



BIRDSALL SERVICES GROUP
ENGINEERS & CONSULTANTS

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**HOUSING PLAN ELEMENT
AND FAIR SHARE PLAN**

**TOWNSHIP OF CRANFORD
UNION COUNTY, NEW JERSEY**

**Cranford Township Planning Board
Adopted on April 3, 2013**

Prepared By:

Sanyogita S. Chavan, P.P., AICP
New Jersey License No. 05933
Original is Sealed

Jeffrey L. Janota, P.P., AICP
New Jersey License No. 05827
Original is Sealed

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SECTION I
HOUSING PLAN ELEMENT

I. HOUSING PLAN ELEMENT

A. Introduction

The New Jersey Municipal Land Use Law (N.J.S.A. 40:55D et seq.) and the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 to -329) require municipal planning boards to adopt a Housing Plan Element into its Master Plan and further require the governing body of each municipality to endorse a Fair Share Plan. More specifically, the Fair Housing Act (“FHA”) and 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.” In accordance with the Fair Housing Act at N.J.S.A. 52:27D-310, 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, and in conducting this inventory the municipality shall have access, on a confidential basis for the sole purpose of conducting the inventory, to all necessary property tax assessment records and information in the assessor's office, including but not limited to the property record cards;
2. A projection of the municipality's housing stock, including the probable future construction of low- and moderate-income housing, for the next ten 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 that are most appropriate for construction of low- and moderate-income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to provide low- and moderate-income housing.

In addition to the above requirements, the Third Round Substantive Rules (N.J.A.C. 5:97 et seq.) contain requirements for the preparation of Housing Plan Elements and Fair Share Plans. "Fair Share Plan" is defined as follows at N.J.A.C. 5:97-1.4:

"Fair Share Plan" means the plan that describes the mechanisms and the funding sources, if applicable, by which a municipality proposes to address its affordable housing obligation as established in the housing element, includes the draft ordinances necessary to implement that plan, and addresses the requirements of N.J.A.C. 5:97-3.

The Substantive Rules require that the Fair Share Plan include a Plan to address the rehabilitation share and prior round obligations. In addition, the Rules require that the Plan be in accordance with the Fair Housing Act.

The Third Round Substantive Rules became effective on June 2, 2008, with amendments through October 20, 2008, and govern the Fair Housing Act compliance for the period 1999-2018. However, these regulations were challenged in Court and subsequently on October 8, 2010, the Appellate Division issued a decision that invalidated portions of N.J.A.C. 5:96 and 5:97 (In re: The adoption of N.J.A.C. 5:96 and 5:97, 412 N.J. Super 468, Appellate Division 2010).

The Court invalidated the growth share regulations that were used to calculate a municipality's Third Round obligation for the period of 2000 to 2018. The Court held that the growth share formula provided an avenue by which a municipality could reduce its affordable housing obligation by suppressing its growth. In addition to the invalidation of the growth share portion of the regulations, the court also invalidated other portions of the regulations including the prohibition of rental bonus credits for units addressing first and second round obligations that have not yet been constructed; rules requiring a 25 percent affordable housing set aside without a substantial density bonus; rules allowing municipalities to propose 100 percent affordable housing projects without specifying the location of sites or source of funding; and bonuses for compliance from the years 2004 to 2008. This Housing Plan Element and Fair Share Plan has been prepared in accordance with the October 8, 2010 Appellate Division decision.

It is important to note that the Township has not currently been assigned a third round affordable housing obligation, as the invalidation of the growth share methodology has removed the basis for calculating municipal third round affordable housing obligations. Notwithstanding the above, the Township acknowledges that upon the future adoption of new affordable housing regulations by the State it is possible that Cranford Township will have a third round obligation. Regardless of the size of the future third round obligation the Township contains a very limited supply of vacant developable land and will only be able to provide affordable housing to the extent that this land and future redevelopment opportunities can provide. The lack of vacant developable land is evident in the Vacant Land Capacity ("VLC") analysis prepared by Birdsall Services Group included in Appendix A of this Plan. The VLC provides an analysis of vacant developable land and its capacity to accept development.

Therefore, the Report provides a valid basis for a third round vacant land adjustment in the absence of new affordable housing regulations. The VLC demonstrates that the Township's vacant developable land could only support a Realistic Development Potential ("RDP") of five (5) affordable housing units. A detailed description of how the 5-unit figure was calculated is included within the VLC within **Appendix A** of this Plan.

The Special Master for Cranford Township, Elizabeth C. McKenzie, P.P., P.A., appointed by Superior Court of New Jersey (Union County) has recommended that the Township plan for its potential future third round obligation in order to obtain a Judgment of Repose through December 31, 2018. In accordance with that request, the Township has planned for a potential future third round affordable housing obligation of five (5) units based upon the findings of the VLC Report. This third round Plan is included within Section II, Fair Share Plan.

Based upon the requirements set forth above, this Housing Plan Element and Fair Share Plan has been prepared in accordance with the MLUL, FHA, Third Round Substantive Rules, Third Round Procedural Rules (N.J.A.C. 5:96-1 et seq.), October 8, 2010 Appellate Division decision and the Affordable Housing Reform Statute (P.L. 2008, c.46). This Plan is consistent with the Master Plan of the Township of Cranford, including the Principles, Goals, Objectives and Development Policy and Land Use Plan Elements of the Master Plan. Additionally, this Plan has been prepared in accordance with the December 9, 2011 court Order Granting Relief in Exclusionary Zoning Litigation which is included within **Appendix B**. Detailed discussion of this Order is included within the next section.

