

Housing Element Amendment

Borough of High Bridge

**Hunterdon County
New Jersey**

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Prepared for:
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Content

New Jersey's Fair Housing Act of 1985 and the Municipal Land Use Law (MLUL) require municipalities to adopt a housing element that addresses the municipal present and prospective housing needs, "with particular attention to low and moderate income housing." A housing element shall contain at least the following:

1. 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;
2. 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;
3. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
4. An analysis of the existing and probable future employment characteristics of the municipality;
5. 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
6. A consideration of the lands 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.

Analysis of Housing Stock

As of the 1990 Census, there were 1454 housing units in High Bridge. The vast majority of these units, 96.6 percent were occupied. Of the 1,404 occupied housing units in the Borough, 1116 were owner-occupied and 288 were rentals. As of the 2000 Census, there were 1,478 housing units in High Bridge.

Housing Types

The vast majority of housing units in the Borough were developed as single family detached housing on small lots. However, the Borough has allowed affordable alternatives to conventional single family detached construction, including the manufactured housing developed at Solitude Village.

Table H-1

Units in Structure	Number	Percent of Total Units
1, Detached	1,047	72.0
1, Attached	115	7.9
2	119	8.2
3 or 4	58	4.0
5 to 9	50	3.4
10 or more	0	0.0
Mobile home or trailer	52	3.6
Other	13	0.9

Cost of Housing

High Bridge has developed at significantly greater densities than the other municipalities in Hunterdon County. As of the 1990 census, the Hunterdon County Planning Board has calculated that the County houses 203 people per square mile. By way of comparison, High Bridge houses 1493 people per square mile.

The median High Bridge housing unit in High Bridge is relatively small at 6.2 rooms per unit. The ability to construct relatively small units on small lots has been a factor in creating housing that is more affordable than housing in other municipalities within Hunterdon, Somerset and Middlesex Counties. (These Counties have been chosen for comparison because the Council on Affordable Housing (Council) has included High Bridge in a housing region formed by these three Counties.)

Table H-2

Jurisdiction	Mean Value	Median Value
High Bridge	162,647	157,800
Hunterdon	233,539	210,700
Middlesex	175,155	164,100
Somerset	231,974	194,800

A complete table of the value of the High Bridge owner occupied housing stock, as depicted in the 1990 census is displayed below:

Table H-3

Value (\$)	Units	Percentage(%)
Less than 45,000	0	0.0
45,000 - 49,999	8	0.8
50,000 - 74,999	0	0.0
75,000 - 99,999	53	5.4
100,000 -124,999	136	13.8
125,000 -149,999	239	24.3
150,000 -174,999	180	18.3
175,000 -199,999	210	21.3
200,000 -249,999	130	13.2
250,000 -299,999	15	1.5
300,000 -399,999	14	1.4
400,000 or more	0	0.0

Thus, 20 percent of the High Bridge owner-occupied housing stock was valued at under \$125,000 at the time of the 1990 census. By comparison, in Hunterdon County, only 10.1 percent of the units were valued at less than \$125,000. In Middlesex and Somerset, the respective percentages were 17.5 and 10.7.

For rental units, the median gross rent, as depicted by the 1990 census, was \$814 per month. Of the 280 rental units depicted by the census, 131 were two bedroom units and 115 were three bedroom units. All but nine of the rentals were inhabited by a head of household who was less than 65 years old. Therefore, it appears that the rental units in High Bridge may be serving the needs of younger households with families. Table H-4 depicts rents, as of the census by bedroom size:

Table H-4
Number of Bedrooms

Rent (\$)	None	One	Two	Three
0-199	0	5	0	6
200-299	0	0	0	0
300-499	0	6	0	7
500-749	0	23	39	26
750-999	0	0	74	26
1,000 or more	0	0	18	45
No cash rent	0	0	0	5

Units Affordable to Low and Moderate Income Households

Low income households are defined as earning less than or equal to 50 percent of a regional median income. Moderate income households earn more than 50 percent of median income but less than 80 percent.

The Council has developed a sliding scale defining the income of eligible low and moderate income households. For example, the median income of a household of one, and therefore the definition of low and moderate income, is less than for a household of two. The Council has determined separate median incomes for households of one up to households of eight.

