

HOUSING ELEMENT AND FAIR SHARE PLAN

BOROUGH OF FARMINGDALE

Monmouth County, New Jersey

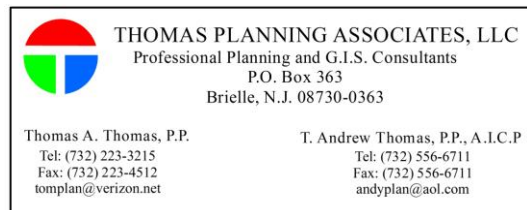
Prepared: September 7, 2017

Adopted: October 23, 2017

Prepared by:



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Original signed and sealed in accordance with N.J.A.C. 13:41-1 et seq.

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INTRODUCTION

The Borough of Farmingdale has prepared this Housing Plan Element and Fair Share Plan in accordance with the New Jersey Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the New Jersey Fair Housing Act (N.J.S.A. 52:27D-310 et seq.). The Municipal Land Use Law requires that a municipal master plan include a housing plan element to enable the municipality to exercise the power to zone and regulate land use.

This Housing Plan Element and Fair Share Plan supersedes the current Borough Housing Plan Element that was prepared and adopted by the Planning Board on September 17, 2009 and endorsed by the Borough Council on October 6, 2009. This Housing Plan addresses current affordable housing planning requirements including the cumulative fair share obligation for the period from 1987 through 2025.

This Housing Plan and Fair Share Plan was also prepared utilizing the applicable rules and regulations of the Substantive Rules of the New Jersey Council on Affordable Housing (COAH) for the periods beginning on June 6, 1994 (N.J.A.C. 5:93- 1.1 et seq.) and June 2, 2008 (N.J.A.C. 5:97-1.1 et seq.), as impacted by the March 10, 2015 decision of the New Jersey Supreme Court In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1 (2015) (Mount Laurel IV).

BACKGROUND

The first Housing Plan Element for Farmingdale was prepared in July 1996 by James W. Higgins Associates as part of an updated Borough Master Plan. The Housing Plan Element recommended that the Round 1 affordable housing obligation of twenty-five (25) units be provided through housing rehabilitation due to the limited availability of suitable, developable land in the Borough for affordable housing and the character of the existing housing stock - half of which was rental housing with a median income lower than the moderate income rental limits established by COAH. The Borough did not petition COAH for Round 1 Certification.

The Borough's second Housing Plan Element and Fair Share Plan was prepared by Coppola Associates and adopted by the Planning Board on August 23, 2004 by Resolution 04-12. It was approved on September 21, 2004 by the Borough Council by Resolution 04-75. The second Housing Plan addressed the Borough's Round 1 and Round 2 obligations and was submitted to Superior Court for approval. A Judgment of Repose was granted by Judge Robert O'Hagan J.S.C. on December 21, 2004.

Prior Round Obligation

Farmingdale's combined Prior Round obligation for COAH Rounds 1 and 2 for the period 1987 to 1999 consisted of a pre-credited obligation of 25 affordable housing units comprised of a rehabilitation component of six units and a new construction component of 19 units. The Round 1 and Round 2 obligation was addressed and satisfied in accordance with the Coppola Associates Housing and Fair Share Plan in 2004. The Housing and Fair Share Plan was submitted to

Superior Court, and a Judgment of Repose was granted on December 21, 2004 by Judge Robert O'Hagan, J.S.C. (See Fair Share Plan Exhibits 1 & 2).

The Round 1 and Round 2 Housing Plan was prepared in conformance with a Court approved Settlement Agreement in the case of Traditional Developers, L.L.C. vs. Borough of Farmingdale, et. als. Docket No. MON-L-5585-02. The Settlement Agreement included several important requirements that were to be addressed by the developer and the Borough. Three of the most important items of the settlement were; (1) that the Borough would permit Traditional Developers to construct 21 single family detached residential housing units in a manner consistent with a concept plan incorporated into and made a part of the agreement; (2) that the developer would be required to contribute \$125,000 to the Borough's Affordable Housing Trust Fund, which can be utilized by the Borough for any affordable housing activity sanctioned under COAH's regulations; and (3) that the development of this project will not create any growth share obligation for the Borough for COAH's Round 3 Housing Cycle. The full Settlement Agreement is provided as Exhibit 3.

The Judgment of Repose approved the Round 1 and 2 combined Housing Plan and Settlement Agreement. The Judgment of Repose provided for a total of 20 new construction affordable housing credits, which addressed the combined Round 1 and Round 2 obligation of 19 housing units for the period 1987-1999. The approved Housing Plan resulted in a surplus of (1) affordable housing credit that was authorized to be carried forward and applied to the projected Round 3 obligation. The Round 1 and Round 2 Housing Plan also addressed the rehabilitation component of six housing units.

Round 3 Obligation and Rules

On December 15, 2005, the Borough Planning Board adopted and the Borough Council endorsed a Housing Element and Fair Share Plan in conformance with the Round 3 Rules adopted by COAH for the period January 1, 2004 to January 1, 2014. The Housing Plan was filed with COAH and the Court on December 16, 2005. The Round 3 COAH Rules were challenged in Court in 2006. On January 25, 2007, the New Jersey Superior Court, Appellate Division, affirmed in part, reversed in part and remanded portions of the Round 3 Rules back to COAH for reevaluation and for further rulemaking. COAH responded to the Appellate Court Order on January 22, 2008 when it published proposed new Round 3 Rules. COAH received almost 5,000 public comments to its January 2008 rule proposals. In response, COAH adopted its proposals essentially "as is" in May 2008, which became effective on June 2, 2008 upon publication in the New Jersey Register. Simultaneously, COAH proposed a second set of amendments to its Round 3 Rules. After receiving hundreds of additional public comments, COAH adopted its most recent Rules amendments on September 22, 2008, which became effective on October 20, 2008 upon publication in the New Jersey Register. The Borough's second Round 3 Housing Plan was prepared in conformance with these two sets of new rules, and was adopted and endorsed by the Borough in December of 2008. The Borough filed the amended Housing Plan which was adopted by the Planning Board and endorsed by the Borough Council on October 6, 2009 with COAH and the Court pursuant to the Borough's pending declaratory action.