Reasons for the Amendment to the December 2008 and May 2012 Housing Plan Element and Fair Share Plan

Cranford Township's Housing Plan Element and Fair Share Plan implementation was placed under the jurisdiction of the Court in January of 2008 pursuant to a complaint filed by Lehigh Acquisition Corp. entitled Lehigh Acquisition Corp. v. Township of Cranford et al., Docket No. UNN-L-0140-08. Subsequently, litigation was commenced against the Township by Cranford Development Associates, LLC et als., on November 12, 2008, entitled Cranford Development Associates, LLC at als. v. Township of Cranford et al., Docket No. UNN-L-3759-08. Subsequently, on December 3, 2008 the Cranford Township Planning Board adopted the 2008 Housing Plan Element and Fair Share Plan, which was then endorsed by the Township Committee on December 9, 2008.

A comprehensive update of the 2008 Plan was prepared and was adopted by the Planning Board on May 2, 2012. This Plan was prepared in accordance with the December 9, 2011 Order Granting Relief in Exclusionary Zoning Litigation issued by Honorable Judge Lisa F. Chrystal, JSC in Cranford Development Associates, LLC at als. v. Township of Cranford et al. Subsequent to the adoption of the 2012 Plan, the Special Master had requested that all the supporting documents be included as amendments to the Plan and be a part of the adopted Plan. Documentation was

required in order to substantiate the credits requested for the existing special needs housing. At this time the Township has been unable to obtain the contractual funding documentation or deed restriction, which would have qualified the two Community Access group homes for credits. These group homes, based upon the Township's tax records, contain a total of ten (10) bedrooms and therefore would have qualified for ten (10) credits rather than the eight (8) credits mentioned within the 2012 Plan. The amended Plan therefore excludes these credits within the prior round but it should be noted that in the event the Township is able to obtain all the necessary documentation, the Township intends to claim these ten (10) credits at a later date either to satisfy the prior round obligation or the Third Round or any future obligations as per the pertinent housing regulations, legislative action or court decisions at that time.

The Fair Share Plan section of this Plan contains the projects and programs required by the Court in order to provide an opportunity for affordable housing for low- and moderate-income households in Cranford Township. The affordable housing projects and programs set forth in this Plan provide the basis for, and demonstrate that the Township of Cranford is eligible for, a Judgment of Repose through December 31, 2018. In addition, implementation ordinances for the Cranford Development Associates project and the Lehigh Acquisition Project were adopted by the Cranford Township Committee in 2012 and 2010, respectively.

Summary of the Township's Affordable Housing Obligation and Fair Share Plan

This Plan demonstrates how Cranford Township will satisfy its fair share of the region's affordable housing need. In accordance with the requirements set forth above, the Housing Plan Element of the Master Plan is presented within Section I of this Plan. Section II of this Plan contains the Township's Fair Share Plan, which includes the strategies, implementation techniques, and the funding sources Cranford intends to utilize to implement its Fair Share Plan.

In order to create the Fair Share Plan, the Township determined its affordable housing obligations using COAH's Substantive Rules pursuant to N.J.A.C. 4:97-1 et. seq. Appendices B and C of the Rules set forth for the Township a rehabilitation share of 55 units and a prior round obligation of 148 units, respectively. As mentioned previously, the Township has also provided a plan to address a potential future third round obligation. The potential third round obligation of five (5) units calculated within the VLC Report has been utilized as the basis for the third round portion of the Plan.

The Township has not included a prior round Vacant Land Adjustment as part of this Plan. However, the Cranford Township reserves the right to request a prior round Vacant Land Adjustment in the future in accordance with applicable affordable housing regulations. The Township also reserves the right to amend all portions of this Plan, including Prior and Third Round portions of the Plan and the third round

vacant land adjustment based upon any new affordable housing regulations, legislative action or court decisions that occur, provided that there shall be no changes affecting the development of the Lehigh Acquisition Corp. site, subject to a Settlement Agreement which was approved by the Court by Order, as amended entitled "Consent Judgment for Builder's Remedy" dated January 28, 2011, and no changes affecting the development of the Cranford Development Associates site in the absence of a successful appeal of the Builder's Remedy awarded by the Court on December 9, 2011, without the specific approval of the Court.

Cranford's affordable housing obligation is summarized within Table 1, below.

Table 1: Affordable Housing Obligation	
Type of Obligation	Units
Rehabilitation Obligation	55
Prior Round Obligation	148
Potential Third Round Obligation	5
Total	208

The Township proposes to satisfy the 55-unit rehabilitation share through implementing a program to provide 55 rehabilitation units. Cranford proposes to address the entire 148-unit prior round obligation through the construction of 92 non age-restricted affordable rental units, 50 existing age-restricted rental units, three (3) existing special needs facility units and three (3) rental bonus credits which yields a total of 148 credits.

The Township intends to address its potential future third round obligation through six (6) non age-restricted affordable rental units and one (1) existing age-restricted rental unit, which satisfies its five (5) unit obligation with two (2) excess credits. In addition, 85 potential surplus credits are provided within this Plan which may be used in addressing any future affordable housing obligation that may be assigned to the Township. Detailed information regarding each of these projects is included within the Fair Share Plan section of the Plan and on the project forms in **Appendix E**.

B. Analysis of Housing Stock

As per the 2000 Census, there were a total of 8,560 housing units in Cranford Township. In the past ten years according to the 2010 Census, the Township has added another 256 housing units. Therefore there are a total of 8,816 housing units in Cranford Township. Of the total housing units in the Township, 97.36 percent or 8,583 units are occupied. Furthermore 6,994 of these units are owner-occupied. The remaining 1,589 housing units are renter-occupied, which makes up 18.5 percent of the occupied housing units. This is an increase of 163 rental units from the 1,426 rental units as per the 2000 Census. As of February 9, 2012, information for Cranford Township in the "housing units in structure" forms from the 2010 Census has not been reported. This data is reported within the 2000 US Census data, which was collected in 1999 and is more than 12 years old. Therefore the Plan relies upon the

2008-2010 American Community Survey 3-year estimates. These estimates have been compared with the 2000 census data as illustrated within Table 2, below. The Township contains predominantly single-family detached dwelling units. Over the course of the decade, however, a decrease in single-family attached housing units and an increase in the number of two-family dwelling units has been estimated.