Similarly, housing units are to be priced to be affordable to households who could reasonably be expected to live within the housing units. For example, the current Council rules require that an efficiency unit be affordable to a household of one. The average one bedroom unit must be affordable to a one and a half person household. Similarly, the average two and three bedroom units must be affordable to household sizes of 2.5 and 4.5, respectively. The following table displays the Council's 1990 income limits by household size:

Table H-5

Household Size

	1 Person	2 Person	3 Person	4 Person	5 Person
Moderate	27,496	31,424	35,352	39,280	41,736
Low	17,185	19,640	22,095	24,550	26,085

To be affordable, a household should not be paying more than 28 percent of its gross income on principal, interest, taxes and insurance, subsequent to a minimum downpayment of 5 percent. A rental unit is affordable if the household is paying no more than 30 percent of its income on rent and utilities. To illustrate, the average three bedroom rental should be affordable to a theoretical household of 4.5 people. Assuming that a 4.5 person moderate income household earned \$40,508 in 1990, the monthly rent and utilities for an affordable three bedroom unit could not exceed \$1,013.

It is difficult, and probably not terribly productive, to try and determine how many units were affordable to low and moderate income households when the census was taken. To make this calculation properly would require an analysis of 1990 income limits, interest rates and tax rates. However, assuming that most of the owner occupied housing in High Bridge are three bedroom units, an owner occupied unit would have been considered affordable if it could be purchased by a moderate income household of 4.5 people. Assuming a household can afford a home priced at 2.5 times the household income, a household earning \$40,508 could afford a \$101,270 house. By interpolating the census data in Table H-3, one can estimate that 68 housing units may have been affordable to low and moderate income households in 1990.

With regard to rentals, it is assumed that a one bedroom unit should be affordable to a one and a half person household (half of one bedroom units should be affordable to a one person household and half should be affordable to a two person household.) Similarly a two bedroom unit should be affordable to a theoretical household of 2.5; and a three bedroom unit should be affordable to a 4.5 person household. Given these standards, rent plus utilities on affordable one, two and three bedroom units could not exceed, \$737, \$835 and \$1013 respectively in 1990. When one compares these rents to the rents by bedroom size that appear in Table H-4, it is likely that: all 39 one bedroom apartments were affordable in 1990; approximately half of the two bedroom units were affordable; and approximately 70 of the 115 three bedroom units were affordable to low or moderate income households.

The data presented in this section of the housing element and in the demographic analysis that follows indicate that High Bridge Borough has a history of providing housing more affordable than housing available elsewhere in the housing region. The Council has developed rules that permit waivers for municipalities that petition for substantive certification and demonstrate a history of inclusionary land use practices. The Borough should reserve the right to demonstrate that it has housed a much greater share of low and moderate income households than other municipalities if necessary.

In addition, COAH has developed rules that provide credit for housing that was constructed between 1980 and 1986 that is in sound condition and occupied by low and moderate income households. The Borough has surveyed residents of housing that was constructed between 1980 and 1986 and is seeking credits for these units (credits without controls).

Condition of Housing Stock

The Council utilizes the 1990 census to try to estimate the number of substandard housing units in High Bridge that are occupied by low and moderate income households. The Council uses the census to determine which units are occupied by low and moderate income households. The Council then analyzes the low and moderate income housing stock based on the following factors:

Year Structure Built. A distinction is made between units built before 1940 and units built thereafter. Research has demonstrated that units built before 1940 are much more likely to be in substandard condition. This factor is probably the most dominant factor in estimating the condition of a municipal housing stock.

Persons per Room. 1.01 or more persons per room is an index of overcrowding.

Plumbing Facilities. Inadequate plumbing facilities is indicated by either a lack of exclusive use of plumbing facilities or incomplete plumbing facilities.

Kitchen Facilities. Inadequate kitchen facilities are indicated by shared use of a

kitchen or the lack of a sink with piped water, a stove or a refrigerator.

Heating Fuel. Inadequate heating is use of coal, coke wood or no fuel for heating.

Sewer. Inadequate sewer services are indicated by a lack of public sewer, septic tank or cesspool.

Water. Inadequate water supply is indicated by a lack of either city water, drilled well or dug well.

