22.9%
1960 to 1969	769	25.8%
1940 to 1959	594	19.9%
1939 or earlier	107	3.6%
IV. Condition of Units		
Lacking complete plumbing facilities	8	0.3%
Lacking complete kitchen facilities	8	0.3%
V. Home Value (Owner Occupied Units)		
\$500,000 and up	0	0.0%
\$300,000-\$499,999	46	2.3%
\$200,000 - \$299,999	124	6.3%
\$150,000 - \$199,000	250	12.7%
\$100,000 - \$149,000	639	32.6%
\$50,000 - \$99,999	883	45.0%
\$0 - \$50,000	19	1.0%
Median Value	\$104,800	N/A
VI. Rental Value (Renter Occupied Units)		
\$1,500 and up	0	0.0%
\$1,000-\$1,499	64	16.9%
\$750 - \$999	223	58.8%
\$500 - \$749	64	16.9%
\$200 - \$499	0	0.0%
Less than \$200	0	0.0%
No cash rent	28	7.4%
Median Gross Rent (2000)	\$833	

Source: U.S. Census Bureau
 Compiled by: T&M Associates

The housing stock in Ocean Township had only a limited number of substandard units at the time of the 2000 U.S. Census, which indicates that the Township had eight units lacking complete plumbing facilities and 8 units lacking complete kitchen facilities. In addition, only 91 of the Township's housing units (3.7 percent) exhibited overcrowded conditions (1.01 persons or more per room).

The 2000 median value of the owner-occupied housing units in Ocean Township was \$104,800. This is less than both the County and State median values of \$131,000 and \$170,800, respectively. Ocean Township's median gross rent of \$833 is higher than the County and State median gross rents of \$819 and \$751, respectively.

Housing units that have a monthly cost of less than 30 percent of gross household income are considered affordable. In Ocean Township, 1,305 specified² owner-occupied units (66.5 percent of all owner-occupied units) and 208 renter-occupied units (55 percent of all rental units) are considered affordable (Table 5).

Table 5: Housing Affordability as a Percentage of 1999 Household Income

	Number	% of Total
Selected Monthly Owner Costs		
< 15%	548	27.9%
15% to 19%	237	12.1%
20% to 24%	337	17.2%
25% to 29%	183	9.3%
30% to 34%	146	7.4%
35% or more	501	25.5%
Not Computed	9	0.5%
Gross Rent		
< 15%	53	14.0%
15% to 19%	67	17.7%
20% to 24%	23	6.1%
25% to 29%	65	17.2%
30% or more	136	35.9%
Not Computed	35	9.1%

Source: U.S. Census Bureau

² Specified owner-occupied units do not include residences where a business activity (i.e., professional offices as an accessory use) takes place.

Ocean's Employment

At the time of the 2000 U.S. Census 2,958 of Ocean Township's residents (45.9 percent) aged 16 years and over were employed in the civilian labor force (Table 6). Slightly more than a quarter of the civilian labor force was involved in management, professional, and related occupations, while approximately 23.2 percent of those employed in the civilian labor force were employed in sales and office-related occupations. Service occupations employed 19.2 percent of Ocean Township residents that were employed in the civilian labor force. Construction, extraction and maintenance related occupations employed 21.8 percent of the Township's residents, whereas production, transportation, and material-moving occupations employed 10.6 percent of the Township's residents that were employed in the civilian labor force.

Table 6: Occupation of Employed Civilian Population, Aged 16 and Over, 2000

	Number	% of Total
Management, Professional, and Related	745	25.2%
Service	568	19.2%
Sales and Office	685	23.2%
Farming, Fishing, and Forestry	0	0.0%
Construction, Extraction, and Maintenance	645	21.8%
Production, Transportation, and Material Moving	315	10.6%

Source: U.S. Census Bureau

In 1999, the median household income in Ocean Township was \$46,461, up \$15,622 from the 1989 median household income of \$30,839. After adjusting for inflation, however, this represents an increase in household income of just 10.8 percent. In 2000, per capita income was \$22,830, which places the Township at 194 out of 566 municipalities (New Jersey Department of Labor and Workforce Development).

Table 7: Household Income, 1999

	Number	% of Total
Less than \$10,000	114	4.7%
\$10,000 to \$14,999	142	5.8%
\$15,000 to \$24,999	228	9.3%
\$25,000 to \$34,999	256	10.5%
\$35,000 to \$49,999	613	25.1%
\$50,000 to \$74,999	481	19.7%
\$75,000 to \$99,999	286	11.7%
\$100,000 to \$149,999	195	8.0%
\$150,000 to \$199,999	80	3.3%
\$200,000 or More	52	2.1%
Median Household Income (Dollars)	\$46,461	N/A

Source: U.S. Census Bureau

With regard to the number of jobs that are located within the Township, the New Jersey Department of Labor indicates that there was an average of 1,162 jobs located within the municipality in 2006, which is the latest available data. This is up 201 jobs (20.9 percent) over the 2004 average of 961 jobs. The Department of Labor's basis for this information is the number of jobs that are covered by public unemployment and disability insurance.