Table 2: Housing Units				
Units in Structure	2000		2010*	
	Number	Percent of Total Units	Number	Percent of Total Units
1-Unit Detached	6,418	76.43%	6,366	74.44%
1-Unit Attached	228	2.72%	271	3.17%
2 units	775	9.23%	1018	11.90%
3 or 4 units	192	2.29%	133	1.56%
5 to 9 units	120	1.43%	173	2.02%
10 to 19 units	108	1.29%	185	2.16%
20 units or more	550	6.55%	406	4.75%
Mobile Home or trailer	6	0.07%	0	0.00%
Other	0	0.00%	0	0.00%
Total	8,397	100.00%	8,552	100.00%

Source: 2000 Census

*There is a slight difference between the total number of housing units noted here and those noted within the 2010 Census. As the census data for housing types has not been released as of February 9, 2012, the above numbers are based upon the 2008-2010 American Community Survey 3-Year Estimates.

Cost of Housing Stock

In the Township of Cranford the median value of sales housing was \$233,600 according to the 2000 Census. This is significantly higher than the median value of sales housing in Union County which was \$188,800 in 2000. However, according to the 2008-2010 American Community Survey 3-year estimates, the median value of sales housing in Cranford increased to \$472,100 while Union County's median value increased to \$386,300.

Table 3 shows the percentage of housing units in each value category as presented within the 2000 Census and the American Community Survey 3-year estimates. As of 2000, the majority of Cranford housing was valued between \$200,000 and \$499,999, which makes up 67.16 percent of the housing units. Only 0.18 percent of the homes were valued at less than \$50,000 and only 2.9 percent were worth \$500,000 or more. Similarly in 2010, it is estimated that 55.64 percent of the housing units were valued between \$200,000 and \$499,999 and 0.91 percent were valued less than 50,000. However, it was estimated that in 2010 approximately 40.65 percent of the housing was valued at \$500,000 or more.

Value (\$)	2000		2010*	
	No of Units	Percentage	No of Units	Percentage
Less than 50,000	11	0.18%	64	0.91%
50,000-99,999	79	1.27%	36	0.51%
100,000-149,999	378	6.06%	32	0.45%
150,000-199,999	1,399	22.43%	129	1.83%
200,000-299,999	2,866	45.96%	465	6.60%
300,000-499,000	1,322	21.20%	3,455	49.04%
500,000 or more	181	2.90%	2,864	40.65%
Total	6,236	100%	7,045	100%

Source: 2000 Census

*2008-2010 American Community Survey 3-Year Estimates

For rental units, the median gross rent was \$1,354 according to the 2008-2010 American Community Survey 3-year estimates. This estimated number is a \$487 increase from the 2000 census where the median gross rent was \$867. The 2010 Census has not released the data regarding the number of bedrooms and rents charged for the same and there are no estimates available as well. As a result the 2000 Census was referred to as illustrated within Table 4, Cost of Rentals by Bedroom Size. Of the 1,435 occupied rental units listed by the 2000 Census, 502 were two-bedroom units and 252 were three-bedroom units.

Rent (\$)	None	One	Two	Three or more
0-199	0	37	7	7
200-299	6	25	0	0
300-499	0	51	14	0
500-749	12	198	71	23
750-999	0	230	197	48
1,000 or more	8	114	196	124
No cash rent	0	0	17	50
Total	26	655	502	252

Source: 2000 Census

As per the 2000 Census approximately 76.44 percent of the rental units (1,090) were occupied by a head of household who was less than 65 years old, as indicated within Table 5. Although not shown within Table 5, out of the 1,090 rental units, 479 units (33.6%) were occupied by a head of household between the ages of 15 and 34 while

the remaining 611 units (42.8%) were occupied by a head of household between the ages of 35 and 64. Upon comparison with the 2010 Census, the percentage of head of household who were younger than 65 years decreased to 67 percent of the occupied rental housing units (1,064) than the 76.43 percent as per the 2000 Census as illustrated within Table 5. Consequent to this decrease, the percentage of rental housing units occupied by head of household who were 65 years and older increased to 33.04 percent (525) of the total rental units in 2010 from the 23.56 percent (336) as reported within the 2000 Census.

Household Type	2000		2010	
	Number	Percent	Number	Percent
Family and Non-Family Households				
Householder 15 to 64 years	1,090	76.44%	1,064	66.96%
Householder 65 years and older	336	23.56%	525	33.04%
Total	1426	100.00%	1589	100.00%

Of the 1,090 rental households reported within the 2000 Census, about 495 households or 45.4 percent were occupied by family households. The remaining 595 households or 54.6 percent were non-family households. Therefore the Township of Cranford provided rental housing to a higher percentage of non-family households than family households. In the course of the decade the number of non-family households decreased to 540 or 50.8 percent and consequently the number of family households increased to 524 or 49.2 percent. As per the 2010 Census, it appears that the rental units in Cranford are serving the needs of younger households both with families as well as non-family households.

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 regional median income, but less than 80 percent of regional median income.

In addition, The Council on Affordable Housing (COAH) has developed a sliding scale for income limits, which defines low- and moderate-income limits based on household size. COAH has determined separate 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 COAH's rules require that an efficiency unit be affordable to a household of one, as shown below within Table 6, 2011 COAH Income Limits for Union County.

Table 6: 2011 COAH Income Limits for Union County					
	1 Person	2 Person	3 Person	4 Person	5 Person
Moderate	\$50,072	\$57,225	\$64,378	\$71,532	\$77,254
Low	\$31,295	\$35,766	\$40,237	\$44,707	\$48,284

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 down payment 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.