After the adoption of the 2009 Housing Plan Element and Fair Share Plan, COAH's methodology for determining prospective need for the period from 2004 through 2018 was invalidated by an Appellate Division decision in October 2010. This decision rendered the Prospective Need calculation of the 2008 Housing Plan Element and Fair Share Plan invalid.

In 2013, the New Jersey Supreme Court upheld and modified the 2010 Appellate Division ruling, which partially invalidated COAH's Rules for the period from 2004 through 2018 (viz., N.J.A.C. 5:96 and N.J.A.C. 5:97). As a result, COAH was charged with adopting new affordable housing rules. However, COAH failed to adopt new rules. Due to COAH's failure to adopt new rules, the New Jersey Supreme Court ruled on March 10, 2015 that 15 Superior Courts would take control of the New Jersey Affordable Housing process.

Under the New Jersey Supreme Court's ruling, municipalities are able to file declaratory judgment (DJ) actions to validate their affordable housing plans as compliant with affordable housing obligations. Pursuant to N.J.A.C. 5:96 and 5:97, 221 N.J. 1 (2015) Mount Laurel IV, the Borough filed an action of protection with the Court on July 2, 2015 seeking a judicial declaration that its Housing Plan Element and Fair Share Plan, as may be amended, satisfies its "fair share" of the regional need for low and moderate income housing pursuant to the Mount Laurel doctrine, and sought protection from all exclusionary zoning lawsuits while it pursues approval of its Fair Share Plan.

SETTLEMENT AGREEMENT

Since 2015 the Fair Share Housing Center and the Borough, in coordination with Elizabeth C. McKenzie, P.P., A.I.C.P., Court appointed "Special Master," have engaged in good faith negotiations on various substantive items pertaining to affordable housing compliance within the Borough.

A Settlement Agreement was reached on February 21, 2017 between the Borough of Farmingdale and the Fair Share Housing Center regarding the Borough's Third Round Present and Prospective affordable housing need obligations. The Agreement is provided as Exhibit 4. The Borough has prepared this Housing Plan Element and Fair Share Plan as part of a court order in accordance with the Settlement Agreement and Housing Plan Requirements outlined below.

HOUSING PLAN REQUIREMENTS

The Borough of Farmingdale has prepared this Housing Plan Element and Fair Share Plan:

1. In compliance with the Fair Housing Act, Section 10 of P.L. 1985, c.222 (N.J.S. 52:27D-310), which requires a municipal housing plan element to achieve the goal of and access to affordable housing to meet present and prospective needs;
2. Addressing the requirements of the Municipal Land Use Law (N.J.S.A. 40:55D-1 et.

seq.) for preparation of a municipal "Housing Plan Element"; and

3. Applicable provision of the Substantive Rules of the New Jersey Council on Affordable Housing (COAH) for the periods beginning on June 6, 1994 (N.J.A.C. 5:93-1.1 et. seq.) and on June 2, 2008 (N.J.A.C. 5:97-1.1 et. seq.), as required by the March 10, 2015 decision of the New Jersey Supreme Court In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by COAH.

The Municipal Land Use Law, N.J.S.A. 40:55D-1, et seq., provides that a municipal Master Plan must include a Housing Plan Element as a prerequisite for the adoption of zoning ordinances and any subsequent amendments. This Housing Plan Element and Fair Share Plan was prepared in accordance with N.J.S.A. 40: 55D-28.

Section 10 of the Fair Housing Act, N.J.S.A. 52:27D-310, requires that a municipal Housing Plan Element be designed to achieve the goal of providing access to affordable housing to meet present and prospective housing needs, with particular attention to "low" and "moderate" income housing, containing at least:

- a. 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;
- b. A projection of the municipality's housing stock, including the probable future construction of "low" and "moderate" income housing, for the next ten (10) years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development, and probable residential development of lands;
- c. An analysis of the municipality's demographic characteristics, including, but not necessarily limited to, household size, income level, and age;
- d. An analysis of the existing and probable future employment characteristics of the municipality;
- e. 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; and
- f. 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 rehabilitate 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.

The Borough's affordable housing obligation is described as follows based upon the applicable provisions of COAH through the March 10, 2015 decision of the New Jersey Supreme Court:

1. Present Need – The present need is a measure of overcrowded and deficient housing that is occupied by low and moderate income households. The present need was previously referred to as “rehabilitation share.”
2. Prior Round Obligation - The prior round obligation covers the period from 1987 through 1999.
3. Prospective Need - Prospective need is a measure of low and moderate income housing needs, based on development and growth that occurred or is reasonably likely to occur in a region or municipality. The prospective need covers the period 1999 through 2025.

This Housing Plan Element addresses each of these required items under the Municipal Land Use Law and other procedural requirements within in the COAH regulations.

BOROUGH OF FARMINGDALE LOCATION

The Borough of Farmingdale is situated in the east central portion of Monmouth County and contains approximately 0.53 square miles or 339 acres. The Borough is located in the east central area of Monmouth County and is completely surrounded by the Township of Howell. Figure 1 shows the location of Farmingdale within Monmouth County.

The main roadways within the Borough include Main Street (County Road 524) running north – south through the central portion of the Borough, and Asbury Avenue (County Road 547) which intersects Main Street from the east.

Figure 2 shows the existing land uses and extent of freshwater wetlands within the Borough. The Borough has a mix of uses including residential, commercial, industrial, farm, apartment, house of worship and public property. There are some large private vacant parcels of land, however, they are constrained by regulated freshwater wetlands. Figure 2 also shows the location of the vacant land inventory that is utilized in the preparation of the Realistic Development Potential (RDP). The vacant parcels are keyed to a chart and are further described in the Housing Plan.