Not all of the census indicators of substandard housing are available at the municipal level. Therefore, the Council developed a procedure in which it estimates the number of low and moderate income households in substandard housing within a census region and then estimates the number of low and moderate households in substandard housing at the municipal level based on census indicators that are available at the municipal level. The procedure classifies a low and moderate income unit as substandard if it "fails" two of the census indicators listed above. Once a census regional total of substandard low and moderate income units has been calculated, the procedure assigns a share of this total to each municipality within the census region based on the following census indicators that are available at the municipal level:

- Plumbing Facilities - non-exclusive use of complete plumbing.
- Persons per Room - more than 1.01 persons per room.
- Age of Housing - housing built in 1939 or earlier.
- Water or Sewer Problem - deficiency in one or the other.
- No Telephone - absence of telephone in unit.
- Nonstandard Heating Fuel - use of coal, coke, or wood for heating, or no fuel.

In Appendix A of its rules, the Council describes its approach for estimating the condition of low and moderate income housing in a municipality as follows:

It should be realized that any of these characteristics need not signal deficiency on their own. The unit must be occupied by a poor household; be more than 50 years old and contain a single deficiency; or be similarly occupied, be 50 years old or less, but contain an additional detrimental condition, to signal deficiency. Even then, the unit may not be actually deficient, but there is a high probability that it will be subsequently lost from the housing stock.

This procedure for establishing housing deficiency: (1) is drawn from the literature of the field; (2) encompasses a broad array of physical insufficiency including such items as incomplete or inadequate kitchen and plumbing, crowding, inadequate heating fuels, and insufficient sewer and water resources; (3) ensures against erroneous inclusion of good units; and (4) provides a very high probability that the housing identified at least in relative terms, is clearly less than

adequate.

The reason the Council must use indicators of substandard housing is that the census does not classify housing units as standard or substandard. Thus, the data presented below are the data the Council uses to generate its estimates for High Bridge.

Table H-6

	Total	Percentage (%)	
Number of Persons Per Room			
1.01 or more	14	0.01	
Plumbing Facilities			
Units with Complete Plumbing Facilities	1454	100	
Units Lacking Complete Plumbing Facilities	0	0	
Heating Equipment			
Utility Gas	148	10.5	
Bottled, tank or lp gas	67	4.7	
Electricity	405	28.8	
Fuel oil, kerosene, etc.	713	50.8	
Coal or coke	41	2.9	
Wood	25	1.8	
Solar energy	0	0.0	
Other Fuel	5	0.3	
No fuel used	0	0.0	
Kitchen Facilities			
Complete kitchen facilities	1435	98.7	
Lacking facilities	19	1.3	
Source of Water			
Public system or private company	1360	93.5	
Individual well			
Drilled	88	6.1	
Dug	0	0.0	
Some other source	6	0.4	
Sewage Disposal			
Public sewer	1313	90.3	
Septic tank or cesspool	141	9.7	
Other means	0	0.0	
Telephone			
With telephone	1391	99.1	
No telephone	13	0.9	
Year Structure Built			
1989 until census	0	0.0	
1985-1988	142	9.8	

1980-1984	215	14.8	
1970-1979	307	21.1	
1960-1969	118		8.1
1950-1959	100	6.9	
1940-1949	37	2.5	
Before 1940	535	36.8	

Most of the census indicators available at the municipal level indicate a sound housing stock. Less than 1 percent of the units are occupied by more than 1 person per room. The entire housing stock has complete plumbing facilities. Virtually every housing unit is served by conventional sewer and water systems. Nearly every housing unit has a telephone and complete kitchen facilities. Most of the units are heated with standard heating fuels.

The one statistic used by the Council that indicates that there may be a number of substandard units within High Bridge is the age of the housing stock. Nearly 37 percent of the housing stock was constructed before 1940. Only 25.5 percent of Hunterdon County's total housing stock was constructed before 1940. The percentages for Middlesex and Somerset Counties are only 14.7 and 15.9 respectively.

As the Council has recognized, the presence of a number of older structures does not necessarily mean that there are a number of structures in substandard condition. Similarly, housing units heated with coal, coke or wood are not necessarily substandard. The Council has developed a structural conditions survey which allows a municipality to determine a more accurate assessment of the municipal housing stock. High Bridge Borough may want to perform this survey.

Projection of the Municipal Housing Stock

The 1990 Census indicates that the Borough had 3,886 people residing in 1,454 housing units. The Hunterdon County Planning Board projected that the Borough's 2000 population would rise to a low of 4,054 and a high of 4,220. Instead the Borough lost population. In 2000, the Census found 3,776 people in 1,478 housing units. Given the recent past, the Borough does not expect rapid or moderate growth to its population or its housing stock. It is anticipated that most of the remaining housing constructed in the Borough will be single family detached housing.