Condition of Housing Stock

COAH utilizes the 2000 Census to try to estimate the number of substandard housing units in Cranford that are occupied by low- and moderate-income households. COAH uses the Census to determine which units are occupied by low- and moderate-income households. COAH 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 1950 and units built thereafter. Research has demonstrated that units built before 1950 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, COAH 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-income 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 have 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 1949 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

COAH 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, by 50 years old or less, but contain an additional detrimental conditional, 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 COAH must use indicators of substandard housing is that the Census does not classify housing units as standard or substandard. Thus, the data presented below in Table 7, Housing Characteristics, is the data COAH uses to generate the estimates for Cranford. As of February 10, 2012, the 2010 Census data regarding housing characteristics was not available for Cranford Township. The 2000 Census data is 12 years old and is obsolete. Therefore the 2008-2010 American Community Survey 3-Year Estimates were utilized and compared with the 2000 Census data.

Table 7: Housing Characteristics				
Criteria	2000		2010*	
	Total	Percentage	Total	Percentage
Number of Persons per Room				
1.01 or more	66	0.79%	71	0.87%
Plumbing Facilities				
Units with Complete Plumbing Facilities	8,529	99.64%	8,552	100.00%
Units Lacking Complete Plumbing Facilities	31	0.36%	0	0.00%
Heating Equipment				
Utility Gas	5,621	66.94%	-	-
Bottled, tank or lp gas	87	1.04%	-	-
Electricity	326	3.88%	-	-
Fuel oil, kerosene, etc.	2,345	27.93%	-	-
Coal or coke	7	0.08%	-	-
Wood	5	0.06%	-	-
Solar energy	0	0.00%	-	-
Other Fuels	0	0.00%	-	-
No Fuel Used	6	0.07%	-	-
Kitchen Equipment				
Complete kitchen facilities	8,546	99.84%	8,552	100.00%
Lacking facilities	14	0.16%	0	0.00%
Telephone				
With telephone	8,546	99.84%	8,524	99.67%
No telephone	14	0.16%	28	0.33%
Year Structure Built				
Built 2005 or later	-	-	68	0.80%
Built 2000 to 2004	-	-	177	2.07%
Built 1990 to 2000	213	2.53%	52	0.61%
Built 1980 to 1989	236	2.80%	233	2.72%
Built 1970 to 1979	347	4.12%	557	6.51%
Built 1960 to 1969	738	8.76%	1,052	12.30%
Built 1950 to 1959	6,887	81.92%	6,413	74.99%
Prior to 1950				

Source: 2000 Census

*2008-2010 American Community Survey 3-Year Estimates

Most of the Census indicators available at the municipal level indicate a sound housing stock. Less than one (1%) percent of the housing units in the Township are occupied by more than 1 person per room as per both the 2000 Census as well as the 2010 estimates. As per the 2010 estimates, the entire housing stock has complete kitchen facilities, while the 2000 Census indicated that about 0.16 percent lacked

kitchen facilities. Similarly, the entire housing stock was estimated to have complete plumbing facilities in 2010, which is an increase from the 0.36 percent that lacked complete plumbing facilities according to the 2000 Census. Less than 0.5 percent of the housing units do not have a telephone as per 2000 Census as well as the 2010 estimates. There are no estimates available for 2010 but as per the 2000 Census almost all of the units were heated with standard heating fuels.

More than 80 percent of Cranford Township's housing stock was constructed prior to the 1960's. As per the 2010 estimates, 74.99 percent or 6,413 housing units were built prior to 1960, while the 2000 Census shows 81.78 percent, or 6,887 homes, were built prior to 1960. There have been units constructed since 2000 but there is not much vacant land available for development. Therefore, one could surmise that older units might be demolished and replaced with newer units. As per the 2000 Census another 738 homes were built between 1960 and 1969. However, within the 30 year period between 1970 and 2000 only 796 housing structures were built. This constitutes just 9.45% of the Township's structures built. Given that units constructed prior to 1950 are COAH's most powerful indicator of substandard housing, it is estimated that low and moderate-income households in Cranford may occupy some of the 3,956 substandard units.

C. Projected Housing Stock

Since 1987, Cranford Township has issued building permits for 300 housing units. The Township also issued permits to demolish 20 units during the time period from 2000-2010, as shown within Table 8, Dwelling Units Authorized.

Table 8: Dwelling Units Authorized						
Year	Single Family	2-Family	3 or 4 Family	5 or more Family	Residential Demolitions	Total Added
1987	6	0	0	0	-	6
1988	4	0	0	0	-	4
1989	10	0	0	0	-	10
1990	1	0	0	0	-	1
1991	2	0	0	0	-	2
1992	6	0	0	0	-	6
1993	3	0	0	100	-	103
1994	6	0	0	0	-	6
1995	2	0	0	0	-	2
1996	2	0	0	0	-	2
1997	1	0	0	0	-	1
1998	0	0	0	0	-	0
1999	2	0	0	0	-	2
2000	2	0	0	0	0	2
2001	6	2	0	0	1	7
2002	3	0	0	0	0	3
2003	3	0	0	0	2	1
2004	15	2	0	0	9	8
2005	19	2	0	0	9	12
2006	29	0	0	0	4	25
2007	23	0	0	5	3	25
2008	31	0	0	5	2	34
2009	19	0	0	0	1	18
2010	21	0	0	0	1	20
Total	216	6	0	110	32	300

Source: New Jersey Department of Labor and Workforce Development website at http://lwd.dol.state.nj.us/labor/lpa/industry/bp/bp_index.html; accessed on February 10, 2012

New Jersey Department of Community Affairs website at http://www.nj.gov/dca/divisions/codes/reporter/demo_permits.html; accessed on February 10, 2012

D. Demographic Characteristics

1. Township Population

As is shown in Table 9, Population Growth, below, at the time of the 2000 U.S. Census, the Township of Cranford had a population of 22,578 residents. This was a 0.24 percent decrease from the population of 22,633 reported in the 1990 Census. However the 2010 Census reported a population of 22,625 which is an increase of 47 persons or 0.21 percent from that reported in 2000. It has been estimated by the North Jersey Transportation Planning Authority that the population will continue to grow by approximately 12.88 percent in the next two decades to reach 25,540 in 2030.