Figure 1
LOCATION MAP
Borough of Farmingdale

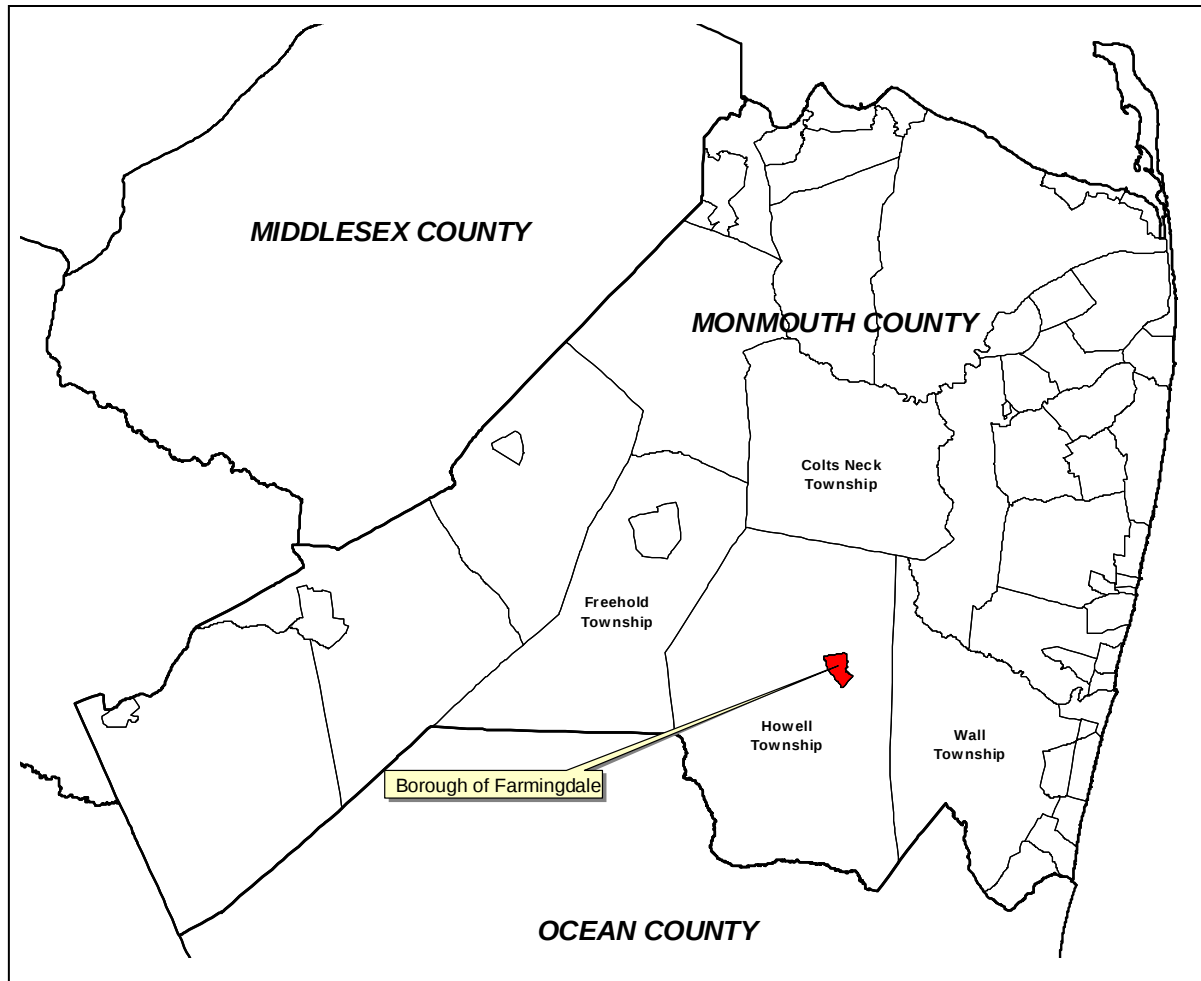
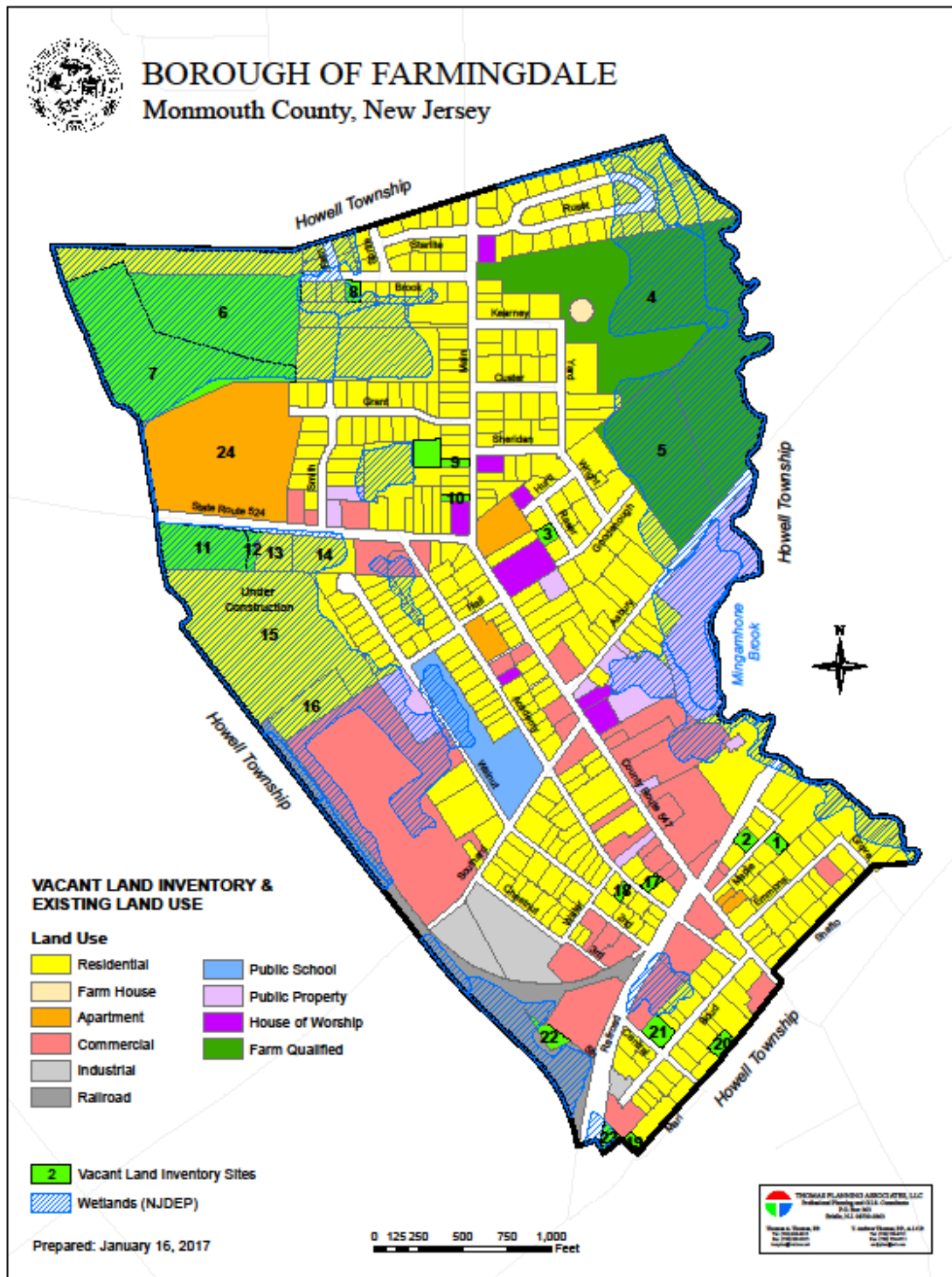