Demographic Analysis

From 1980 to 1990, the Borough's population grew 13.13 percent, from 3,345 to 3,886 people. The New Jersey Department of Labor estimates that, as of July 1, 1992 the Borough population grew to 3,899 people. As the Borough grew, the median age of its population increased from 29.6 to 32. The median age for all Hunterdon County residents was 35.2. An analysis of the age distributions provided by the census indicates that there was a large increase in the 25-44 age cohort and another large increase in the 0-4 age cohort. This is an indication that the High Bridge housing stock has offered young households that are beginning a family the opportunity to live in the Borough. The largest decreases occurred in the 45-64 and over 65 age cohort. The relevant data are presented below:

Table H-7

Population by Age Cohort

Age Cohort	1990 Population	1990 Percentage	1980 Percentage
0- 4	375	9.7	6.3
5-17	646	16.6	16.7
18-24	332	8.5	16.5
25-44	1602	41.2	31.1
45-64	627	16.1	20.1
65+	304	7.8	13.2

The Borough also attracted smaller households during the 1980s. In 1980, the average household size was 3.01 people per household. In 1990, the average household size was 2.8 people per household (based on 1390 households). The decrease in household size may be due to an increase in the number of rental units that occurred in the Borough during the 1980s.

For the third consecutive census period, the median income of High Bridge residents fell below the median income of Hunterdon County. The 1970 census documented a High Bridge median income of \$10,108 compared to Hunterdon's \$11,337 median income. In 1980, the High Bridge median income was \$23,506 compared to Hunterdon's \$26,618. The 1990 census indicates a continuation of this trend. While High Bridge Borough's median income increased to 49,069, Hunterdon County's median income increased to \$54,628.

The median income in Somerset County was also much higher than in High Bridge. The median income in Somerset County was \$55,519. The average income in Somerset and Hunterdon were \$67,401 and 65,345 respectively. The average income in High Bridge was \$52,630. Thus, the income data, like the data related to owner occupied housing indicate that High Bridge has offered housing opportunities to households who could not live in other areas of the housing region defined by the Council.

Table H-9 demonstrates that High Bridge's land use practices have allowed people with less income to live in the Council's housing region. Clinton and Lebanon Townships have been selected for this comparison because they share a border with High Bridge. The percentages presented under each geographic area within Table H-9 were calculated by the Hunterdon County Planning Board.

Table H-9
Households by Income (Percentages)

Income (\$)	High Bridge	Clinton Twp	Lebanon Twp
0- 9,999	5.25	3.49	3.77
10,000- 14,999	3.31	1.55	2.25
15,000- 24,999	7.41	6.16	5.55
25,000- 34,999	9.71	8.50	11.36
35,000- 44,999	15.18	7.48	13.08
45,000- 59,999	25.83	15.51	21.56
60,000- 99,999	27.34	33.86	31.40
100,000-149,999	5.11	16.51	7.43
150,000 or more	0.86	2.40	3.61

The census indicates that the median household size in High Bridge is less than 3. The upper limit for a moderate income three person household, at the time the census was administered was \$35,352 dollars. At the time the census was administered, 25.68 percent of High Bridge households earned less than \$35,000. By comparison, only 19.7 and 22.93 percent of Clinton Township and Lebanon Township households earned less than 35,000. Over sixty-six percent of High Bridge households earned less than \$60,000 in 1990. In Clinton and Lebanon Townships, the corresponding percentage was 42.69 and 57.57 respectively. Clearly, High Bridge has been a place, within the attractive Interstate 78 housing corridor, where households of low, moderate and median incomes have been able to live.

The Hunterdon County Planning Board has developed an index of housing affordability. The index is calculated by dividing the median value of owner-occupied housing by the median income for a given area. In 1990, the index for the entire County was 3.8. The index for High Bridge was 3.2. Within the County, only Glen Gardner Borough had a lower index, at 3.1. This is another indication that High Bridge has provided more affordable housing choices than most municipalities within the housing region.

The Cost Burdened

HUD considers a household "cost burdened" when the household is paying more than 30 percent of its gross income on housing. The 1990 census indicates that there were 620,000 New Jersey households earning less than 95 percent of median income that were "cost burdened" (1991 New Jersey Comprehensive Housing Assistance Strategy at page 58).