MUNICIPAL AFFORDABLE HOUSING OBLIGATION

COAH's substantive rules indicate that a municipality's affordable housing obligation consists of three components. These include: the rehabilitation share, which is a measure of overcrowded and deficient housing that is occupied by low and moderate income households; the prior round obligation for the period from 1987 to 1999; and, the municipal "growth share" need for the period from 2004 through 2018. The growth share links the actual production of affordable housing to municipal development and growth.

Rehabilitation Obligation

Appendix B of N.J.A.C. 5:97 indicates that Ocean Township's rehabilitation obligation is 11 units. The Township will address its rehabilitation obligation through a continuation of its local rehabilitation program. This is described in detail in the Fair Share Plan.

Total Remaining Obligation

Appendix C of N.J.A.C. 5:97 indicates that the Township has a total remaining prior-round obligation (Cycles I and II) of 236 units. The Township's plan to address its prior-round need is described in the Fair Share Plan.

Growth Share

Appendix F of N.J.A.C. 5:97 indicates that the Township's growth share is 139 units. Based on existing population and employment projections, Ocean accepts COAH's municipal housing and employment growth projections. The Township's growth share obligation will be addressed in its Fair Share Plan.

MUNICIPAL ABILITY TO ACCOMMODATE AFFORDABLE HOUSING OBLIGATION

Plan Endorsement Status

The Township received plan endorsement and approval of its Waretown Town Center by the New Jersey State Planning Commission on December 7, 2005. Ocean became the second municipality and the first suburban community to receive plan endorsement. The State Planning Commission approved the center boundary, state planning areas, and Planning and Implementation Agreement (PIA), which identifies further actions that Ocean will perform to implement the center and bring its planning documents into further consistency and compliance with the State Plan. The PIA also requires that the Township comply with the State's affordable housing regulations and receive substantive certification from COAH.

As part of the ongoing planning efforts of the Township, Ocean has adopted a Waretown Town Center Concept Plan that includes the Township's affordable housing component. The Town Center plan is incorporated into the Township's Land Use Plan Element and its adopted Zone Plan and Zoning Map. The Town Center has been identified as the primary location for new growth and development in the Township. The Waretown Town Center integrates smart growth planning principals into a comprehensive mixed-use center design that includes:

- Work places and employment opportunities;
- A variety of housing opportunities, including senior and affordable housing;
- Pedestrian and bicycle trails and linkages;
- Active and passive recreation;
- Community greens and public spaces;
- Public facilities;
- Shopping; and
- Restaurants and entertainment.

The Waretown Town Center also is identified as the receiving district in Ocean's Transfer of Development Rights (TDR) Program. The Township supports the TDR as a viable means of retaining equity for property owners while focusing growth into the Township's center and has applied for a grant to implement a Transfer of Development Rights program in the Township.

Adequacy of Municipal Zoning Plan to Accommodate Projected Growth

The Township has adequate capacity in its current zone plan to accommodate the projected growth in the Township, including planned affordable housing. As noted above, the Township has identified its approved Town Center as the primary location for new growth and development in the Township. As part of its plan endorsement application, the Township undertook an extensive evaluation of the future growth potential of the center and corresponding environs. The proposed center growth is generally consistent with the growth projections presented in COAH's regulations.

Availability of Existing and Planned Infrastructure

The Township has adopted a Wastewater Management Plan that provides for existing and future infrastructure within the Town Center and areas identified as PA-2 in the SDRP. As part of its plan endorsement approval and center designation from the State Planning Commission and CAFRA, the Township has limited the extent of its planned sewer service areas to the Town Center and areas in the Township designated as PA-2 in the SDRP. The capacity of existing and planned infrastructure to serve these areas was evaluated as part of the Township's plan endorsement application and was determined to be adequate to address future growth in the Town Center.

Anticipated Demand for Types of Uses Permitted by Zoning Based on Present and Anticipated Future Demographic Characteristics

The Township's Zone Plan and Town Center Plan provides for a variety of public and private uses to address the needs present and anticipated population of the Township. This includes a wide variety of housing choices, including single-family detached dwellings, townhouses, live-work units, multi-family units, units in mixed-use developments, and age-restricted units.

