

**TOWNSHIP OF RANDOLPH PLANNING BOARD
MORRIS COUNTY, NEW JERSEY**

**TOWNSHIP OF RANDOLPH
2010 HOUSING ELEMENT AND
FAIR SHARE PLAN**

April 27, 2010

PREPARED BY:

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License No. 2585

The Original Document is Signed and Sealed pursuant to N.J.A.C. 13:41-1.3

Township of Randolph
2010 Housing Element and Fair Share Plan

1.0 Introduction

This Township of Randolph 2010 Housing Element and Fair Share Plan (HE&FSP) was prepared in accordance with the applicable provisions of (i) the Highlands Water Protection and Planning Act and its rules, regulations and guidance documents (Highlands Act and Regulations); and (ii) the rules, regulations and guidance documents of the New Jersey Council on Affordable Housing (COAH Regulations) in effect on March 10, 2010. The HE&FSP is submitted without prejudice and the Township of Randolph reserves the right to modify, amend or withdraw the same (i) based upon any changes that may be made to the Highlands Act and Regulations, the COAH Regulations, the Fair Housing Act, or any legislation or regulation that may be adopted or promulgated after March 10, 2010; or (ii) based upon any judicial determination regarding that legislation or those regulations ; or (iii) based upon any other action or event that may, in the Township of Randolph's sole discretion, justify a modification, amendment or withdrawal. By submitting this HE&FSP the Township of Randolph does not intend to waive any right that it may presently have or any right that it may be granted in the future with regard to the subject matter of the submission.

2.0 Historical Background

The Township adopted a Housing Element and Fair Share Plan in January 1987. That was reviewed by COAH and received substantive certification on November 16, 1987 and again on March 3, 1988. That plan was further amended in 1990 and was incorporated into the 1992 Master Plan by reference. Those plans addressed the Township's obligation for low and moderate income housing through the first round of housing obligations for the period from 1987 to 1993.

The 1995 Housing Element and Fair Share Plan initially addressed the second round affordable housing obligation pursuant to the regulations published by COAH in 1994. In response to a request for additional information and a report from COAH, dated November 9, 2000, the Township prepared an amendment to the Housing Plan and submitted it to COAH with other supporting information dated July 24, 2001. The Township further updated its Housing Plan on March 18, 2003 and August 19, 2004. The 2005 Housing Element noted above was prepared pursuant to rules adopted on December 20, 2004. In 2007 the Appellate Division struck down significant portions of the COAH's rules and required COAH to adopt major changes to its rules. Those rule changes were adopted in June 2008 and again amended in September 2008. Additionally, the legislature passed significant changes to the Fair Housing Act in the summer of 2008, which was later signed into law by the Governor.

A further complication that impacts Randolph's housing plans was created by the Highlands Water Protection and Planning Act. Randolph is located in the Highlands,

with about ten (10%) percent of the Township in the preservation area and ninety (90%) percent in the planning area. On September 5, 2008 the Governor signed Executive Order #114, which among other directives ordered the Highlands Council to work with COAH to review the third round growth projections for consistency with the Highlands Regional Master Plan and assist COAH with developing adjusted growth projections within the Highlands region. It also called for the coordination of deadlines for revision of municipal master plans and third round fair share plans to be in conformance with both the Highlands Act and the Fair Housing Act, including a reasonable extension of deadlines. The executive order also included a requirement that the Highlands Council and COAH enter into a joint Memorandum of Understanding (MOU) as soon as practicable but no later than sixty 60 days from the effective date of the Governor's Executive Order. The MOU was signed at the end of October 2008 and extended the deadline for submission of Housing Plans to COAH to December 8, 2009 for communities that expressed their nonbinding intent to conform to the Regional Master Plan (RMP). The MOU also established a scarce resource order of all municipalities in the Highlands Region under COAH's jurisdiction in order to preserve scarce land, water and sewer resources and to dedicate these resources on a priority basis for the production of affordable housing.

Randolph's Township Council passed nonbinding resolutions to conform the local Master Plan and development regulation to the RMP. Studies were undertaken by the Township to assess the impact of conformance on the community. The Township has determined to follow the approach described in the document titled, "Guidance for Highlands Municipalities that Conform to the Highlands Regional Master Plan", specifically, the following section:

HIGHLANDS MUNICIPALITIES WITH LANDS IN BOTH THE PRESERVATION AND PLANNING AREAS THAT ARE CONFORMING TO THE REGIONAL MASTER PLAN FOR THE PRESERVATION AREA ONLY

That section includes the following guidance for preparing the community's housing plan:

Municipalities that are split between the Preservation Area and the Planning Area, and that are conforming to the Highlands RMP for the Preservation Area only should use the following procedures in their COAH Fair Share Plan submission:

Submit a Housing Element and Fair Share Plan using the projections provided by COAH in N.J.A.C. 5:97, Appendix F. Municipalities may seek a downward adjustment to their household and employment projections provided in Appendix F based on a lack of existing land capacity. In reviewing the request, COAH will consider the Highlands RMP including but not limited to residential and non-residential land

capacity, the utility capacity and net water availability for both the Planning and Preservation Areas.

In seeking such an adjustment, Highlands municipalities with land in the Preservation Area should use the Highlands Municipal Build-Out Report for the Preservation Area (Table 4). The municipality should then evaluate the capacity of the municipality as a whole to meet the COAH projections based on the procedures described in N.J.A.C. 5:97-5.6. For municipalities seeking such an adjustment, the presumptive densities and set-asides in N.J.A.C. 5:97-5.6(e) will apply for the Planning Area only with consideration for the Highlands RMP.

Randolph has lands in both the Preservation Area and the Planning Area. The Township will seek a downward adjustment of their household and employment projections utilizing the above described criteria. The actual adjustment is more fully described in Section 4.0 below.