Figure 2
EXISTING LAND USE MAP
Borough of Farmingdale



FARMINGDALE AND THE STATE DEVELOPMENT AND REDEVELOPMENT PLAN

On June 12, 1992 the New Jersey State Planning Commission adopted "Communities of Place: The New Jersey State Development and Redevelopment Plan" (SDRP) which serves as a guide for municipal, county and state master planning. The plan was updated and modified in March 2001 as part of the statewide Cross Acceptance II process. The State Planning Commission released a final draft of the New Jersey State Development and Redevelopment Plan on January 13, 2010, however it was not adopted as of the date of this Housing Plan.

According to the State Plan map the majority of Farmingdale Borough is located in Planning Area 1 (Metropolitan Planning Area) on the Preliminary State Policy Map (SPPM) of the State Development and Redevelopment Plan (SDRP) last amended October 18, 2012 and a portion of the Borough is located within Planning Area 5 (Environmentally Sensitive). The portion of the Borough designated as Planning Area 5 is generally located on the fringe of the Borough and is synonymous with the location of the N.J.D.E.P. mapped freshwater wetlands.

The Metropolitan Planning Area (Planning Area 1) includes areas that have a mature pattern of development and infrastructure, and diminished supply of vacant land. The intention of the State Plan in this Planning Area is to:

- provide for much of the state's future redevelopment;
- revitalize cities and towns;
- promote growth in compact forms;
- stabilize older suburbs;
- redesign areas of sprawl; and
- protect the character of existing stable communities.

The Environmentally Sensitive Planning Area (Planning Area 5) contains large contiguous land areas with valuable ecosystems, geological features and wildlife habitats.

In the Environmentally Sensitive Planning Area, the intention of the State Plan is to:

- protect environmental resources through the protection of large contiguous areas of land;
- accommodate growth in Centers;
- protect the character of existing stable communities;
- confine programmed sewers and public water services to Centers; and
- revitalize cities and towns.

The Borough has participated with the Monmouth County Planning Board and the State Planning Commission in the State-wide Cross Acceptance Programs.

MUNICIPAL DEMOGRAPHIC CHARACTERISTICS AND HOUSING INVENTORY

Housing Plans must contain a discussion of the demographic, housing and economic characteristics of the municipality as required by N.J.S.A. 52:27D-310. The following characteristics are provided by the U.S. Bureau of Census, the 2011-2015 Community Development Survey and the New Jersey Department of Labor and Workforce Development as noted.

Demographic Characteristics

According to the 2010 U.S. Census, the population of the Borough of Farmingdale was 1,329, a decrease of 258 or 16.2 percent from 2000 when the population was 1,587 persons. There was also a decrease in the number of housing units from 638 to 578, a decrease of 60 units or 9.4 percent. Figure 3 shows the population by age and includes pre-school age, school age, working age and seniors.

Figure 3
POPULATION BY AGE
Borough of Farmingdale

Age (Years)	Number	Percent
Pre-School Age		
Under 5	75	5.6
School Age		
5 to 9	71	5.3
10 to 14	83	6.2
15 to 19	82	6.2
Working Age		
20 to 24	84	6.3
25 to 34	197	14.8
35 to 44	179	13.5
45 to 54	233	17.5
55 to 59	103	7.8
60 to 64	84	6.3
Seniors Age		
65 and Older	138	10.4
TOTAL	1,329	100.0

Source: American Community Survey (ACS) 2011-2015

Additional key demographic features of the Borough (from the 2010 Census) are as follows:

- (1) Sixty-two and five tenths (62.5) percent of all households are family households, and 45.2 percent of all households are married couple family households.
- (2) The median age of the Borough population is 40.3. Ten and four tenths (10.4) percent of the population is aged 65 and older, 21.5 percent is under 18 years and 5.6 percent is under five (5) years of age.
- (3) The median household income was \$61,101. The income distribution is shown in Figure 4. Nineteen and three tenths (19.3) percent of the Borough households had an income between \$50,000 and \$74,999 and 25.9 percent of \$100,000 and greater. Fourteen and nine-tenths (14.9) percent had household incomes below \$25,000.
- (4) Average household size is 2.43 persons and average family size is 3.05 persons.