The Council has determined that there are many factors beyond municipal land use practices that have caused the "cost burdened" problem. However, the problem is pervasive and when households pay a disproportionate share of income on housing, it means sacrifices often have to be made in the areas of other necessities, including, but not limited to, nutrition and health care. It has been documented that households paying a disproportionate share of income on housing is a major factor contributing to homelessness.

Cost burdened households live all over the State and High Bridge is no exception. The 1990 census reports information on 280 "renter" households and 985 households who own homes. The data indicates that 95 renters and 392 owners were paying more than 30 percent of their income on housing. Thus, out of 1285 households reported by the census, 487, or 38.5 percent qualified as being cost burdened.

Existing and Probable Future Employment

There is very little business in the Borough. Most of the commercial properties are interspersed with residential uses along Main, West Main and Arch Streets. These commercial properties, for the most part, are designed to satisfy local shopping needs. Many of the commercial structures on Main Street are two stories with rental units on the second floor. The largest industrial property is located along Washington Avenue in the old Taylor Wharton complex. Other industrial properties are located west of the railroad line on Cregar Road and on West Main Street.

There is very little information available in the 1990 census regarding businesses in specific municipalities. One of the best sources for monitoring increases or decreases in employment within a municipality is the New Jersey Department of Labor's data related to covered employment. This data monitors private sector employment covered by unemployment insurance.

These data indicate that High Bridge has not shared in Hunterdon County's economic expansion. In 1972, there were 363 covered jobs in High Bridge. In 1982, there were only 327 covered jobs. The 327 covered jobs represented only 1.6 percent of Hunterdon County's 20,467 jobs. The 1992 covered employment statistics indicate that covered jobs in High Bridge have decreased slightly to 324, while Hunterdon County's total has increased to 30,904. Thus, as of 1992, only 1.0 percent of the County's covered jobs were in the Borough.

The Borough will continue to try and attract employers to the Borough. However, for the purposes of the housing element, it is anticipated that there will not be a marked increase in employment over the next six years.

Determination of Low and Moderate Income Housing Need

The *Mount Laurel* Decisions established that every municipality is responsible for a share of a regional housing need. The Council, pursuant to the Fair Housing Act, is responsible for defining regions and developing criteria for establishing each municipality's share of the regional need. High Bridge lies within a region consisting of Hunterdon, Somerset and Middlesex Counties.

The High Bridge low and moderate income housing responsibility consists of: a present need; a share of the low and moderate income households that the Council has estimated to have formed from 1987-1993; and a share of the low and moderate income households that the Council projects will form during the 1993-1999 period. The present need is an estimate of substandard units occupied by low and moderate income households. It is estimated, for each municipality and for the housing region, through use of the 1990 census. The Council then establishes a *regional* standard of low and moderate income households living in substandard housing. The following excerpt from *The COAH Handbook* describes the calculation of the *regional* standard and its use:

The standard is determined by dividing the number of substandard units occupied by low and moderate households by the total occupied housing units in the region. In examining the census estimates of substandard housing units occupied by low and moderate income households within each municipality, the municipal responsibility for addressing substandard units is limited by this regional standard. Thus, if the regional standard is two percent and within a specific municipality three percent of the occupied housing stock represents substandard units occupied by low and moderate income households, the municipal responsibility is capped at the regional standard of two percent. The remaining obligation becomes a regional obligation assigned to municipalities within the housing region.

The logic of reallocating a portion of the present need stems from language in the *Mount Laurel II* Decision. The court determined that some municipalities had a disproportionate share of low and moderate income housing in substandard condition because the municipalities had housed a disproportionate share of low and moderate income households. Therefore, the court "capped" an individual municipality's responsibility at a regional standard. The substandard low and moderate income units that remain the municipal responsibility represent the municipal *indigenous need*. The substandard units that become a regional responsibility are called *reallocated present need*.

In High Bridge, the Council estimates that there are 71 substandard units occupied by low and moderate income households. However, the application of the regional "cap" reduces the High Bridge indigenous need to 26 low and moderate income housing units. Four units of reallocated present need have been assigned to High Bridge Borough.

In 1986, the Council projected the 1987-1993 housing need for each municipality based on the population projections available at the time. Population projections were converted into household projections and, since approximately 40 percent of all households are low and moderate income households, the 1987-1993 projection of need equaled approximately 40 percent of the household projection.