3.0 Housing, Demographic and Employment Data

Population and Economic Characteristics

The population of Randolph Township grew from 19,974 in 1990 to 24,847 in 2000, as is illustrated in Table 1. During that same period the number of housing units also increased from 7,240 in 1990 to 8,903 in 2000. The percentage increases of both population and housing units were fairly close over the ten (10) year period. The population grew by over twenty-four (24) percent while the number of housing units increased by twenty-three (23) percent.

| Table 1 | | | | |
|--|-------------|-------------|---------------|---------|
| Township of Randolph | | | | |
| Population and Housing Units, 1990 and 2000 | | | | |
| | 1990 | 2000 | Change | |
| | | | Number | Percent |
| Population | 19,974 | 24,847 | 4,873 | 24.4 |
| Housing Units | 7,240 | 8,903 | 1,663 | 23.0 |
| Source: U.S. Census 1990 and 2000 | | | | |

The New Jersey Department of Labor and Workforce Development publishes municipal population estimates between decennial censuses. Table 2, which illustrates the estimates for the years 2000 through 2007 show that the Township's population grew to a high of 25,512 in 2004 and has declined slightly since that year. These estimates are as of July 1st of each year. They are calculated primarily based on building permits issued for new housing and the persons per household data from the previous census.

| Table 2 | |
|--|-------------------|
| Township of Randolph | |
| Population Estimates, 2000 - 2007 | |
| Year | Population |
| 2000 | 24,931 |
| 2001 | 25,125 |
| 2002 | 25,410 |
| 2003 | 25,476 |
| 2004 | 25,512 |
| 2005 | 25,463 |
| 2006 | 25,429 |
| 2007 | 25,346 |
| Source: N.J. Department of Labor and Workforce Development Estimates as of July 1st | |

| Table 3 | | | | |
|--|---------------|----------------|---------------|----------------|
| Township of Randolph | | | | |
| Population By Age, 1990 and 2000 | | | | |
| Age | 1990 | | 2000 | |
| | Number | Percent | Number | Percent |
| Under 5 | 1,372 | 6.9 | 1,885 | 7.6 |
| 5 - 9 | 1,520 | 7.6 | 2,237 | 9.0 |
| 10 - 19 | 3,344 | 16.7 | 3,688 | 14.8 |
| 20 - 24 | 974 | 4.9 | 852 | 3.4 |
| 25 - 34 | 3,040 | 15.2 | 3,097 | 12.5 |
| 35 - 44 | 4,048 | 20.3 | 4,892 | 19.7 |
| 45 - 54 | 2,887 | 14.5 | 4,226 | 17.0 |
| 55 - 59 | 812 | 4.1 | 1,369 | 5.5 |
| 60 - 64 | 720 | 3.6 | 784 | 3.2 |
| 65 and Over | 1,257 | 6.3 | 1,817 | 7.3 |
| Total | 19,974 | 100.0 | 24,847 | 100.0 |
| Source: U.S. Census 1990 and 2000 | | | | |

The age distribution of residents within the Township shifted slightly towards the older age cohorts between 1990 and 2000. The number of residents 65 years or older increased from 6.3 percent to 7.3 percent of the total population. While this might not

seem like a major change, the actual number of persons in that category expanded from 1,257 to 1,817, or almost by forty-five (45%) percent. On the other end of the spectrum, as is illustrated in Table 3, the number of children under age five (5) also dramatically increased from 1,372 to 1,885, or by 37 percent. The Census reported that the median age in the Township increased from 34.2 years in 1990 to 36.5 years in 2000.

As is shown in Table 4, the average number of persons per household has dropped slightly from 1990 to 2000. In 2000 it was reported to be 2.86 persons per household within the Township. Since the overall population increased and the number of dwelling units also grew, the actual number of households in each size category increased fairly significantly.

| Table 4 | | | | |
|--|---------------|----------------|---------------|----------------|
| Township of Randolph | | | | |
| Persons per Household 1990 and 2000 | | | | |
| Household Size | 1990 | | 2000 | |
| | Number | Percent | Number | Percent |
| 1 Person | 1,257 | 18.1 | 1,562 | 18.0 |
| 2 Person | 1,874 | 27.0 | 2,522 | 29.1 |
| 3 Person | 1,405 | 20.3 | 1,611 | 18.6 |
| 4 Person | 1,511 | 21.8 | 1,936 | 22.3 |
| 5 Person | 655 | 9.5 | 780 | 9.0 |
| 6 or More Persons | 226 | 3.3 | 268 | 3.1 |
| Total | 6,928 | 100.0 | 8,679 | 100.0 |
| Average Persons per Household | 2.88 | | 2.86 | |
| Source: U.S. Census 1990 and 2000 | | | | |

| Table 5 | | | | |
|---|---------------|----------------|---------------|----------------|
| Township of Randolph | | | | |
| Housing Unit Tenure, 1990 and 2000 | | | | |
| | 1990 | | 2000 | |
| | Number | Percent | Number | Percent |
| Owner Occupied | 4,923 | 68.0 | 6,446 | 72.4 |
| Renter Occupied | 2,005 | 27.7 | 2,233 | 25.1 |
| Vacant | 312 | 4.3 | 224 | 2.5 |
| Total | 7,240 | 100.0 | 8,903 | 100.0 |
| Source: U.S. Census 1990 and 2000 | | | | |

Table 5 illustrates the tenure of the housing units in the Township as reported in the 1990 and 2000 Census. The greater growth in both real numbers and percent was in

owner occupied housing, which increased by almost thirty (30%) percent. Rental housing grew by 228 units or 11.3 percent. In 2000, approximately one-quarter of the housing in the Township was renter occupied. The number of vacant units decreased dramatically from 312 in 1990 to 224 in 2000.