Anticipated Land Use Patterns

The anticipated land use patterns in the Township are set forth in the Land Use Plan Element of the Township's Master Plan and its Town Center Plan. This is consistent with the Township's plan endorsement approval and the associated Planning and Implementation Agreement approved as part of the plan endorsement application. The Township anticipates and has planned for higher densities and intensities of development in the Town Center and those areas in the Township designated as PA-2 in the State Development and Redevelopment Plan. Lower densities and preservation strategies area proposed in the environs outside of the Town Center.

Economic Development Policies

The Township's economic development policies are focused on promoting the development of the Town Center and strengthening of existing commercial areas in the Township along Route 9.

Constraints on Development

There are no significant constraints on development within the Town Center and as related to the proposed affordable housing developments in the Center. Environmental Constraints are shown in Figure 3.

Identification of Potential Affordable Housing Sites

The Township has proactively planned for the provision of affordable housing in the context of a comprehensive land use plan based on smart growth principles. Accordingly, the Township proposes to locate all its existing and proposed affordable housing in its mixed-use Town Center that has been approved by the State Planning Commission and the Pinelands Commission, and has been incorporated into CAFRA regulations as an approved Coastal Town Center.

Consequently, the Township has considered lands that are most appropriate for construction of low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing. Based on the foregoing, Ocean has determined that its entire affordable housing obligation is most appropriately located in its approved Town Center.

FAIR SHARE PLAN

Components of the Fair Share

Pursuant to COAH's third round regulations, a municipality's fair share responsibility is based upon three components: (1) rehabilitation obligation; (2) total remaining obligation from prior rounds (Cycles I and II); and, (3) Cycle III growth share obligation. The total remaining prior-round obligation assigned to the Township by COAH's regulations is 263 units. The Township's Cycle III growth share component is the Township's obligation to create new affordable housing based on new residential and nonresidential growth projected to be constructed in Ocean from January 1, 2004 through December 31, 2018. Based on this analysis, COAH has estimated the Township's Cycle III growth share obligation as 139 units.

Fulfillment of the Rehabilitation Obligation

COAH's methodology defines the rehabilitation share of a municipality's affordable housing obligation as the number of substandard or deteriorated units that are occupied by low or moderate households based on 2000 Census data. As previously noted, COAH has assigned Ocean a rehabilitation obligation of 11 units.

The Township will address its 11-unit rehabilitation obligation through a continuation of the Ocean Township Housing Rehabilitation Program (OTHRP). The OTHRP is a scattered site rehabilitation program that will target low and moderate-income owner-occupied and rental units throughout Ocean Township. Ocean Township has contracted with Housing Services Inc. (HSI), a private consulting firm specializing in the implementation of publicly funded housing rehabilitation programs, to manage and administer the OTHRP for a ten-year timeframe. A Policy and Procedural Manual has been prepared for the program that addresses program implementation and procedures, which has been submitted to COAH for its review.

Fulfillment of Prior-Round Obligation

As noted above, the Township's prior round obligation is 236 units. The Township will address its 236-unit Cycle I and II prior-round obligation through a combination of the following methods:

- (1) An intra-municipal transfer of 18 new affordable non-age restricted rental units from the Edgemont Redevelopment Area project to the mixed-use area within proposed Waretown Town Center.
- (2) Two affordable rental units created at the MSC mixed-use development site.
- (3) 29 Non-age restricted rental units at the Diamond Developers tract (formerly Del Prete)
- (4) The construction of 59 new affordable senior rental units being developed as part of a 100-unit in senior rental project in the Waretown Center. The remaining portion of this project will be applied to the Township's Cycle III obligation.
- (5) An accessory apartment ordinance estimated to create 10 accessory apartments throughout the Township.
- (6) 10 Non-age restricted rentals in Tracts 1 and 4 of the Town Center.
- (7) 47 For-sale units in Tracts 2, 3 and 5 in the Town Center.
- (8) 59 Rental Bonus Credits resulting from the development of family and age-restricted rental units.

These components are described in further detail below and detailed in Figures 1 and 2 and Table FS-1.

Edgemont Redevelopment Area

The Township has adopted a redevelopment plan for the area identified as the Edgemont Redevelopment Area. (See Figure 1) The adopted redevelopment plan provides for the construction of new residential development, including a mandatory 20 percent setaside for affordable housing. Pursuant to the adopted plan, the designated redeveloper may construct the units on site or make a payment in lieu of construction of \$35,000 per unit.