The Council's 1987-1993 projections overstated the number of households that actually formed during the projection period. The actual growth from 1987-1993 was approximately one-half the projection. Therefore, the Council scaled back each municipality's 1987-1993 housing responsibility based on the estimates of actual growth.

The final component of municipal housing need is a projection of housing need for the 1993-1999 period. This projection of low and moderate income household formation is performed in a similar manner to the 1987-1993 projection.

The Council's formula for determining housing need is very complex. One reason it is so complex is that it tries to recognize that sound housing becomes available to low and moderate income households as a result of market forces. Sound housing units are sold to low and moderate income households (filtering). Owners of structures convert them into housing units that are affordable to low and moderate income households (conversions). Landlords rehabilitate substandard units without any subsidy from the municipality (spontaneous rehabilitation). The Council attempts to project the level of all this activity that will occur in each municipality from 1993-1999. The Council projects this activity based on data related to attached housing and the income of municipal residents. These projections of filtering, conversions and spontaneous rehabilitation, act to reduce the number of low and moderate income units a municipality must address in its housing element.

The application of the Council's methodology in High Bridge results in a 1987-1999 housing need of 51 housing units. The High Bridge indigenous need is 24. These 24 units may be addressed by creating new housing units or by designing a rehabilitation program. The remaining 27 unit obligation represents a need for new units.

Senior Citizen Cap and Rental Component

The Council has rules that: place limits on a municipality's ability to age restrict low and moderate income housing units; and require that municipalities create a realistic opportunity for rental housing. The formula, that places a limit on age restricted housing, permits High Bridge to age restrict up to 25 percent of any new housing units created in the Borough. High Bridge does not propose to age restrict any housing with this plan. The COAH August 19, 2004 Compliance Report states that the Borough has addressed its rental obligation.

The High Bridge Response to the Housing Obligation

The Council's rules result in a determination that High Bridge has a 1987-1999 housing obligation of 51 low and moderate income units. Twenty-four of these units are the result of the Council's estimate of substandard housing occupied by low and moderate income households within the Borough. High Bridge may address these units by creating new units or by designing a rehabilitation program. The Borough has a new construction obligation of 27 low and moderate income housing units that it proposes to address as follows:

Credits Without Controls -18 Units

COAH has developed criteria for municipalities to receive credit for affordable housing even if the unit is not governed by controls on affordability (credits without controls). To be eligible for credit, a housing unit must: have received a certificate of occupancy between 1980 and 1986; be in sound condition; be occupied by a low or moderate income household; and be affordable to a moderate income household. The Borough has surveyed residents of housing units constructed between 1980 and 1986 and is seeking credits for these units.

The Borough has provided COAH with the documentation required by its rules. In a March 30, 2004 letter, COAH staff determined that the Borough is eligible for 18 units of credit.

The credits without controls process COAH has required of the Borough is unique in that COAH staff has required the Borough to demonstrate that the subject units were affordable over two (2) periods of time (1999 and 2001). All other municipalities in the State have received "credits without controls" by demonstrating that the subject units were affordable at one (1) point in time. The Borough continues to believe that it should not be held to a higher standard than other New Jersey municipalities. It also is investigated COAH's assumptions regarding affordability. It is believed that the Borough may be entitled to additional credits.

Group Homes -5 Units

Pursuant to COAH's rules, the Borough may receive credit for group homes licensed by the Department of Human Services. The Borough has provided documentation that warrants five (5) units of credit for a five (5) bedroom group home that was occupied by Development Resources Corporation in October of 1986. COAH's former Executive Director, Shirley Bishop, has provided the Borough with a January 4, 2001 letter confirming that this group home qualifies for five (5) units of credit. COAH's August 19, 2004 Compliance Report confirms these credits.

Accessory Apartments – Up to Four (4) Units

Subject to finalizing the credits without controls survey, the Borough has a remaining housing obligation of four (4) units. The Borough, pursuant to COAH's rules, will address any remaining housing obligation by adopting an ordinance permitting accessory apartments. The accessory apartments will conform in all respects with COAH's rules and be encumbered by 10 year controls on affordability. The Borough understands that it has an obligation to provide a \$10,000 subsidy to any property owner interested in creating an accessory apartment.

The Ordinance shall permit accessory apartments in each of the Borough's residential zones. The Ordinance will sunset when the Borough has addressed its 1987-1999 housing obligation.