The value of the owner occupied housing in 1990 and 2000 is shown in Table 6. The median value of that housing increased from \$255,800 in 1990 to \$329,800 in 2000 with 45 percent of the homeowners reporting in 2000 home values between \$300,000 and \$499,999. In 1990, over 42 percent of the owner occupied units were valued between \$200,000 and \$299,999.

| Table 6 | | | | |
|---|---------------|----------------|---------------|----------------|
| Township of Randolph | | | | |
| Owner Occupied Housing Values 1990 and 2000 | | | | |
| Value | 1990 | | 2000 | |
| | Number | Percent | Number | Percent |
| Less than \$50,000 | 8 | 0.2 | 6 | 0.1 |
| \$50,000 to \$99,999 | 66 | 1.4 | 16 | 0.3 |
| \$100,000 to \$149,999 | 241 | 5.3 | 68 | 1.1 |
| \$150,000 to \$199,999 | 795 | 17.4 | 591 | 9.6 |
| \$200,000 to \$299,999 | 1,925 | 42.2 | 1,904 | 31.0 |
| \$300,000 to \$499,999 | 1,396 | 30.6 | 2,771 | 45.1 |
| \$500,000 to \$999,999 * | 130 | 2.9 | 776 | 12.6 |
| \$1,000,000 or more | | | 18 | 0.3 |
| Total | 4,561 | 100.0 | 6,150 | 100.0 |
| Median Value | \$255,800 | | \$329,800 | |
| Source: U.S. Census 1990 and 2000 | | | | |
| * In 1990, 130 Dwelling Units were reported with values of \$500,000 or more | | | | |

Table 7 illustrates gross rents paid for renter occupied housing in both 1990 and 2000. The median monthly rents paid were \$676 and \$875 for 1990 and 2000 respectively. In 2000, over 62 percent of rented housing units paid between \$750 and \$999 per month in the Township, while over 64 percent of rental housing units paid between \$500 and \$749 per month in 1990.

As would be expected, the household incomes of Township residents increased over the decade of the 1990's. Household incomes for 1989 and 1999 were reported in the 1990 and 2000 Censuses respectively. The growth in those incomes, illustrated on Table 8, is represented by the increase in median household incomes. In Randolph in 1989 the median household income was reported to be \$64,403. By 1999 the median household income increased to \$97,589.

| Table 7 | | | | |
|---|---------------|----------------|---------------|----------------|
| Township of Randolph | | | | |
| Gross Rents - Renter Occupied Housing 1990 and 2000 | | | | |
| Gross Monthly Rent | 1990 | | 2000 | |
| | Number | Percent | Number | Percent |
| Less than \$200 | 86 | 4.3 | 21 | 0.9 |
| \$200 to \$299 | 42 | 2.1 | 68 | 3.1 |
| \$300 to \$499 | 133 | 6.7 | 39 | 1.8 |
| \$500 to \$749 | 1,272 | 64.2 | 73 | 3.3 |
| \$750 to \$999 | 272 | 13.7 | 1,376 | 62.1 |
| \$1,000 to \$1,499 * | 138 | 7.0 | 493 | 22.2 |
| \$1,500 or more | | | 96 | 4.3 |
| No Cash Rent | 39 | 2.0 | 50 | 2.3 |
| Totals | 1,982 | 100.0 | 2,216 | 100.0 |
| Median Rent | \$676 | | \$875 | |
| Source: U.S. Census 1990 and 2000 | | | | |
| * In 1990, 138 Dwelling Units were reported with rents of \$1,000 or more. | | | | |

| Table 8 | | | | |
|--|---------------|----------------|---------------|----------------|
| Township of Randolph | | | | |
| Household Income Distribution 1989 and 1999 | | | | |
| Income | 1989 | | 1999 | |
| | Number | Percent | Number | Percent |
| Less than \$10,000 | 276 | 4.0 | 135 | 1.6 |
| \$10,000 to \$14,999 | 171 | 2.5 | 114 | 1.3 |
| \$15,000 to \$24,999 | 421 | 6.1 | 305 | 3.5 |
| \$25,000 to \$34,999 | 553 | 8.0 | 455 | 5.2 |
| \$35,000 to \$49,999 | 997 | 14.5 | 800 | 9.2 |
| \$50,000 to \$74,999 | 1,636 | 23.8 | 1,399 | 16.1 |
| \$75,000 to \$99,999 | 1,170 | 17.0 | 1,245 | 14.3 |
| \$100,000 to \$149,999 | 1,169 | 17.0 | 1,798 | 20.7 |
| \$150,000 to \$199,999 | 491 | 7.1 | 1,210 | 13.9 |
| \$200,000 or more | | | 1,230 | 14.2 |
| Total | 6,884 | 100.0 | 8,691 | 100.0 |
| Median Household Income | \$64,403 | | \$97,589 | |
| Source: U.S. Census 1990 and 2000 | | | | |
| * In 1989, 491 Household reported incomes of \$150,000 or more. | | | | |

COAH annually publishes income limits for six (6) regions of the State, which are used to determine the rental and sales prices for affordable housing for low and moderate income families. These are generally updated in April of each year, so the current figures, illustrated on Table 9, are from April 2009. Randolph is located in Region 2, which is comprised of Essex, Morris, Union and Warren Counties. The moderate income limits are set at eighty (80) percent of the median income for that household size and low income limits are set at fifty (50%) percent of the median income. No more than twenty-five (25%) percent of a household's gross monthly income should be devoted to housing costs and sales and rental prices are generally based on that figure. Other factors come into play for sales prices such as down payments, interest rates and insurance costs. Therefore a slightly higher percentage of gross monthly income may be devoted for owner occupied affordable housing.