Year	Population	Population Increase	Percentage Increase
1990	22,633	-	-
2000	22,578	-55	-0.24%
2010	22,625	47	0.21%
2030	25,540	2,915	12.88%

The median age of 42.8 years reported in Cranford Township is 4.8 years more than the median age of 38 years reported in Union County as shown below in Table 10, Population by Age Cohort. Both Cranford Township and Union County have a substantially high percent of their population between the ages of 20 and 64. It is also true about both the Township and the County that the population is relatively young. The majority of Cranford Township's population at 82.8 percent is less than 65 years of age, which is similar to that of the County which is at 87.4 percent. The remaining 17.2 percent and 12.6 percent is older than 65 years in Cranford Township and Union County, respectively. Also, according to the 2010 Census, the average household size in Cranford Township is 2.61 persons while the average family size is 3.15 persons, which is not a substantial increase from the 2.62 average household size and 3.09 average family size as reported in the 2000 Census.

Table 10: Population by Age Cohort		
Age Cohort	Cranford Twp Distribution (%)	Union County Distribution (%)
Under 5 years	5.7%	6.7%
5 to 19	20.2%	20.3%
20 to 29	8.2%	12.4%
30 to 39	11.4%	13.6%
40 to 49	16.5%	15.6%
50 to 54	8.3%	7.6%
55 to 64	12.5%	11.3%
65 to 74	7.3%	6.3%
75 to 84	6.3%	4.2%
85+	3.6%	2.1%
Median Age	42.8	38

2. Public School Population

There are eight schools in the Cranford Public School System. Bloomingdale Avenue School that houses 249 students in grades K-2, Brookside Place School that houses 426 students in grades K-5, Walnut Avenue School that houses 305 students in grades PreK-2, Livingston Avenue School that houses 261 students in grades 3-5 are all neighborhood elementary schools. Orange Avenue School and Hillside Avenue School also house elementary students in grades 3-5 and K-5, respectively, and also house the districts two middle schools with students in grades 6-8 with their total student population being 737 and 707, respectively. Cranford High School houses 1140 students in grades 9-12. In addition, Lincoln Avenue School is home to an alternative elementary, middle and high school program housing 79 students.

The most recent demographic study reviewed by the Board of Education from 2009 only noted numbers for two of the three large development projects that are under development, approved or in the process of seeking approvals in the Township. Those developments were the Riverfront Developers, LLC project and the Cranford Development Associates project. Furthermore, although the projected numbers were noted for both, only the figures for the Riverfront project were included in the actual counts that were provided for the long term projections because the Cranford Development Associates project was in litigation at the time the report was written. The report projected that 19 students would enter the district's schools as a result of the Riverfront project and that the overall student population would decline by approximately 60 students by the 2014-2015 school year. The demographic study's numbers indicated that the student population for the school year 2011-2012 would be 3855 and as of January 2012 the student population is 3900.

An extreme concern for the school district was the Cranford Development Associates proposal. The school district had projected that if as many as 419 units are ultimately built (the number of units originally proposed by the Plaintiff), approximately 300 additional children of school age would potentially be enrolled in our schools. This number of students exceeds, or closely matches, the total population of three of the Township's neighborhood schools. The number of classrooms that could be needed to educate these students properly is estimated to be least 12, and the number of teachers and aides, support staff and administrative personnel, including those in specialty areas would be at least 25. In essence, the Cranford Development Associates project would require the equivalent of one additional neighborhood school to be built according to the Cranford Public Schools District "State of the Community Report" and the Cranford Public Schools District "State of the Schools Report" dated March, 2012 and included as **Appendices I** and **J** to this plan, respectively.

3. Household Income

The 2000 Census indicates that the median household income of Cranford residents was \$76,338. The Township is significantly higher than the County's and State's median income which was \$55,339 and \$55,146, respectively. Further, approximately 66.9 percent of Cranford households earned \$99,999 or less in 1999. The corresponding percentage for Union County was 77.9 percent. The data for the 2000 Census was collected more than twelve years ago and therefore is obsolete. As of February 10, 2012 the 2010 data for income was not available for the Township and County. Therefore this Report compared the 2000 Census data with the 2008-2010 American Community Survey's 3-year estimates for the Township and County as reflected within Table 11, below. As per the 2010 inflation adjusted income estimates Cranford Township's and Union County's median income increased to approximately \$109,583 and \$66,923, respectively. This represents an increase of approximately \$33,245 and \$11,584 for the Township and County, respectively. The Township continues to have a significantly higher income than the County. However the number of households earning \$99,999 or less is estimated to have decreased to 44.6 percent for the Township and 67.7 percent for the County. A distribution of households by income for Cranford Township and Union County is presented within Table 11, Households by Income.