The Township has entered into a redeveloper agreement with U.S. Homes for an expansion of its adjoining age-restricted housing development into the Edgemont Redevelopment Area. The proposed project includes 90 new residential units. As part of the agreement, U.S. Homes is contributing to the Township \$630,000 as a payment in lieu of construction for the creation of new affordable units in the Township. These funds will be used to subsidize the creation of 18 new affordable rental units in the mixed-use portion of the Waretown Center.

MSC Enterprises

The MSC site is located at the southeast corner of Route 9 and Memorial Drive. The site is developed with a mixed-use project that contains eight (8) apartments, including two (2) affordable rental units. The site is governed by the requirements of the Route 9 Phase 1 Redevelopment Plan and a redeveloper agreement that has been entered into between the Township and the redeveloper.

Diamond Developers (Formerly Del Prete)

The Del Prete tract is located on the eastern side of Route 9 within the Route 9 Phase 1 Redevelopment Area, which is located in the Waretown Town Center. The 15-acre tract will include a mixed-use component that will contain 29 affordable rental apartments. The site is governed by the requirements of the Route 9--Phase 1 Redevelopment Plan and, as such, a redeveloper agreement will be entered into between the Township and the redeveloper to construct the rental units in accordance with the plan.

Age-Restricted Housing

Ocean Township may age-restrict a maximum of 61 units as part of its prior-round Cycle I and II plan in accordance with COAH regulations and the following formula:

$$\text{Age-restricted units} = 0.25(\text{prior-round obligation} + \text{rehabilitation share} - \text{prior cycle credits} \\ - \text{rehabilitation credits})$$

$$\begin{aligned} \text{Age-restricted units} &= 0.25(236 + 11 - 0 - 0) \\ &= 0.25(247) = 61 \\ &= 61 \text{ units} \end{aligned}$$

As part of the redevelopment plan for the Waretown Village Center, Coastal Redevelopment Partners, LLP will construct a new 100-unit senior-citizen rental project to be funded in part through the application of federal low-income tax credits. Of these units, the Township proposes to allocate 59 units to its Cycle I and II plan. The approximate location of the site is shown on the Waretown Center Concept Plan Map (See Figure 2.), which is included in the Township's Waretown Town Center Plan and which has been incorporated by reference in the Land Use Plan Element of the Township's Master Plan and in this plan.

Rental Bonus Credits

Pursuant to COAH regulations (N.J.A.C. 5:97-15), every municipality has an obligation to create a realistic opportunity to construct rental units as part of its fair share plan. Ocean Township's rental obligation is 59 units as calculated in accordance with the following formula:

$$\text{Rental Obligation} = 0.25(\text{prior round obligation} - \text{prior cycle credits})$$

$$\text{Rental Obligation} = 0.25(236 - 0)$$

$$= 0.25(236)$$

$$= 59 \text{ units}$$

The Township proposes to address its 59-unit Cycle I and II rental obligation in the following manner:

- 18 units from intra-municipal transfer from the Edgemont Redevelopment Area
- 2 non-age restricted family rentals at the MSC site
- 29 affordable non-age restricted family rental units at the Diamond Developers tracts (formerly Del Prete)
- 10 Additional non-age restricted family rental units provided in the mixed-use or multi-family tracts of the Town Center

In addition, the plan includes 10 accessory apartments and 61 senior rental units. Therefore, the Township exceeds its Cycle I and II rental obligation. Based on the foregoing, the Township is also eligible to receive a total of 59 rental bonus credits for the 59 units of non-age restricted rental units in the plan.

Accessory Apartment Program

The Township will adopt an accessory apartment ordinance in accordance with COAH's model. The Township's housing stock, particularly in the area of the Township located in the Pinelands, West of the Parkway has a large, older housing stock that is favorable to the creation of accessory apartments.

To encourage participation in the program, the Township will provide at least \$20,000 per unit to subsidize the creation of each moderate-income accessory apartment and \$25,000 to subsidize the creation of each low-income accessory apartment. In accordance with COAH requirements:

- There shall be water and sewer infrastructure with sufficient capacity to serve the proposed accessory apartments;
- The units shall comply with N.J.A.C. 5:97-9 and the Uniform Housing Affordability Controls (UHAC) set forth in N.J.A.C. 5:80-26 except as may be exempted or modified in COAH's rules;
- The accessory apartment ordinance does not restrict the number of bedrooms per unit;

- The maximum rent for a moderate-income unit shall be affordable to households earning no more than 60 percent of median income and the maximum rent for a low-income unit shall be affordable to households earning no more than 44 percent of median income;
- Controls on affordability will remain in effect for at least 10 years; and
- The Township will designate Housing Services Incorporated (H.S.I.) as the entity to administer the program.