| Household Size | Median | Moderate | Low | Very Low |
|---|-----------|----------|----------|----------|
| 1 Person | \$61,260 | \$49,008 | \$30,630 | \$18,378 |
| 1.5 Person * | \$65,636 | \$52,508 | \$32,818 | \$19,691 |
| 2 Person | \$70,011 | \$56,009 | \$35,006 | \$21,003 |
| 3 Person * | \$78,763 | \$63,010 | \$39,381 | \$23,629 |
| 4 Person | \$87,514 | \$70,011 | \$43,757 | \$26,254 |
| 4.5 Person * | \$91,015 | \$72,812 | \$45,507 | \$27,304 |
| 5 Person | \$94,515 | \$75,612 | \$47,258 | \$28,355 |
| 6 Person | \$101,516 | \$81,213 | \$50,758 | \$30,455 |
| 7 Person | \$108,517 | \$86,814 | \$54,259 | \$32,555 |
| 8 Person | \$115,518 | \$92,415 | \$57,759 | \$34,656 |
| Source: New Jersey Council on Affordable Housing. Region 2 includes Essex, Morris, Union and Warren Counties. * These rows are for calculating the pricing for one, two and three bedroom sales and rental units as per N.J.A.C.5:80-26.6(b) and N.J.A.C. 5:8026.12(a). | | | | |

Housing Stock Characteristics

The age of the housing stock in Randolph Township is examined in two ways. Table 10, which is taken from the 2000 Census, identifies the year residential structures were built for both the Township and Morris County. Table 11 shows building permit activity since 1990, which is a good indicator of the number of new dwelling units constructed on an annual basis.

The Township's housing stock is fairly young with almost forty (40%) percent constructed since 1980. For the same time period 25.9 percent of the housing stock within the County was constructed. Just over 25 percent of the housing in the Township

was built during the 1970's, compared to over fifteen (15%) percent for the County. Only 4.8 percent of the housing within Randolph Township was built prior to 1939, while over fifteen (15%) of the County's housing was constructed during that time period.

| Table 10 | | | | |
|---|--------------------------|----------------|----------------------|----------------|
| Township of Randolph and Morris County | | | | |
| Year Structure Built | | | | |
| Year | Randolph Township | | Morris County | |
| | Number | Percent | Number | Percent |
| 1999 to March 2000 | 457 | 5.1 | 2,245 | 1.3 |
| 1995 to 1998 | 613 | 6.9 | 9,705 | 5.7 |
| 1990 to 1994 | 826 | 9.3 | 10,762 | 6.3 |
| 1980 to 1989 | 1,650 | 18.5 | 21,460 | 12.6 |
| 1970 to 1979 | 2,260 | 25.4 | 26,106 | 15.4 |
| 1960 to 1969 | 1,300 | 14.6 | 31,576 | 18.6 |
| 1940 to 1959 | 1,366 | 15.3 | 41,973 | 24.7 |
| 1939 or earlier | 431 | 4.8 | 25,884 | 15.3 |
| Total | 8,903 | 100.0 | 169,711 | 100.0 |
| Source: U.S. Census 2000 | | | | |

| Table 11 | |
|--|-----------------------|
| Township of Randolph | |
| Residential Building Permits, 2000 - 2008 | |
| Year | Permits Issued |
| 2000 | 186 |
| 2001 | 101 |
| 2002 | 51 |
| 2003 | 27 |
| 2004 | 21 |
| 2005 | 35 |
| 2006 | 11 |
| 2007 | 6 |
| 2008 | 4 |
| Total | 442 |
| Source: N.J. Construction Reporter | |

Table 11 illustrates the number of permits issued for new residential construction from 2000 through 2008. This table shows that the number of permits has dramatically decreased during this decade from a high of 186 in 2000 to four (4) in 2008. Most permits issued result in new homes within a year. A comparison of the data provided in

Table 10 for 1990 through 2000 reveals that the pace of residential construction in this decade is significantly lower than in the 1990's.

The Census data does not provide a direct assessment of the number of dwelling units within a community that are deteriorated and in need of repair. There are some physical characteristics that are reported in the Census that are surrogates for determining the amount of housing that is substandard. The three (3) characteristics often used, illustrated in Table 12, are units lacking complete plumbing facilities, units lacking complete kitchen facilities and units with more than 1.01 persons per room. The latter standard is a sign of overcrowding, which is often associated with deterioration. Although it cannot be determined from the Census, often a dwelling unit will have more than one these characteristics.

Over 99 percent of the occupied housing in the Township has complete plumbing facilities and complete kitchen facilities. Over 97 percent of the occupied housing can be considered not overcrowded. Nevertheless in 2000, nineteen (19) dwellings were identified as lacking complete plumbing facilities and nine (9) as lacking complete kitchen facilities. Those numbers were changed only slightly from 1990. The number of dwellings that would be considered overcrowded dramatically increased from 58 units to 220 units between 1990 and 2000.

| Table 12 | | |
|--|-------------|-------------|
| Township of Randolph | | |
| Housing Deficiency Surrogates 1990 and 2000 | | |
| | <u>1990</u> | <u>2000</u> |
| Units Lacking Complete Plumbing Facilities | 17 | 19 |
| Units Lacking Complete Kitchen Facilities | 12 | 9 |
| Units with more than 1.01 persons per room | 58 | 220 |
| Source: U.S. Census 1990 and 2000 | | |

As was noted in the 1995 Housing Plan, the Census information does not indicate any substantial housing deterioration in the community. In 1993, a visual survey was conducted of the Township in conjunction with the Township's Community Development application request. The intent of the survey was to identify any concentrations of housing deterioration. Two areas were noted as having some identifiable structural deterioration, although, for the most part, neighborhoods within the Township were found to be maintained and in sound condition. The ongoing participation of the Township in rehabilitation programs has helped to keep the community's neighborhoods well maintained.