Figure 4
INCOME DISTRIBUTION
Borough of Farmingdale

Income Range	Percent
\$0 to \$10,000	6.0
\$10,000 to \$14,999	3.3
\$15,000 to \$24,999	5.6
\$25,000 to \$34,999	13.4
\$35,000 to \$49,999	11.4
\$50,000 to \$74,999	19.3
\$75,000 to \$99,999	15.1
\$100,000 to \$149,999	15.1
\$150,000 +	10.8
TOTAL	100.0

Source: American Community Survey (ACS) 2011-2015

Housing Characteristics

The housing stock of the Farmingdale Borough is comprised of 578 total units per the 2010 Census. This was a decrease of 60 units from the 2010 Census, where 638 units were recorded. Other key housing characteristics from the 2010 Census are presented below:

- (1) There were 547 occupied housing units or 94.6 percent. Vacant housing units included 31 units or 5.4 percent, which included 16 for rent; 4 for sale only; 3 for seasonal, recreational or occasional use; and 8 listed as “other” vacant units.
- (2) Fifty-one and two tenths percent (51.2) percent, or 280 units, of the housing stock is owner-occupied and 48.8 percent, or 267 unit, is renter-occupied.
- (3) The average household size was 2.43. For owner occupied housing units the average household size was 2.83, while for renter occupied units it was 2.01
- (4) The homeowner vacant rate was 1.4 percent and rental vacancy rate was 5.7 percent.
- (5) Of the 547 households, 280 were owner-occupied units and 267 were renter occupied units.
- (6) Of the 547 households 342 units, or 62.5 percent, were family households while 205 or 37.5 percent were non-family households.
- (7) Householders 65 years of age or older accounted for 101 or 18.5 percent of the total households.

Housing characteristics from the 2011-2015 American Community Survey 5-year estimates were as follows:

- (1) There were no units lacking complete kitchen or plumbing facilities.
- (2) Approximately 36.4 percent of the units were built in 1950 or earlier indicating a relatively old housing stock. Twenty one and three tenths percent or 129 units were added to the Borough's housing stock between 1980 and 2015. Figure 5 shows the age of housing stock by construction date.
- (3) The value of the housing stock for owner occupied units is shown in Figure 6. The majority of the homes (45.2 percent) were valued between \$300,000 and \$499,999. Only 10 units or 3.4 percent were valued at \$500,000 or greater.
- (4) Median Gross Rent for 2014 was \$1,174. This included 0 units paying between \$0 and \$749; 45 units paying between \$750 and \$999; 185 units paying between \$1,000 and \$1,499; and 41 units paying \$1,500 or greater.

(Source: 2014 American Community Survey)

Figure 5
HOUSING CONSTRUCTION DATE
Borough of Farmingdale

Year	Number	Percent
2010 or Later	0	0.0%
2000 - 2009	32	5.3%
1990 - 1999	4	0.7%
1980 - 1989	93	15.3%
1970 - 1979	108	17.8%
1960 - 1969	150	24.7%
1950 - 1959	80	13.2%
1940 - 1949	26	4.3%
1939 or earlier	115	18.9%
TOTAL	608	100.0%

Source: American Community Survey 2011-2015 five year estimates

Figure 6
VALUE FOR OWNER OCCUPIED HOUSING UNITS
Borough of Farmingdale

Value	Number	Percent
Less than \$50,000	13	4.5%
\$50,000 to \$99,999	0	0.0%
\$100,000 to \$149,999	5	1.7%
\$150,000 to \$199,999	9	3.1%
\$200,000 to \$299,999	123	42.1%
\$300,000 to \$499,999	132	45.2%
\$500,000 to \$999,999	10	3.4%
\$1,000,000 or greater	0	0.0%
TOTAL	292	100.0%

Source: American Community Survey 2011-2015 five year estimates

Employment Characteristics

Figure 7 shows the employment characteristics for the Borough of Farmingdale based on the 2011-2015 American Community Survey. Seven hundred thirty two persons Borough residents were employed with nearly 30 percent working in the education, health and social services industry. The next largest employment categories were retail trade (14.6%) and arts, entertainment, recreation and food services (12.4%).

Figure 7
EMPLOYMENT CHARACTERISTICS *
Borough of Farmingdale

Occupation	Employment	Percent
Agriculture, Forestry and Fishing, Hunting, Mining	0	0.0%
Construction	49	6.7%
Manufacturing	33	4.5%
Wholesale Trade	30	4.1%
Retail Trade	107	14.6%
Transportation, Warehousing & Utilities	34	4.6%
Information	10	1.4%
Finance, Insurance, Real Estate & Rental Leasing	33	4.5%
Professional, Scientific and Management	75	10.2%
Education, Health & Social Services	218	29.8%
Arts, Entertainment, Recreation, Food Services	91	12.4%
Other Services (Except Public Administration)	20	2.7%
Public Administration	32	4.4%
TOTAL	732	100.0%

** Occupation for Employed Civilian Population 16 Years and Over
Source: 2011-2015 American Community Survey 5 year estimates*

Existing and Probable Future Employment

Based on the American Community Survey the number of persons within the Labor Force has remained relatively steady in the Borough between 2010 and 2015. The number of persons employed in the labor force between 2010 and 2015 are presented in Figure 8 as follows:

Figure 8
EMPLOYMENT CHARACTERISTICS *
Borough of Farmingdale

Year	Persons Employed (16 Years and Older)
2015	732
2014	728
2013	718
2012	710
2011	708
2010	768

** Occupation for Employed Civilian Population 16 Years and Over*
Source: 2010-2015 American Community Survey

Based on number of persons in the Borough and given the fact that the Borough is fully built-out it is expected that the number of persons employed within the Borough will continue to remain steady in the future.

Low and Moderate Income Units - Farmingdale

The approximate number of low and moderate income units within the Borough can be determined based on the 2014 American Community Survey and 2014 COAH income limits for low and moderate income persons.

The approximate number of housing units that are affordable to two-person low and moderate income households for rental and for sale units are as follows based on 2014 income limits and 2014 Census data:

- Low income rental units: approximately 10 units of 275 units paying rent (3.6% of rental units)
- Moderate income rental units: approximately 179 units of 275 units paying rent (65% of rental units)
- Low income for-sale units: approximately 16 units out of 292 total owner occupied housing units (5.5% of for-sale units)

- Moderate income for sale units: approximately 17 units out of 292 owner occupied units (5.8% of for-sale units)

Exhibit 5 shows the 2014 rental housing rates for low and moderate income units and the 2014 sales prices for single family detached units for low and moderate income housing units. Exhibit 5 also provides the 2014 Affordable Income Limits under COAH.