Table 11: Households by Income (%)				
Income (\$)	Cranford Township	Union County	Cranford Township	Union County
	2000		2010*	
Less than \$10,000	3.0%	6.9%	2.1%	6.1%
\$10,000-\$14,999	2.0%	4.8%	2.2%	3.5%
\$15,000-\$24,999	7.2%	9.5%	2.9%	8.1%
\$25,000-\$34,999	6.5%	10.2%	3.8%	8.6%
\$35,000-\$49,999	10.3%	13.7%	5.1%	11.6%
\$50,000-\$74,999	20.0%	19.7%	15.7%	17.5%
\$75,000-\$99,999	17.9%	13.1%	12.8%	12.3%
\$100,000-\$149,999	20.3%	12.8%	22.3%	16.3%
\$150,000-\$199,999	7.8%	4.5%	15.4%	7.3%
\$200,000 or more	5.0%	4.7%	17.7%	8.7%
Median Household Income	\$76,338	\$55,339	\$109,583	\$66,923

Source: 2000 Census

*2008-2010 American Community Survey 3-Year Estimates

E. Employment Characteristics

The Census reports on the work activities of residents 16 years and older within the Township. This makes up 17,749 people in Cranford as per the 2008-2010 American Community Survey's 3-Year Estimates. Of this, 11,611 were employed. These estimates are compared with the 2000 Census data as reflected within Table 12, below. The average commuting time of Cranford residents was an estimated 31.1 minutes in 2010 and the majority (74.8%) of Township residents worked within the private sector, as shown below within Table 12, Classifications of Workers.

Table 12: Classifications of Workers				
Class	2000		2010	
	Total	Percentage of Workers	Total	Percentage of Workers
Private wage and salary	9,081	78	8,690	74.8
Government workers	1,958	16.8	2283	19.7
Self employed	584	5	553	4.8
Unpaid family workers	23	0.2	85	0.7

Source: 2000 Census

2008-2010 American Community Survey 3-Year Estimates

An analysis of the employed population (over the age of 16) by economic sector indicates that Cranford workers were involved in a broad array of economic sectors. The highest concentration of workers is within the educational, health and social services sector making up 20.4 and 23.6 percent of the work force as per the 2000 Census and 2010 estimates, respectively. The finance, insurance and real estate came in second, making up 13.6 percent of the workforce as reported in the 2000 Census. However as per the 2008-2010 American Community Survey 3-Year estimates the professional, scientific, management, administrative and waste management services sector came in second at 13.9 percent, while the finance, insurance and real estate sector dropped to come in third at 12.9 percent. This is shown below within Table 13, Workforce by Sector.

Table 13: Workforce by Sector				
Sector	2000		2010	
	Employees	Percentage of Workforce	Employees	Percentage of Workforce
Agriculture, Forestry, Fisheries &	0	0	30	0.3
Construction	547	4.7	421	3.6
Manufacturing	1,376	11.8	949	8.2
Wholesale Trade	499	4.3	461	4
Retail Trade	972	8.3	955	8.2
Transportation, Warehousing, and Utilities	663	5.7	548	4.7
Information	536	4.6	392	3.4
Finance, Insurance, & Real Estate	1,586	13.6	1502	12.9
Professional, scientific, management, administrative, and waste management services	1,454	12.5	1610	13.9
Educational, health and social services	2,374	20.4	2737	23.6
Arts, entertainment, recreation, accommodation and food services	545	4.7	610	5.3
Other services	470	4	310	2.7
Public Administration	624	5.4	1080	9.3

2000 Census

Source: 2008-2010 American Community Survey 3-Year Estimates

The New Jersey Department of Labor compiles data estimates of the New Jersey labor force for Primary Metropolitan Statistical Areas (PMSAs), labor areas, counties and municipalities. The data items include monthly estimates of labor force, employment, unemployment volume and unemployment rate for historical and current year. These estimates are produced by the New Jersey Department of Labor and Workforce Development. Based upon available data below, Table 14,

Employment Statistics demonstrates that Cranford has participated in the growth of Union County’s employment base and that the unemployment rate is lower than that at the County level. This is especially obvious during the last two years.

Table 14: Employment Characteristics						
Year	Township of Cranford			Union County		
	Total Employment	Total Unemployment	Unemployment Rate	Total Employment	Total Unemployment	Unemployment Rate
2000	12,184	215	1.7	254,446	10,234	3.9
2001	12,121	257	2.1	253,117	12,256	4.6
2002	12,093	360	2.9	252,547	17,125	6.4
2003	12,079	358	2.9	252,254	17,035	6.3
2004	12,115	298	2.4	253,006	14,191	5.3
2005	11,942	303	2.5	252,991	12,663	4.8
2006	12,051	319	2.6	255,487	13,034	4.9
2007	12,058	293	2.4	255,906	12,054	4.5
2008	12,034	382	3.1	255,540	15,558	5.7
2009	11,660	644	5.2	247,186	25,350	9.3
2010	11,484	663	5.5	243,455	25,997	9.6

Source: New Jersey Department of Labor and Workforce Development;
http://lwd.dol.state.nj.us/labor/lpa/employ/uirate/lfest_index.html, accessed on February 10, 2012

In addition, in order to understand what implications this employment data has for the Township and understand what the employment field and area trends are for Cranford Township, and Union County, the New Jersey Department of Labor (“NJDOLE”) has prepared projections, which analyze the expected increase or decrease in a particular employment sector for the period between 2008 and 2018. This data has been summarized and is illustrated within Table 15, below.

Table 15: Union County Projected Employment				
Industry	2008	2018	Change	Percent Change
Health Care and Social Assistance	29,650	32,600	3,000	10.1
Educational Services	3,050	3,350	300	10.0
Government	33,750	35,050	1,300	3.8
Other Services	12,650	13,550	900	7.0
Accommodation and Food Services	12,750	13,600	850	6.8
Administration Support, Waste management and Remediation Services	15,350	16,450	1,100	7.3
Professional, Scientific and Technical Services	16,050	17,500	1,450	9.1
Management of Companies and Enterprises	7,450	8,050	600	7.8
Construction	11,750	12,400	650	5.5
Real Estate and Rental and Leasing	3,400	3,450	50	1.8
Finance and Insurance	8,850	9,200	350	4.1
Retail Trade	27,450	27,300	-150	-3.0
Arts, Entertainment and Recreation	2,350	2,750	400	16.7
Utilities	850	700	-100	-13.7
Wholesale Trade	14,700	14,350	-350	-2.4
Transportation and Warehousing	12,450	11,450	-1,000	-7.9
Information	4,950	4,800	-150	-3.0
Manufacturing	28,500	21,800	-6,700	-2.6
Total Nonfarm Employment	245,850	248,400	2,550	1.0
Source: New Jersey Department of Labor and Workforce Development; Regional Community Factbooks at http://lwd.dol.state.nj.us/labor/lpa/pub/factbook/unifct.pdf ; accessed on February 12, 2012				

F. Determination of Low- and Moderate-Income Housing Need

The Mt. Laurel decisions established that every municipality is responsible for a “fair share” of a regional affordable housing need. COAH, pursuant to the Fair Housing Act, is responsible for defining regions and developing criteria for establishing each municipality’s share of the regional need. Township of Cranford is located within Affordable Housing Region 2, consisting of Essex, Morris, Union and Warren counties.