Employment

Historical employment data and trends for Randolph Township are illustrated in Tables 13 and 14. Covered employment, which is jobs both in the private and public sectors that are covered by unemployment insurance, is reported by the New Jersey Department of Labor on a quarterly basis. These are jobs found within the Township and should not be confused with data for employed individuals residing in Randolph.

| Industry | March | June | September | December | Annual Average | |
|--|--------------|--------------|--------------|--------------|----------------|------------|
| | | | | | Number | Percent |
| Construction | 410 | 470 | 453 | 443 | 442 | 7.6 |
| Manufacturing | 761 | 801 | 804 | 796 | 781 | 13.4 |
| Wholesale trade | 544 | 507 | 518 | 465 | 517 | 8.8 |
| Retail trade | 914 | 914 | 894 | 904 | 905 | 15.5 |
| Transportation and warehousing | 132 | 140 | 138 | 141 | 139 | 2.4 |
| Information | 134 | 137 | 135 | 151 | 138 | 2.4 |
| Finance and insurance | 251 | 243 | 320 | 231 | 262 | 4.5 |
| Real estate and rental and leasing | 101 | 91 | 92 | 83 | 96 | 1.6 |
| Professional and technical services | 540 | 562 | 547 | 519 | 539 | 9.2 |
| Administrative and waste services | 314 | 376 | 350 | 340 | 348 | 6.0 |
| Educational services | 107 | 108 | 80 | 97 | 118 | 2.0 |
| Health care and social assistance | 583 | 569 | 575 | 545 | 570 | 9.8 |
| Arts, entertainment, and recreation | 66 | 89 | 62 | 37 | 62 | 1.1 |
| Accommodation and food services | 365 | 356 | 406 | 422 | 395 | 6.8 |
| Other services, except public administration | 477 | 504 | 561 | 534 | 517 | 8.8 |
| PRIVATE SECTOR MUNICIPALITY TOTAL | 5,709 | 5,882 | 5,947 | 5,717 | 5,842 | 100 |
| | | | | | | |
| FEDERAL GOVT MUNICIPALITY TOTAL | 5 | 5 | 4 | 4 | 4 | |
| LOCAL GOVT MUNICIPALITY TOTAL | 2,096 | 1,427 | 1,928 | 2,131 | 1,791 | |

Source: New Jersey Department of Labor and Workforce Development

Table 13 shows the number of covered jobs in the Township by major industry group, by quarter and averaged for the year 2003. This was the last full year with municipal level data available. The largest employment sector within the Township was government, which includes local, county, state and federal government agencies. Almost 24 percent of the 7,637 covered jobs were identified in the government sector. The next largest category of private sector employment was retail with 15.5 percent of

the covered jobs within the Township were in this category. Manufacturing was the third largest employment sector, followed by Health Care and Social Assistance with 13.4 and 9.8 percent of the annual average private sector jobs respectively.

| Table 14 | | | | | | |
|--|-------|-------|-----------|----------|----------------|---------|
| Township of Randolph | | | | | | |
| Covered Employment Summary, 2007 | | | | | | |
| Sector | March | June | September | December | Annual Average | |
| | | | | | Number | Percent |
| Federal | 5 | 5 | 5 | 5 | 5 | 0.1 |
| State | 51 | 49 | 47 | 47 | 49 | 0.6 |
| Local | 2,116 | 1,850 | 1,661 | 2,215 | 1,944 | 23.2 |
| Private | 6,075 | 6,488 | 6,097 | 6,556 | 6,391 | 76.2 |
| Total | 8,247 | 8,392 | 7,810 | 8,823 | 8,388 | 100.0 |
| Source: New Jersey Department of Labor and Workforce Development | | | | | | |

Table 14 illustrates covered employment by general sector for 2007. The annual average number of covered jobs in Randolph that year was 8,388. Seventy-six percent of those jobs were in the private sector and 23.2 percent of the covered employment was within the local government.

4.0 Land Capacity Adjustment

Randolph is seeking a downward adjustment to its housing obligation pursuant to COAH's Guidance Document identified in Section 2.0. The Township of Randolph participated in the build-out analysis for the community with the Highlands Council. Based upon data provided by the Township, the Highlands Council published a Municipal Build-Out Report dated July 2009. There are 583 acres of land located within the Preservation Area and 13,537 acres in the Planning Area. The ultimate build-out for the Township was partitioned into the Preservation Area and the Planning Area and for sewer areas and those areas served by septic systems. The results of the analysis are illustrated in Table 15.

No development in the form of new housing units or non-residential development that would create jobs is attributed to the Preservation Area. A total of 59 new residential units and 289 jobs are projected for total build-out in the Planning Area.

For the purposes of this vacant land analysis under COAH rules a more detailed look at the Planning Area is necessary. The Summary of Adjusted Growth Share Projection Based on Land Capacity is included in the Appendix as Workbook C. Much of the information used in that analysis was taken from the build-out analysis done for the Highlands Council. For the non-sewered areas of the Township the septic density was calculated from the HUC-14 data for the subwatersheds that were reported in Highlands Environmental Resource Inventory. This data was in place of the HUC-11 data requested

in Workbook C. Additionally, residential properties that were smaller than the minimum lot size in the zoning district were not included in the inventory, per COAH rules.

| Table 15 | | | |
|--|-------------------|---------------|--------|
| Township of Randolph | | | |
| Municipal Build-Out With Resource and Utility Constraints | | | |
| | Preservation Area | Planning Area | Totals |
| Residential units- Sewered | 0 | 13 | 13 |
| Septic System Yield | 0 | 46 | 46 |
| Total Residential Units | 0 | 59 | 59 |
| Non-Residential Jobs - Sewered | 0 | 289 | 289 |
| Source: Highlands Council, Randolph Township Municipal Build-Out Report, July 2009 | | | |

In the analysis lands that were in sewer service areas identified in the last Master Plan and had sewer lines along their frontage although not currently connected were considered to be sewered. In the Highlands analysis properties that were not physically connected with a lateral on the property were not considered as having sanitary sewers available.