LAND USE PATTERNS / CONSTRAINTS AND AREAS MOST APPROPRIATE FOR LOW AND MODERATE INCOME HOUSING

Land Use Patterns

The Borough is a mature and nearly fully built-out community. The existing land use patterns are reflected in the current Zoning Map. Approximately 37 percent of the Borough's existing land area is occupied by residential uses. Vacant land accounts for 18 percent of the land area, however, most of the areas are encumbered by wetlands. Approximately 26 percent of the existing land area is comprised of commercial or industrial uses. Approximately 11.4 percent of the land area is comprised of streets and rights-of-way area and the remaining 7.6 percent is owned by the Borough of Farmingdale, Board of Education, Sewerage Authority or other public agencies and by non-profit organizations such as churches.

Availability of Sewer and Water Infrastructure

The Borough of Farmingdale is provided by both public water and sewer services. The Borough sewerage system connects to the Manasquan River Regional Sewerage Authority for transmission and then to the Ocean County Utilities Authority for treatment. According to the Borough Master Plan, both of these authorities have adequate facilities to serve the present and future needs of the Borough.

The water supply for the Borough is serviced through ground water from two wells and an interconnection with the New Jersey American Water System located in adjoining Howell Township. Farmingdale owns, operates and maintains the two wells that draw water from the Englishtown Aquifer. One well is located at the Walnut Street Water Treatment Plant and the other well is located at the Main Street Reservoir. The two wells are in conformance with N.J.D.E.P. water resource regulations¹

Constraints on Development

Freshwater wetlands are the largest environmental constraint in the Borough. Freshwater wetlands are located along the east and west side of the Borough and account for approximately 135 acres or 38 percent of the Borough area. Wetlands located along the Borough's western border are associated with the Marsh Bog Brook. On the eastern border wetlands are associated

¹ Source: 2016 – Borough of Farmingdale Consumer Confidence Report

with the Mingamahone Brook. Both brooks flow south through Howell Township and empty into the Manasquan River.

Parcels Most Appropriate for Low and Moderate Income Housing

The parcels most appropriate for low and moderate income housing include existing and potential affordable sites. Existing sites include:

1. St. John's Community Service - 5 bedrooms, located at 34 Academy Street
2. The ARC of Monmouth - 4 bedrooms located at 2 Russet Lane
3. SHG Enterprises - 6 bedrooms located at 94 Main Street
4. +/- 1.5 acre parcel located on West Main Street (Block 16, Lot 1.04) that was zoned in October 2009 as "AH-1 Affordable Housing-1 Overlay Zone" that permits residential multi-family rental affordable units.

Other potential sites were reviewed by the Borough. Two (2) sites were determined appropriate based on several factors including location, access, and availability to services. Descriptions of the two sites are as follows:

1. **"Farmingdale Garden Apartments" Property**

Block 12, Lot 23 is an approximate 12.8 acre parcel of property located at 35 West Main Street (County Road 524) in the northwestern portion of the Borough bordering Howell Township to the west. The property is the location of the Farmingdale Garden Apartments complex which contains 176 one and two bedroom rental apartments within 11 two-story buildings. The apartment complex is operated by the PRC Group. At the present time none of the units are deed restricted for low and moderate income housing. Approximately 1.25 acres along the front portion of the site is open space. The density on the site is 13.7 units per acre.

The property is located in the R-40 single family residential zone. Surrounding uses include single family and vacant properties and the Welsh Farms convenience store on West Main Street. The Marsh Bog Brook is located in close proximity to the site along the western border.

2. **"Sterns" Property**

Block 21, Lot 4 is an approximate 16.1 acre parcel of property located at 30 Southard Avenue and owned by 30 Southard Avenue, Farmingdale, LLC c/o Sterns. The property is located along the western border of Farmingdale Borough which borders Howell Township. The property is bound by a branch of the NJ Transit railroad line to the west, single family homes and the Borough water tower/plant to the north and east and industrial warehousing to the west across Southard Ave. The property has a depth of approximately 1,300 feet with frontage of approximately 440 feet along Southard Ave.

The property is zoned LI – Light Industrial. The property contains an active light industrial use containing an approximately 150,000 s.f. warehousing/office building and outdoor storage of more than 300 tractor trailers toward along the rear of the property. NJDEP wetlands mapping shows some potential wetlands along the north, east and western property lines.

PRIOR ROUND HOUSING PLAN

The first Housing Plan Element for Farmingdale was prepared in July 1996 by James W. Higgins, Associates as part of an updated Borough Master Plan. The Housing Plan Element recommended that the Round 1 affordable housing obligation of twenty-five (25) units be provided through housing rehabilitation due to the limited availability of suitable land in the Borough and the character of the existing housing stock half of which was rental housing with a median income lower than the moderate income rental limits established by COAH. The Borough did not petition COAH for Round 1 certification.

A second Housing Plan was prepared by Coppola & Coppola Associates in June 2004 to address the cumulative Round 1 and Round 2 COAH fair share obligation of 25 affordable housing units consisting of a rehabilitation component of six units and a new construction component of 19 units. It was adopted by the Planning Board on August 23, 2004 and approved by the Borough Council on September 21, 2004 to satisfy the requirement of the Municipal Land Use Law, the Fair Housing Act and the Judgment of Repose from the Superior Court that the "Fair Share Plan" of the Borough be in accordance with the decisions of the Superior Court and the Substantive Rules of COAH. The Fair Share Plan addressed the pre-credited need of 25 units as follows:

Rehabilitation Component:

Farmingdale's rehabilitation component was 6 units. The Borough was entitled to two (2) credits for housing units that had already been rehabilitated. The Borough was prepared to enter into an intergovernmental agreement with the County of Monmouth Community Development Program with respect to providing administrative services to rehabilitate the remaining four (4) units. However, based on the timing of the Housing Plan with respect to the then pending COAH Round 3 Rules, there was no requirement to rehabilitate any additional units as a result of the 2000 Census data. The Borough, therefore, sought to reduce its Round 2 rehabilitation component to zero. This was confirmed upon the adoption of COAH's Round 3 regulations adopted in 2005, which showed the Borough's rehabilitation obligation was zero.