The determination of low- and moderate-income housing responsibility for the Township was calculated in accordance with portions of the Substantive Rules that were not invalidated by the Court and consists of the following components: deficient housing units occupied by low and moderate income households known as the rehabilitation share (N.J.A.C. 5:97 Appendix B) and the Prior Round (1987-1999) housing obligation (N.J.A.C. 5:97 Appendix C). As mentioned previously, the Township has a rehabilitation share of 55 units and a prior round obligation of 148

units as shown in Table 16. Additionally, the Township anticipates a future third round affordable housing obligation. While this obligation cannot yet be calculated accurately due to the invalidation of portions of N.J.A.C. 5:97 by the Appellate Division of the Court, the Township has chosen to Plan for a potential future third round obligation of five (5) units based upon the VLC Report included within **Appendix A** of this Plan.

Table 16: Summary of Existing and Potential Obligations	
Rehabilitation Share	55
Prior Round Obligation	148
Potential Third Round Obligation	5
Total	208

G. Identification of Lands Appropriate for Low- and Moderate-Income Housing

As stated within the December 9, 2011 Court Order (Docket nos. UNN-L-0140-08 and UNN-L-003759-08), the Court has required that the projects listed in Table 17 be included within the Fair Share Plan. Each of the sites identified below is depicted on the Affordable Housing Plan Map included within **Appendix C** herein.

Table 17: Affordable Housing Credit Analysis			
Project	Affordable Units	Unit/Credit Type	Status
Units Proposed to be Rehabilitated	55	Rehabilitation Units	Proposed
Lincoln Apartments (Block 532, Lot 18.01)	100	Age-Restricted Rental	Completed
Community Access Unlimited 1 (Block 403, Lot 62)**	6	Special Needs Housing	Completed
Community Access Unlimited 2 (Block 403, Lot 59)**	4	Special Needs Housing	Completed
SERV Center of NJ (Block 514, Lot 3)**	3	Special Needs Housing	Completed
Needlepoint Homes	1	Non Age-Restricted Rental	Completed
Lehigh Acquisition Project (Block 511, Lot 1)	24	Non Age-Restricted Rental	Court Approved
Cranford Development Associates Project (Block 291, Lot 15.01, Block 292, Lot 2)***	54	Non Age-Restricted Rental	Court Approved
Riverfront Developers, LLC (Block 481; Lots 1.02, 2.01 and 3-9)*	19	Non Age-Restricted Rental	Site Plan Approved

* Previously known as the Riverfront Redevelopment Project.

** The Court Order referenced 20 alternative living arrangement bedrooms; however, upon investigation and endeavors to obtain supporting documentation only the thirteen (13) existing bedrooms were eligible to receive credits. The Township is applying for credits for the three (3) bedrooms for SERV Center, and is still waiting to receive documentation for the Community Access special needs housing to be eligible for the ten (10) bedrooms.

*** This project is court approved subject to appeal of the decision by the Township.

The Township has a very limited supply of vacant developable land upon which to construct affordable housing. This is evident in the fact that the Cranford Development Associates Project, Lehigh Acquisition Project and the Riverfront Developers, LLC project are all redevelopment initiatives and the majority of the other affordable units are comprised of rehabilitation units and special needs facilities that are contained within existing housing units. In fact, the Township has disputed

whether the Cranford Development Associates project meets the criteria related to environmental site suitability. This Plan does not concede the environmental suitability of the Cranford Development Associates project or whether permits are obtainable for this development.

As stated previously, the VLC Report demonstrates the lack of availability of suitable vacant developable land. The VLC Report is included within **Appendix A** of this Plan. Even though growth share is no longer applicable for determining third round obligations, the Township requests a vacant land adjustment to its potential future third round obligation based upon the VLC Report, as the Report provides an analysis of vacant developable land and its capacity to accept development. Therefore, this Report is a valid basis for a third round vacant land adjustment in the absence of amended affordable housing regulations.

The VLC Report demonstrates that the Township's vacant developable land could only support a total of five (5) affordable housing units. A plan to address the 5-unit potential third round obligation is included within Section II, Fair Share Plan.

The Township reserves the right to request a future prior round vacant land adjustment and an amendment to its third round vacant land adjustment if the need should arise, provided that there shall be no changes affecting the development of the Lehigh Acquisition Corp. site, subject to a Settlement Agreement which was approved by the Court by Order, as amended entitled "Consent Judgment for Builder's Remedy" dated January 28, 2011, and no changes affecting the development of the Cranford Development Associates site in the absence of a successful appeal of the Builder's Remedy awarded by the Court on December 9, 2011, without the specific approval of the Court.

SECTION II
FAIR SHARE PLAN

II. FAIR SHARE PLAN

A. Introduction

COAH's regulations, as set forth in N.J.A.C. 5:97-3, require that a "Fair Share Plan" set forth the mechanisms and funding sources by which a municipality proposes to address its affordable housing obligation. Additionally, COAH requires that the draft Ordinances necessary to implement the Fair Share Plan be included within the Fair Share Plan report.