Growth share based on land capacity for Randolph as calculated in Workbook C is summarized as follows:

| | |
|---|------------|
| Residential Growth = | 234 Units |
| Residential Exclusions = | - 4 Units |
| Net Residential Growth = | 230 Units |
| Residential Growth Share (230/5) = | 46 Units |
| | |
| Non-Residential Growth = | 1,550 Jobs |
| Non-Residential Exclusions = | 0 |
| Net Non-Residential Growth = | 1,550 Jobs |
| Non-Residential Growth Share (1,550/16) = | 97 Units |
| | |
| Total Growth Share = | 143 Units |

5.0 Development Activity Since 2004 and Current Need

The number of low and moderate income housing units required pursuant to growth share that must be provided within the Township for communities seeking a vacant land adjustment is the total of the adjusted growth identified above and the actual growth that has taken place since 2004. This is determined by actual certificates of occupancy issued. Table 16 reports the residential C.O.'s issued from 2004 through

September 2009. The above growth share calculation included these actual certificates of occupancy.

| TABLE 17 | |
|--|--------|
| TOWNSHIP OF RANDOLPH | |
| RESIDENTIAL CERTIFICATES OF OCCUPANCY | |
| 2004 – September 2009 | |
| Year | C.O.'s |
| 2004 | 28 |
| 2005 | 25 |
| 2006 | 14 |
| 2007 | 5 |
| 2008 | 12 |
| Jan. – Sept. 2009 | 4 |
| Total | 88 |
| Source: N.J. Construction Reporter | |

The 88 residential certificates of occupancy generate a need for 18 (88/5) low and moderate income dwelling units.

Nonresidential development, in terms of square footage of various uses is illustrated in Table 18. The COAH regulations include standards that assign the projected number of jobs by square foot for the various uses. Affordable housing is required at the rate of one affordable unit for every 16 new jobs created as a result of new construction. The following are the standards provided in the regulations:

- Office Use - One affordable unit for every 5,714 S.F. and 2.8 jobs /1,000 S.F.
- Retail Use - One affordable unit for every 9,412 S.F. and 1.7 jobs / 1,000 S.F.
- Industrial Use - One affordable unit for every 13,333 S.F. and 1.2 jobs / 1,000 S.F.
- Storage Use – One affordable unit for every 16,000 S.F. and 1.0 jobs / 1,000 S.F.
- Assembly Use (A-1) – One affordable unit for every 10,000 S.F. and 1.6 jobs /1,000 S.F.

TABLE 18
TOWNSHIP OF RANDOLPH
NONRESIDENTIAL CERTIFICATES OF OCCUPANCY
2004 – September 2009, by Square Foot

| Year | Office | Retail | Industrial | Storage | Assembly (A-1) | Assembly (A-3)* | Education * |
|--------|--------|--------|------------|---------|----------------|-----------------|-------------|
| 2004 | 34,968 | | | 135,865 | | 79,885 | 10,000 |
| 2005 | 8,500 | 32,360 | | 7,494 | | | |
| 2006 | | 17,894 | | 689 | | | 8,662 |
| 2007 | 5,476 | 12,282 | 20,348 | 75,372 | 786 | | 58,211 |
| 2008 | 5,373 | | | 55,367 | 1,200 | 10,124 | |
| 2009** | 16,000 | | | 21,140 | | 2,504 | |
| Total | 70,317 | 62,536 | 20,348 | 295,927 | 1,986 | 92,513 | 76,873 |

* These uses are excluded from affordable housing calculations per COAH rules.
** Through September 2009

Source: New Jersey Construction Reporter

Given the above data and standards the following are the number of jobs and affordable units that are currently required based on nonresidential construction that has been completed from 2004 through September 2009.

| | | |
|--|----------------------|------------------|
| Office Use – 70,317 S.F. / 1,000 x 2.8 = | 197 jobs / 16 = | 12.3 units |
| Retail Use – 62,536 S.F. / 1,000 x 1.7 = | 106 jobs / 16 = | 6.6 units |
| Industrial Use – 20,348 S.F. / 1,000 x 1.2 = | 24 jobs / 16 = | 1.5 units |
| Storage Use – 295,927 S.F. / 1,000 x 1.0 = | 296 jobs / 16 = | 18.5 units |
| Assembly Use (A-1) – 1,986 / 1,000 x 1.6 = | <u>3</u> jobs / 16 = | <u>0.2</u> units |
| Totals | 626 jobs | 39 units |

Adding the above to the affordable housing units generated through residential development results in the demand for 57 low and moderate income dwelling units (18 + 39). This actual growth since 2004 was added to the projected growth calculated from the vacant land adjustment.

5.0 Low and Moderate Income Housing Needs

Per COAH's revised rules the Township's affordable housing obligation is calculated from a combination of rehabilitation need, prior round obligation and growth share obligation. The new regulations have revised the rehabilitation and prior round obligations from those that were the basis of the previous Housing Elements. The growth share obligation generally is calculated from the housing and employment projections

provided by COAH in their revised third round figures. The growth share portion of this plan is based on the projected growth of housing and employment after applying the vacant land adjustment with consideration of the Highlands RMP and the certificates of occupancy that have been issued since 2004. The actual amount of affordable housing that is to be provided is based on the actual number of homes and jobs created between 2004 and 2018.

The rehabilitation need for the Township is 34 units. The prior round obligation, which was recalculated from the previous third round regulations increased from 158 units to 261 units.

The growth share obligation is generally calculated from COAH's projection of new dwelling units constructed in the Township between 2004 and 2018, and new jobs created from new construction between 2004 and 2018. For every five (5) new dwelling units, one (1) must be affordable to low and moderate income households. For every sixteen (16) new jobs created from new nonresidential construction one (1) affordable housing unit must be provided.

Randolph is seeking a vacant land adjustment as identified above therefore the affordable housing obligation will be reduced from the published COAH projections.

The published projections are as follows:

New Dwelling Units projected by COAH 2004 – 2018 = 1,175 Dwellings
Minus 4 Exclusions = 1,171 Dwellings
New Jobs projected by COAH 2004 – 2018 = 2,170 Jobs

1,171 dwellings / 5 = 234.2 low and moderate income dwellings
2,170 jobs / 16 = 135.6 jobs

Total growth share = 234.2 + 135.6 = 370 low and moderate income dwellings.