The Township understands that COAH will assess the Township's accessory apartment program at the end of a two-year period from the date that the Township is granted substantive certification. If there is a shortfall in the program, the Township may be required to address any shortfall through other means in accordance with COAH's regulations.

Waretown Town Center

Ocean will allocate 10 non-age restricted rental units to be constructed in Tracts 1 and 4 and 47 for-sale units to be constructed in Tracts 2, 3, and 5 to its prior-round obligation. This is set forth in Table FS-1 below.

Fulfillment of Growth Share Obligation

The Township's growth share obligation is 139 affordable units. The Township will address its growth share obligation through a combination of the following:

- (1) 34 new affordable units in an age-restricted rental project in the Waretown Center Redevelopment Area as part of the Route 9~Phase 1/Coastal Redevelopment Partners, LLP project, 17 of which will be credited to the Township's growth share obligation;
- (2) 52 affordable rental housing units in the Waretown Town Center Multi-family and Mixed-Use Tracts 1 and 4;
- (3) 19 For-sale affordable housing units in the Waretown Town Center Single Family, Live-work, and Townhouse Tracts 2, 3 and 5;

- (4) 34 Rental Bonus Credits resulting from the construction of rental units in excess of the Township's Cycle III rental obligation.

Waretown Town Center Single Family Affordable Development

The Township's proposals for new affordable housing development within the Waretown Town Center are shown in Figure 2. An overview of the growth share compliance plan is shown in Table FS-2.

Waretown Town Center—Affordable Rental Units

In the area of the Waretown Town Center designated for mixed-use and multi-family development, it is projected that 52 new non-age restricted rental apartments will be created. This does not include the 18 rental units transferred from the Edgemont tract.

Age-Restricted Housing—Waretown Center

Ocean Township may age-restrict a maximum of 34 units in accordance with COAH regulations and the following formula:

Age-restricted units = 0.25(municipal growth share).

$$0.25(139) = 34.75$$

34 units

As noted previously, Coastal Redevelopment Partners, LLP will construct a new 100-unit senior-citizen rental project to be funded in part through the application of federal low-income tax credits. Of these units, the Township proposes to allocate 34 units to its growth share obligation. The approximate location of the site is shown on the Waretown Center Concept Plan Map, which is included in the Township's Waretown Village Center Plan and which has been incorporated by reference in the Land Use Plan Element of the Township's Master Plan and in this plan.

Rental Obligation

Pursuant to COAH regulations, every municipality has an obligation to create a realistic opportunity to construct rental units as part of its fair share plan. Ocean Township's Cycle III rental obligation is 35 units as calculated in accordance with the following formula:

$$\text{Rental Obligation} = 0.25(\text{growth share})$$

$$\text{Rental Obligation} = 0.25(139) = 34.75$$

35 units

In addition, no more than 50 percent of the rental obligation (17 units) may be addressed through age-restricted units. The Township proposes to address its Cycle III rental obligation in the following manner:

- 17 units of affordable senior rental housing as part of the Coastal Redevelopment Partners, LLP project
- 52 units of non-age restricted mixed-use and multi-family rental units in the Town Center

This results in a total of 69 rental units in the Township's plan or 34 more than is required. Because these additional rental units are non-age restricted family rentals, the Township also is eligible to receive 34 rental bonus credits from these units.