New Construction Component

The Borough complied with its 19-unit Round 2 new construction component through 9 affordable housing credits for 9 bedrooms within two existing credit-worthy group homes, and 5 credits for an approved low and moderate income age-restricted rental apartment development containing six bedroom units. One affordable housing credit from the age-restricted project will

be carried forward and applied to the Borough's Round 3 growth share obligation. In addition the Borough received a rental bonus credit for five bedrooms in one of the group homes.

Development Type	Affordable Housing Credits
St. John's Community Service (Group Home)	4 units
The ARC of Monmouth (Group Home)	5 units
The ARC of Monmouth (2 for 1 rental bonus)	5 units
SHG Enterprises (Low and moderate income age-restricted units)	5 units
TOTAL	19 units

Traditional Developers, LLC. v. Borough of Farmingdale

The Borough's judicially approved Second Round Housing Plan included a residential development known as "Traditional Developers, L.L.C" which was the subject of court litigation. Based upon express terms approved by the Court and recommended for approval by the court-appointed special master, Farmingdale Borough agreed to settle litigation with Traditional Developers, L.L.C. and permit up to twenty-one (21) market rate single family housing units on the 15.44 acre property off West Main Street. The approved settlement agreement, dated September 22, 2004, provides for the payment of a fee in lieu of the construction of affordable housing units. The Borough agreed that "Traditional Developers, LLC." would pay a total of \$125,000 into the Borough's Affordable Housing Trust Fund; \$62,500 at the time of project approval and \$62,500 at the time of the first issued CO. The Settlement Agreement approved by the Superior Court expressly contemplated that no Round 3 growth share obligation would be derived from the development of this project. Specifically, Section 6 "Court Approval" of the Settlement Agreement states the following:

"This Agreement and the housing Plan Element and Fair Share Plan contemplate that the Project be deemed as "inclusionary development" in accordance with COAH's current definitions and that certain benefits result to both Developer and the borough as a result of that designation. Specifically, as the Developer, the parties intend that inclusionary development status confers the rights set forth herein vis-a-vis the borough and planning Board. **As to the Borough, the parties intend the inclusionary status to insulate it from any "growth share" responsibilities for the project for the so-called "third housing cycle" as set forth in regulations COAH has proposed or may re-propose in the future.**"

The development was granted preliminary approval on October 23, 2006 and final approval was August, 2015. Construction of the development is nearly completed as of the date of this Housing Plan.

HOUSING POLICY

Farmingdale Borough has historically addressed its constitutional obligation to create realistic opportunities for low and moderate income housing. Despite the severe environmental, physical and community facility constraints for future development, the Borough of Farmingdale is committed to meeting its fair share of the region's low and moderate income housing needs and has made its best efforts to prepare a realistic, workable plan. The Borough has addressed its first and second round affordable housing obligation and adopted a plan in December 2005 and October 6, 2009 to address its potential Third Round growth share obligation.

The Borough of Farmingdale Master Plan sets forth its goals and objectives in its Housing Plan Element as follows:

- To provide an adequate, affordable, and balanced supply of housing types for the current and prospective population of the Borough, consistent with the established pattern of development within the Borough at this time.
- To maintain the character and value of existing residential neighborhoods.
- To establish appropriate densities for undeveloped residential land within the Borough.

FAIR SHARE PLAN

The Borough's Fair Share Plan presents a realistic opportunity to provide for its projected affordable housing obligation. The Fair Share Plan is comprised of three categories:

1. Present Need – The present need is a measure of overcrowded and deficient housing that is occupied by low and moderate income households. The present need was previously referred to as “rehabilitation share.” The Borough's Present Need is 8 units.
2. Prior Round Obligation - The prior round obligation covers the period from 1987 through 1999. The Borough's Prior Round obligation is 19 units.
3. Prospective Need - Prospective need is a measure of low and moderate income housing needs, based on development and growth that occurred or is reasonably likely to occur in a region or municipality. The prospective need covers the period from 1999 through 2025. The Borough's Prospective Need, pursuant to the Settlement Agreement is 51 units.

Present Need

The Borough's Present Need is 8 units which is specified in a court-approved settlement agreement with the Fair Share Housing Center.

The Borough entered into an inter-municipal agreement with the Monmouth County Community Development Program in 2009 with respect to providing administrative services to rehabilitate the five (5) units and address its rehabilitation component. The Borough, through its efforts implemented the rehabilitation program and has rehabilitated 2 units within the Borough. This agreement runs through December 31, 2018, however was suspended due to lack of funding available. It is anticipated that the Borough will re-enter the Monmouth County Community Development Program to complete its total Present Need of 8 units (2 of which have been completed)

Prior Round Obligation

Based on the calculations for the Round 1 and 2 Housing Plan, the Borough was granted a total of 20 credits as applied to the new construction component of 19 units. Therefore, the Borough satisfied its Round 1 and Round 2 affordable housing obligation with a one (1) unit affordable housing credit. This was set forth in the Judgment of Compliance and Repose entered by Honorable Robert O'Hagan, J.S.C. on December 21, 2004. All mechanisms used to address the Prior Round obligation as reflected in the Judgment of Compliance and Repose were actually developed and the Borough continues to rely upon them to satisfy that obligation.