The adjusted growth share obligation based on the vacant land analysis with consideration for the Highlands RMP as noted above is 143 low and moderate income dwelling units which includes the actual growth obligation of 59 units determined from certificates of occupancy issued between 2004 and September 2009 .

Total Obligation:

| | |
|-----------------|--|
| Rehabilitation: | 34 Units |
| Prior Round: | 261 Units |
| Growth Share: | <u>143 Units</u> |
| Total: | 404 New Units 34 Rehabilitation Units |

There have been significant affordable housing activities undertaken in the Township over many years. (See Table 19 for summary) The affordable housing units provided and bonuses and credits accruing to the Township are subtracted from the above requirements to determine the remaining affordable housing obligation for the Township.

There have been a total of 297 affordable housing units constructed in the Township. Of these 100 units received prior cycle credits (India Brook Senior Housing), 131 units were rental housing (including alternative housing projects) and 66 units of sales affordable housing.

The amount of rental bonuses allowed to be credited to the prior round obligation is based on 25 percent of the prior round obligation minus the 100 units of prior cycle credits $((261-100) \times 0.25)$, which is 40 bonus credits. The prior round obligation of 261 is satisfied as follows:

| | |
|---|------------|
| India Brook Senior Housing (Prior Cycle Credit) | 100 Units |
| Rental Construction | 55 Units |
| Sales Construction | 66 Units |
| Rental Bonuses | 40 Credits |

The following remains to be applied to the growth share obligation:

| | |
|--|----------------|
| Rental Construction | 76 Units |
| Sales Construction | <u>0</u> Units |
| Total Surplus to be applied to growth share obligation = | 76 Units |

Therefore there is a remaining obligation of 67 units (143 units – 76 surplus credits) that must be accommodated by the Township.

Table 19
Fair Share Housing Summary, Randolph Township, New Jersey

| Map # | Property | Block / Lot | Owner | Acres | Density / Acre | Total New Units | Total Affordable Units | | Units for Sale or Rent | | Status |
|-------|--|------------------------------|---|-------|----------------|-----------------|------------------------|----------|------------------------|------|-----------|
| | | | | | | | Low | Moderate | Sale | Rent | |
| 1 | Canfield Mews | 42/1 & 1.01 | Canfield Mews Assoc., LLC | 45.7 | 4.2 | 192 | 19 | 19 | 0 | 192 | Completed |
| 2 | Arrowgate | 42/122.01 | Jackson Brook Assoc. | 33.38 | 4.9 | 164 | 14 | 13 | 137 | 27 | Completed |
| 3 | Boulder Ridge | 184/1 & 1.20 | Baker Residential LTD Partnership | 12.38 | 6.9 | 98 | 8 | 9 | 98 | 0 | Completed |
| 4 | Bennet Ave. Family Housing | 195/3 & 4, 191/7,8,1,12 & 13 | MCHA | 2.92 | 10.9 | 32 | 16 | 16 | 0 | 32 | Completed |
| 5 | Peer Group Housing | 17/18 | United Cerebral Palsey Morris/Somerset MCHA | N/A | N/A | 4 | 2 | 2 | 0 | 4 | Completed |
| 6 | India Brook Senior Housing | 93/56.01 | MCHA | 12.7 | 12.7 | 100 | 50 | 50 | 0 | 100 | Completed |
| 7 | Woodmont | 119/109.11 | Segal & Morel | 28.7 | 7 | 201 | 20 | 20 | 201 | 0 | Completed |
| 8 | Brookside Village Apts. | 224/79.01 | M. Barria | 10.9 | 3.6 | 40 | 5 | 5 | 0 | 40 | Completed |
| 9 | Much Dignity House | 176/82 | ARC | N/A | N/A | 6 | 6 | 0 | 0 | 6 | Completed |
| 10 | Skylands Group Home | 50/6 | Skylands Center Offeing Autism Programs, Inc. | N/A | N/A | 4 | 4 | 0 | 0 | 4 | Completed |
| 11 | High Ave. House | 53/44 | ARC | N/A | N/A | 4 | 4 | 0 | 0 | 4 | Completed |
| 12 | Morris County Affordable Housing Corp. | 191/14 & 15 | MCAHC | 0.6 | 10 | 6 | 0 | 6 | 6 | 0 | Completed |
| 13 | School House Group Home | 82/30 | Development Resources Corp. | N/A | N/A | 5 | 5 | 0 | 0 | 5 | Completed |
| 14 | Habitat House | 59/15 | Morris Habitat | N/A | N/A | 1 | 1 | 0 | 1 | 0 | Completed |
| 15 | Habitat House | 134/3.02 | Morris Habitat | N/A | N/A | 2 | 1 | 1 | 1 | 1 | Completed |
| 16 | Habitat House | 134/9 | Morris Habitat | N/A | N/A | 1 | 0 | 1 | 1 | 0 | Completed |
| | Totals | | | | | 860 | 155 | 142 | 445 | 415 | |

7.0 Affordable Housing Plan

7.1 Rehabilitation

The Township's rehabilitation obligation is 34 units as identified by COAH. The Township participates in the Morris County Department of Community Affairs program for rehabilitation of dwellings of low and moderate income families. This plan proposes to continue participation with that program. If at the time of review of this plan, an insufficient number of dwellings have undergone rehabilitation under this program it will be reevaluated to determine whether municipal Housing Trust Funds are needed. The Borough does not propose to conduct its own municipal program to avoid duplication of efforts and for costs savings.