The Catanzareti site

High Bridge has removed a site that has been zoned for low and moderate income housing (the Catanzareti site) from its Housing Element. The Borough has developed a plan that creates a realistic opportunity for its entire housing obligation without using the Catanzareti tract. The Borough has addressed its "new construction obligation" with 18 credits for units constructed between 1980 and 1986, five bedrooms in the Stillwell Avenue Group Home and four (4) proposed accessory apartments.

Rehabilitation

The Borough will address its 24 unit rehabilitation component units of its 1987-1999 housing need through a rehabilitation program and credits for past rehabilitation activity.

The Council's estimates of substandard housing are based on the 1990 census, which was performed on April 1, 1990. Therefore, the Council will grant a credit for any rehabilitation that was completed after the date of the census. Such rehabilitation must: average \$8,000 in hard costs; must have repaired or replaced a major system and resulted in units being brought up to code.

High Bridge Borough rehabilitated six (6) units after April 1, 1990 (see Exhibit B-Credits). The COAH August 19, 2004 Compliance Report indicates that the Borough shall receive credit for all six (6) of these units.

As a result of the Borough's rehabilitation activity, the Borough has a remaining rehabilitation component of 18 units. High Bridge has entered into an agreement with the Hunterdon Housing Corporation to administer this program through its Small Cities Community Development Block Grant. The current agreement is for ten (10) units. The Borough will expand this agreement to reflect the remaining rehabilitation component if necessary. The purpose of the program will be to repair or replace a major system (roof, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems) and/or a load bearing structural system) and bring the unit up to BOCA Code

standard. It is anticipated that the Corporation will develop procedures that are consistent with the Council's rules. Therefore, no rehabilitation manual has been prepared at this time.

COAH has published N.J.A.C. 5:93-4.1 et seq. This rule proposal includes an estimate of substandard housing based on the 2000 Census. Should this proposal be adopted, the Borough reserves its right to amend the plan for its rehabilitation component to reflect the most current COAH estimate regarding the number of substandard units occupied by low and moderate income households in High Bridge.¹

Third Round Housing Obligation

COAH has published N.J.A.C. 5:93-15.1. The rule proposal states that municipalities that have petitioned for, but not received, substantive certification prior to the adoption of COAH's rules governing the post 1999 housing obligation may not receive a "second round" certification. To remain under COAH's jurisdiction, such a municipality must pass a resolution of intent to file or petition for substantive certification and actually file a plan addressing the third round housing obligation or petition for substantive certification within one (1) year of the effective date for COAH's third round rules.

It is recognized that the Borough may not receive substantive certification on this plan prior to the adoption of COAH's proposed rules. If the Borough does not receive substantive certification prior to the adoption of the third round rules, the Borough is willing to file or petition for substantive certification for its 1987-2014 housing obligation within one year of the adoption of the third round rules.

¹ The rule proposal indicates that there are no low and moderate income households living in substandard housing in High Bridge.

Proposed Zoning Ordinance Amendments

Section: High Bridge Accessory Apartment Ordinance

Accessory Apartments for Low and Moderate Income Households shall be permitted in single family homes and accessory buildings provided in all residential zones provided.

1. The owner of the lot resides on a year-round basis on the property in question;
2. The lot conforms with the area and dimensional requirements of the zoning district;
3. The location of the apartment conforms with the yard requirements of the zoning district;
4. There shall be no more than one (1) accessory apartment on any lot;
5. The accessory apartment shall be in full compliance with all applicable health and construction codes;
6. No accessory apartment may occupy more than thirty-five (35) percent of the total square footage of the applicant's house;
7. Each apartment shall have a minimum of two (2) rooms (excluding bathrooms) and have direct access to the outside or a hall with direct access to the outside. The egress door shall not alter the character of the exterior façade of the structure containing the apartment;
8. The occupant of the apartment must meet the income limitations established COAH for the Hunterdon, Somerset, Middlesex Region;
9. The rent must be affordable to a household earning no more than 52 percent of median income as determined by the procedures in the Borough's Affordable Housing Ordinance;
10. Affordability controls of at least ten (10) years be imposed on the accessory apartment via a deed restriction or other instrument acceptable to the Borough's attorney;
11. A condition of approving an accessory apartment shall be that the owner must submit an affidavit of continuing use every two years; and
12. The Borough has not addressed its 1987-1999 housing obligation.

Appendix A

Accessory Apartment Ordinance