SUMMARY OF FAIR SHARE PLAN COMPONENTS

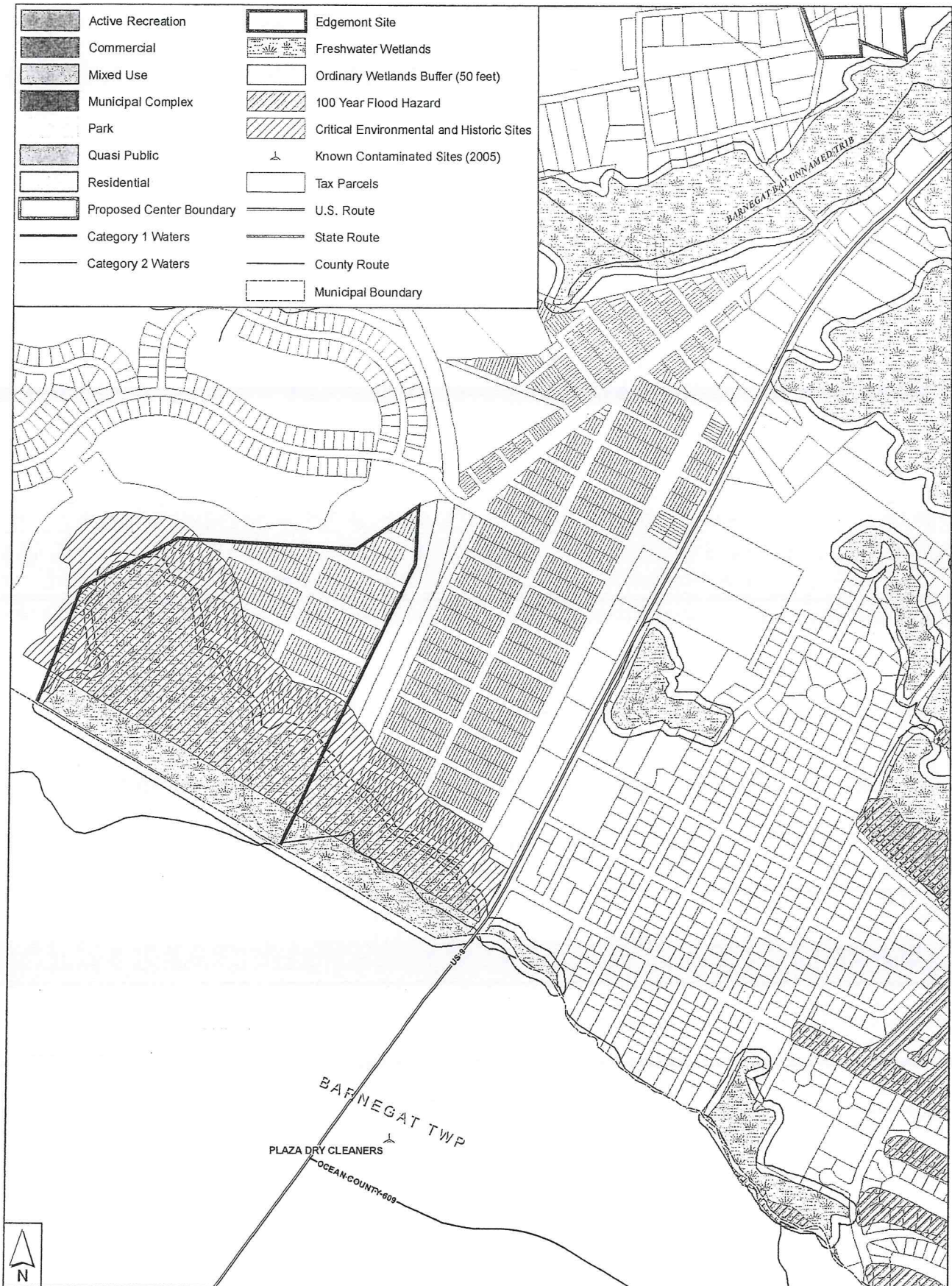
The following tables summarize the Township's Fair Share Plan:

Table FS 1
 Summary of Fair Share Plan
 Prior-Round Cycle I & II

Total Remaining Prior-Round Obligation	236
Rehabilitation Share	11
Compliance Mechanisms	
OTHRP Rehabilitation Program (Rehabilitation of Affordable Owner/Rental Units)	11
Route 9-Phase I/Coastal Redevelopment Partners, LLP (Age-restricted Rental)	61
MSC Non-age restricted family rental	2
Edgemont Redevelopment Area (Intra-municipal transfer to Waretown Center/Rental)	18
Diamond Developers (a.k.a. Tradewinds formerly Del Prete) Non-age restricted family rentals	29
Town Center Developments Non-age restricted rental (Tracts 1 and 4)	10
Town Center Developments For-sale units	47
Accessory Apartment Program (Rental)	10
Rental Bonus Credits	59
Total Units Provided	247
Total Units Required	247
Surplus	0

Table FS 2:
 Summary of Fair Share Plan
 Growth Share Cycle III

Growth Share	139
Compliance Mechanisms	
Route 9-Phase I Redevelopment/Coastal Redevelopment Partners, LLP (Rental/Age-restricted)	34
Town Center Developments—Mixed use and multifamily (Rental-- Tracts 1 and 4)	52
Town Center Developments—Single-family, live-work, and townhouse (For-sale-- Tracts 2, 3 and 5)	19
Rental Bonus Credits	34
Total Units Provided	139
Total Units Required	139
Surplus	0