Prospective Need Obligation

The prospective need obligation covering the period from 1999 through 2025 is 51 units pursuant to the Court approved Settlement Agreement. The Borough has undertaken a vacant land adjustment which yields a Realistic Development Potential (RDP) calculation of three (3) affordable housing units for Round 3. The Borough will fulfill the 3 unit RDP based upon a zoning amendment which will allow for a potential increase in the number of apartment units on an already developed site, with the additionally permitted units to have a 20 percent affordable housing set-aside. The Vacant Land Analysis is described below. For purposes of settlement, the Borough agrees to address its three (3) unit RDP and a portion of its remaining 48-unit Round 3 regional need allocation through the following mechanisms:

"Farmingdale Garden Apartments" Property

Pursuant to the Settlement Agreement and "subject to all notice and hearing provisions set forth in the Municipal Land Use Law and any other relevant statutes, the Borough will amend its zoning ordinance to permit the Farmingdale Garden Apartments as an as-of-right use and permit a density of 15 units per acre. This would be an increase in the existing density which was constructed as 13.7 units per acre. The magnitude of the

density increase is based on the parcel's limited undeveloped area. However, such an increase in density could create an opportunity to construct an additional 16 units on-site, raising the total number of units from 176 units to 192 units. As a condition of this increase in density, the developer/owner would be required to provide a 20 percent affordable housing set-aside on the additional units to be built, which would equal three (3) affordable rental units on-site. One of these units shall be required to be a very low income unit, one shall be required to be a low income unit and one may be a moderate income unit."

"Sterns" Property

Pursuant to the Settlement Agreement and "subject to all notice and hearing provisions set forth in the New Jersey Municipal Land Use Law and any other relevant statutes, the Borough will adopt an "overlay zone" on the entire Sterns Property located at 30 Southard Avenue. The overlay zone will be an option to the existing LI – Light Industrial Zone of the property to permit multi-family residential development at a gross density of 10 dwelling units per acre. In addition the overlay zone will permit a maximum building height of 3 stories and 45 feet, provided that no building or portion of a building erected within 75 feet of a residential zone shall exceed two and a half stories and 35 feet in height. The overlay zone will require a twenty (20) percent affordable housing set aside for affordable sale units and a fifteen (15) percent affordable housing set aside for affordable rental units.

Development Fee Ordinance

The Borough has an adopted Development Fee Ordinance (#05-02 adopted January 18, 2005) approved by the Court which will be updated and amended to reflect the new and revised elements of this Housing Plan.

Affirmative Housing Ordinance and Affirmative Marketing Plan

The Borough has an adopted Housing Ordinance and Affirmative Marketing Plan Ordinance which will be updated and amended to reflect the elements of this Housing Plan.

Spending Plan

The Borough will prepare a Spending Plan in accordance with the provisions of the Settlement Agreement and reflect the elements of this Housing Plan.

Realistic Development Potential (RDP) Calculation

The Borough of Farmingdale is nearly completely built-out. The Borough has evaluated all vacant land parcels and has calculated a Realistic Development Potential (RDP) in accordance with COAH Round 2 Rules. The calculation of the RDP is consistent with the March 15, 2015

New Jersey Supreme Court decision and is based upon the realistic development potential of vacant land that has been identified in the Borough that could be developed in the future in accordance with COAH Round 2 Rules at N.J.A.C. 5:93-4.2 – Lack of Land, New Construction for Site Suitability.

Exhibit 6, Vacant Land Inventory and Realistic Development Potential, provides the basis for calculating an RDP for the Borough of Farmingdale. Parcels or portions of parcels that were excluded from the vacant land inventory in accordance with N.J.A.C. 5:93-4.2 include:

- (1) Agricultural lands shall be excluded when the development rights to these lands have been purchased or restricted by covenant
- (2) Environmentally sensitive lands
- (3) Historic and architecturally important sites
- (4) Active recreational lands
- (5) Conservation, parklands and open space lands
- (6) Individual sites that the Council on Affordable Housing (or the Court) determines are not suitable for low and moderate income housing

There are 23 potential sites in the Borough that are vacant or farm qualified as shown in Exhibit 6. All of the potential sites were analyzed and excluded for a number of reasons including:

- Presence of wetlands
- Size of property was too small
- No access
- Affordable Sites (Zoned or Under Construction)
- Neighborhood Character (residential uses are out of character with surrounding existing uses or can't meet minimum presumptive density of 6.0 units per acre per N.J.A.C. 5:93-4.2 (f))

The result is that the RDP for the Borough of Farmingdale yields a RDP of 3 units. The Borough will fulfill the 3 unit RDP with a zoning amendment that will allow for a potential increase in the number of apartment units on the existing Farmingdale Apartments site, with additional permitted units to have a 20 percent affordable housing set-aside.

FAIR SHARE PLAN DOCUMENTATION

A separate document entitled “Fair Share Plan Documentation” provides required documentation for an “Application for Substantive Certification” in accordance with N.J.A.C. 5:97-1 et seq. The additional documentation required by COAH is included as Exhibits in this Housing Plan. Exhibits 1 through 10 are public documents available at the Borough Clerk’s Office for review and/or purchase in accordance with the provisions for reproduction of public documents as provided by N.J.S.A. 47:1A-5. .

- Exhibit 1 Round 1& 2 Housing Plan Adopted August 23, 2004; Resolution 04-12 Adopting Housing Plan by Planning Board; Resolution 04-75 Approving Housing Plan by Mayor and Council**
- Exhibit 2 Judgment of Repose - Traditional Developers, L.L.C. vs. Borough of Farmingdale**
Filed December 21, 2004 by Judge Robert O'Hagan
- Exhibit 3 Settlement Agreement - Traditional Developers, L.L.C. vs. Borough of Farmingdale**
- Exhibit 4 2017 Settlement Agreement / Fairness Hearing – Fair Share Housing Center and Borough of Farmingdale**
- Exhibit 5 2014 Rental Housing Rates for Low and Moderate Income Units; and 2014 Sales Prices for Single Family Detached Housing Units for Low and Moderate Income Households; New Jersey COAH – 2014 Affordable Income Limits**
- Exhibit 6 Vacant Land Inventory and Realistic Development Potential – Chart and Map**
- Exhibit 7 Group Home Documentation - ARC of Monmouth & St. John's Community Service.**

SHG Enterprises - Use Variance Approval & Preliminary & Final Site Plan Approval
Resolution 03-09 and Resolution 03-10
- Exhibit 8 Master Plan**
Adopted December 11, 2001.
- Exhibit 9 Zoning Ordinance and Zoning Map**
- Exhibit 10 Borough of Farmingdale G.I.S. Base Map and Tax Maps**