7.2 Growth Share – Round 3

The Township has a remaining obligation to plan for 126 units of low and moderate income housing after subtracting the remaining credits from the prior round. The actual need is determined by the actual growth in the community in regards to residential and nonresidential certificates of occupancy. The rental obligation is 25 percent of the growth share obligation or 36 units (143 x 0.25). The Township also has the requirement to provide at least 13 percent of its obligation for very low income households. The Township proposes to employ a number of mechanisms to satisfy the obligation. The proposed mechanisms and sites are as follows:

Existing or Proposed Development Projects and Extensions

E.A. Porter Site – Habitat for Humanity, Block 195, Lot 10, Sponsored Housing

This is a 2.5 acre tract that was a former industrial site that is owned by the Township. The Township has entered into an agreement with Habitat for Humanity to donate the property for the construction of twenty-five (25) homes for sale to low and moderate income families. This will be a one hundred (100%) percent affordable project (Agreement Attached). The Township is conducting a clean-up of the site.

Woodmont, Millbrook Avenue, Block 119, Lot 109.11, Extension of Expiring Controls

Woodmont is an existing inclusionary development with 201 dwelling units, forty (40) of which are for sale units that are affordable to low and moderate income families. The controls on those units are scheduled to expire by July 1, 2014. The Township proposes to purchase those units, if necessary as they come on the market, perform any code compliance maintenance that may be necessary and re-sell the units with affordability controls for a period of thirty (30) years per the COAH regulations.

Grecco Realty, LLC, 477 Route 10, Block 111, Lots 10 – 16, Inclusionary – Mixed Use.

Grecco Realty has an approved shopping center locate on the westbound side of Route 10. The developer has submitted an amended site plan to permit twelve (12) residential dwelling units in the place of office space. Five (5) of those dwellings will be affordable to rent to low and moderate income seniors. That application has been approved by the Zoning Board of Adjustment and construction is anticipated to begin in 2010.

Rose of Sharon, M. Cruz, 236 Dover Chester Road, Block 21, Lot 29, Inclusionary

The developer owns an existing two-family dwelling on an oversized lot within the R-1 zone. The developer proposed to subdivide the property in order to develop two additional single-family dwellings and to market for rent one unit within the two-family structure as an affordable dwelling. This application has been approved by the Zoning Board of Adjustment and construction has commenced.

Randolph Mountain, Appio Drive, Block 199, Lots 6 & 9, Court Mandated Inclusionary Development

The Randolph Mountain Site has been the subject of litigation for many years. Per the Court's decision, the site is required to be included in the Township's Housing Plan. The site is approximately 24.5 acres in area and is to be developed pursuant to the parameters of the R-2 zone with a twenty (20%) percent set-aside for low and moderate income housing. Given these parameters it is estimated that the site can be developed with 34 dwelling units, of which seven (7) would be available to low and moderated income households.

Additional Affordable Housing Mechanisms

Agreement with Allies, Inc.

The Township has been negotiating with Allies, Inc., a non-profit corporation to purchase two residential townhouses within the Township to utilize as supportive shared living housing that meets all of the qualifications of COAH. The Township shall provide to Allies, the sum of \$45,000 per COAH credit, not to exceed \$270,000 to partially fund the acquisition by Allies of two, three-bedroom residential townhouse units. This program is to provide the Township credits of not less than 4.0 and up to 6.0 units of affordable housing from COAH. The draft memorandum of understanding with Allies, Inc. is included in the appendix.

Bonus Credits

Compliance Bonuses

Bonuses are credited per COAH rules from affordable housing activity and the provision of affordable housing units between December 20, 2004 and June 2, 2008, provided certain conditions were met. The two Habitat for Humanity dwellings that were completed in 2006 are available for the 2 for 1 bonus credits. The units were identified in the 2005 Housing Plan, but were not completed at that time. The Township will receive two bonus credits for these units.

Rental Bonuses

Rental bonuses for the Third Round obligation are awarded to the municipality once the rental obligation is met. The rental obligation is 25 percent of the Third Round obligation and for the Township of Randolph, that obligation is 36 units (0.25×143). Additionally, the maximum bonus that can be awarded is 36 credits. The Township will be able to achieve the total remaining obligation by employing bonuses from rental units that are carried over from Rounds One and Two. As was noted above, 76 rental units are included in the surplus from the prior rounds. Per N.J.A.C. 5:97-3.20 the total number of bonuses for the growth share obligation shall not exceed 25 percent of the projected growth share obligation or in the case of Randolph 36 credits.

The affordable housing plan is summarized in Table 20. It should be noted that utilizing the mechanisms identified above there will be a surplus of 55 affordable housing units available to the Township. It is also recommended that any rezoning of properties in the Mount Freedom Center area include an obligation for the developer to provide a set-aside of low and moderate income housing.

Table 20
Township of Randolph
Summary of Housing Needs and Credits

| Category | Project | Block | Lot | Units or Credits |
|--|----------------------------|-------|---------|------------------|
| Prior Rounds Obligation | | | | 261 |
| Prior Cycle Credits | India Brook Senior Housing | 93 | 56.01 | -100 |
| Rental Construction * | | | | -55 |
| Sales Construction * | | | | -66 |
| Rental Bonuses | | | | -40 |
| Prior Rounds Remainder | | | | 0 |
| Third Round Obligation | | | | 143 |
| Existing Rental Construction * | | | | -76 |
| E.A. Porter - Habitat | 100% Affordable | 131 | 37 & 45 | -25 |
| Woodmont | Extension of Controls | 119 | 109.11 | -40 |
| Grecco Realty | Inclusionary - Mixed Use | 111 | 10 | -5 |
| Rose of Sharon | Inclusionary | 21 | 29 | -1 |
| Randolph Mountain | Inclusionary | 199 | 6 & 9 | -7 |
| Allies, Inc. | Special Needs Housing | | | -6 |
| Compliance Bonuses | | | | -2 |
| Rental Bonuses | | | | -36 |
| Total 3rd Round Units and Credits | | | | -198 |
| Surplus | | | | 55 |

* Various Projects, see text and Table 15