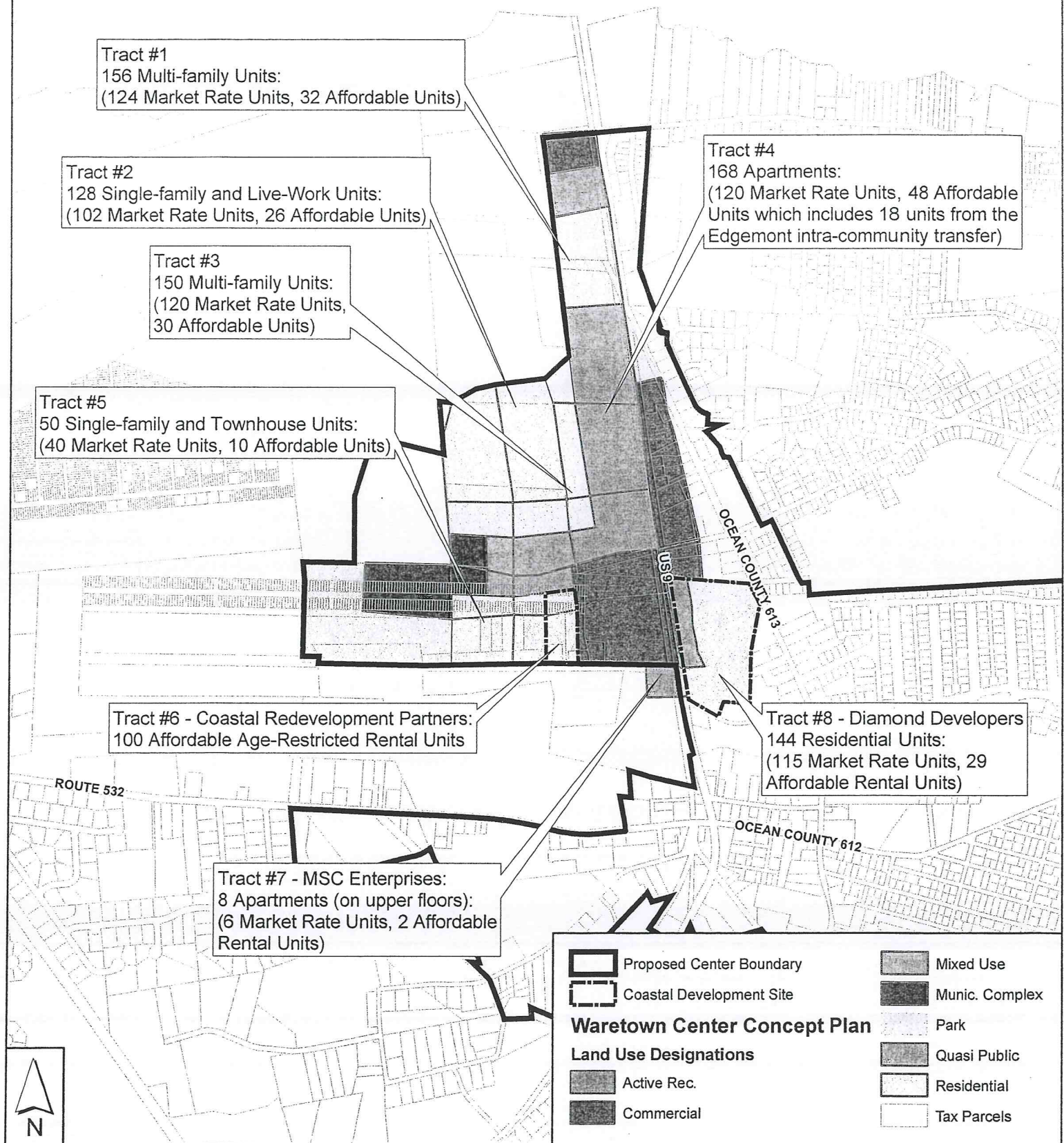
T&M 11 Tindall Road
 Middletown, NJ 07748-2792
 Phone: 732-671-6400
 ASSOCIATES Fax: 732-671-7365

0 275 550 1,100
 Feet

Prepared by: STK, October 30, 2007
 Source: NJDEP - Freshwater Wetlands, Known Contaminated Sites, Critical Environmental and Historic Sites, SHPO
 Sites; NJDOT - 2005 Roads; Ocean County GIS Dept. - Municipal Boundary, Tax Parcels; FEMA - Flood Hazard Areas
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**Figure 1: Edgemont Tract
 COAH Site Concept
 Township of Ocean
 Ocean County, New Jersey**

NOTE: This map was developed using New Jersey Department of Environmental Protection Geographic Information System digital data, but this secondary product has not been verified by NJDEP and is not State-authorized.



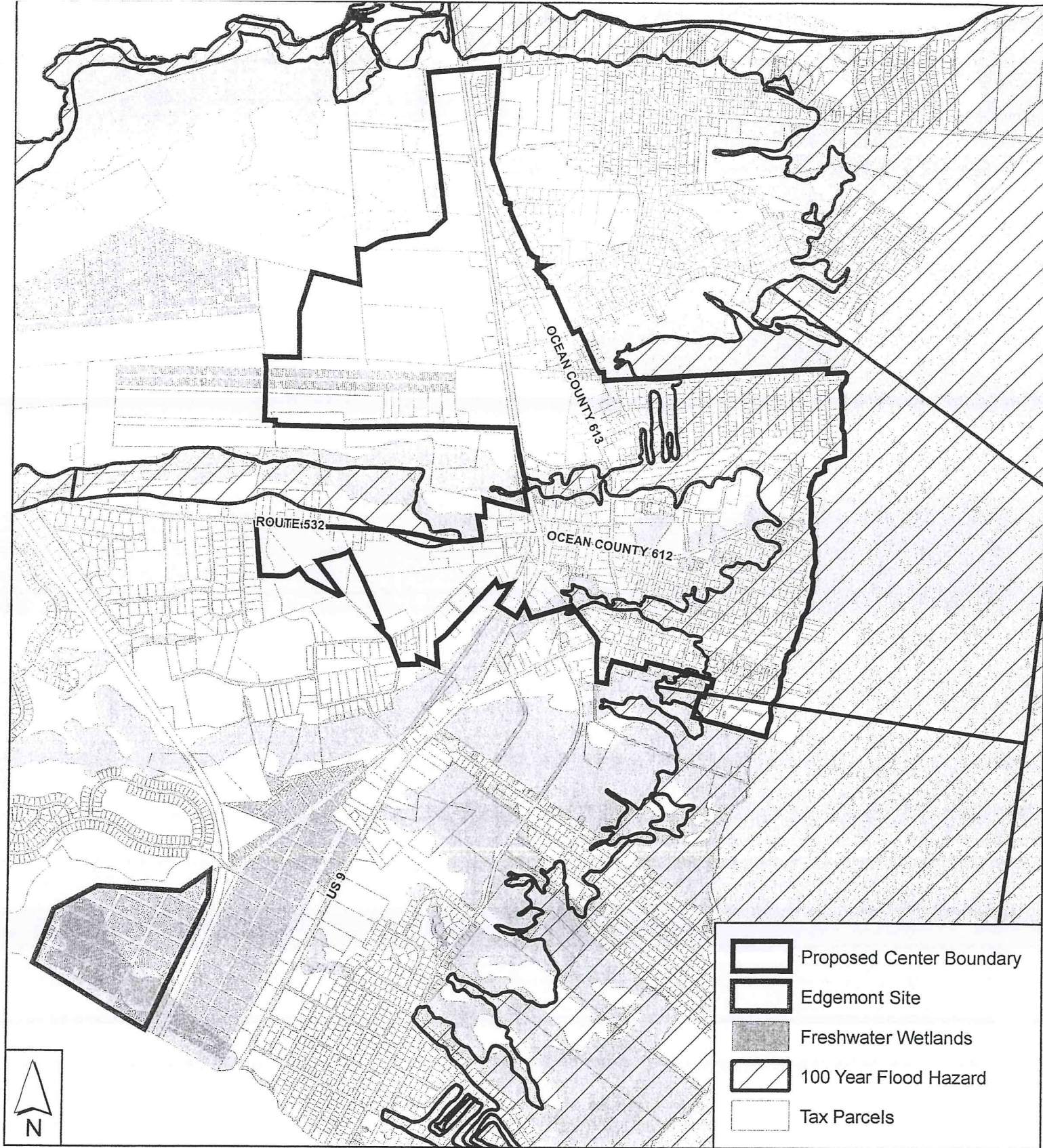
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0 600 1,200 2,400 Feet

**Figure 2: COAH Housing Sites
 Waretown Center
 Township of Ocean
 Ocean County, New Jersey**

Prepared by: STK, November 21, 2008
 Source: NJDEP - Municipal Boundary, Freshwater Wetlands;
 NJDOT - 2005 Roads; Ocean County GIS - Tax Parcels
 File Path: H:\OTLU\00030\GIS\Projects\OTLU30_WaretownCOAHHousing.mxd

NOTE: This map was developed using New Jersey Department of Environmental Protection Geographic Information System digital data, but this secondary product has not been verified by NJDEP and is not State-authorized.



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Prepared by: STK, November 21, 2008
 Source: NJDEP - Municipal Boundary, Freshwater Wetlands; NJDOT - 2005 Roads; FEMA - Flood Hazard Area; Ocean County GIS - Tax Parcels
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**Figure 3: Waretown Center
 Environmental Constraints
 Township of Ocean
 Ocean County, New Jersey**

NOTE: This map was developed using New Jersey Department of Environmental Protection Geographic Information System digital data, but this secondary product has not been verified by NJDEP and is not State-authorized.