This Fair Share Plan sets forth the mechanisms and funding sources that will be utilized to address the Township's rehabilitation share and prior round obligation. A Plan to address the potential future third round affordable housing obligation is also provided herein. This Plan amends the Township's existing Housing Plan Element and Fair Share Plan, adopted in May 2012 (which amended the Plan adopted in December 2008), and demonstrates that the Township is eligible for a Judgment of Repose through December 31, 2018.

Affordable Housing Obligation

The current affordable housing obligation is comprised of the rehabilitation share and the prior round obligation. The rehabilitation share assigned to the Township under the substantive rules (N.J.A.C. 5:97) is 55 units and the prior round obligation is 148 affordable housing units. The sum of these obligations is 203 affordable housing units/credits.

While a third round affordable housing obligation cannot currently be accurately calculated due to the invalidation of certain sections of the Substantive Rules, the Township acknowledges that a third round obligation is possible via new affordable housing regulations in the future. In addition, the Court Appointed Master has requested that the Township provide a plan to address a potential third round affordable housing obligation based upon the vacant developable land capacity that currently exists. A Vacant Land Capacity ("VLC") analysis that provides a calculation of the Realistic Development Potential ("RDP") of suitable vacant developable land within the Township is included within Appendix A. This VLC is used as the basis for calculating a potential third round obligation. The VLC Report indicates that the Township has a RDP of five (5) affordable housing units. Therefore, this 5-unit figure has been utilized in this Plan as the potential third round affordable housing obligation.

As mentioned previously, a prior round Vacant Land Adjustment (VLA) is not requested within this amended Housing Plan Element and Fair Share Plan. However, the Township reserves the right to request a prior round VLA within any future amendments to its Plan. Additionally, the Township reserves the right to amend its prior second round and third round Plan, and the VLC included herein upon the adoption of any future third round affordable housing regulations, legislative action, court decision or other events that impact its affordable housing projects, programs or

obligations, provided that there shall be no changes affecting the development of the Lehigh Acquisition Corp. site, subject to a Settlement Agreement which was approved by the Court by Order, as amended entitled "Consent Judgment for Builder's Remedy" dated January 28, 2011 and no changes affecting the development of the Cranford Development Associates site in the absence of a successful appeal of the Builder's Remedy awarded by the Court on December 9, 2011, without the specific approval of the Court.

B. Proposed Plan to Address the Rehabilitation Share and Prior Round Obligation

The Substantive Rules contain parameters that municipal fair share plans must comply with in order to obtain credit for affordable rental units and affordable age-restricted units. N.J.A.C. 5:97-3.10 sets forth formulas for the calculation of the maximum number of age-restricted units and the minimum number of affordable rental units that may be included within a municipal fair share plan when no vacant land adjustment is requested. These limitations are calculated below.

In accordance with N.J.A.C. 5:97-3.10(c)1, the maximum number of age-restricted units that Cranford Township may take credit for is 50 units, as calculated below.

$$0.25 * (\text{Prior Round Obligation} + \text{Rehabilitation Share} - \text{Rehabilitation Credits}) = \text{Age-Restricted Unit Maximum}$$

$$0.25 * (148+55-0) = \mathbf{50 \text{ Age-Restricted Unit Maximum}}$$

Each municipality is required to provide a minimum of 25 percent of its affordable housing obligation as rental units. In accordance with N.J.A.C. 5:97-3.10(b)1, Cranford Township must provide a minimum of 37 rental units which represents 25 percent of its 148-unit Prior Round obligation. The calculation of this requirement is included below.

$$0.25 * (\text{Prior Round Obligation} - \text{Prior Cycle Credits} - \text{Impact of 20 Percent Cap} - \text{Impact of 1,000 Unit Limitation}) = \text{Rental Unit Minimum}$$

$$0.25 * (148 - 0 - 0 - 0) = \mathbf{37 \text{ Rental Unit Minimum}}$$

A summary of each limitation and minimum requirement described above is included within Table 18.

Table 18: Prior Round Limits and Requirements	
Obligation	Units/Credits
Age-Restricted Units (Maximum)	50
Rental Unit (Minimum)	37

The Plan to Address the Obligation within the Above Limitations

As demonstrated within Table 19 the Township of Cranford will meet its 203-unit cumulative prior round obligation and rehabilitation share through rehabilitation units, affordable rental units and rental bonus credits.

Table 19: Prior Round and Rehabilitation Affordable Housing Credit Analysis			
Project	Affordable Units/Credits	Unit/Credit Type	Status
Rehabilitation Share			
Units Proposed to be Rehabilitated	55	Rehabilitation Units	Proposed
Rehabilitation Obligation	55	Rehabilitation Units	-
Prior Round Plan			
Lincoln Apartments (Block 532, Lot 18.01)**	50	Age-Restricted Rental	Completed in 1990s
Riverfront Developers, LLC (Block 481; Lots 1.02, 2.01 and 3-9)****	16	Non Age-Restricted Rental	Proposed
SERV Center of NJ (Block 514, Lot 3)	3	Special Needs Housing	Completed
Cranford Development Associates Project (Block 291, Lot 15.01, Block 292, Lot 2)	54	Non Age-Restricted Rental	Court Approved***
Lehigh Acquisition Project (Block 511, Lot 1)*	22	Non Age-Restricted Rental	Court Approved
Subtotal	145	-	-
Rental Bonus Credits for 3 Group Home Bedrooms	3	Rental Bonus	-
Total	148	Units/Credits	-
Total for Prior Round Plan			
Total Obligation	148	Units/Credits	Addressed
Credits Applied to Prior Round Obligation	148	Units/Credits	-
<p>* A total of 24 units are included in this project of which 22 are proposed within the prior round portion of the Plan and two (2) are proposed within the third round portion of the Plan.</p> <p>**The Lincoln Apartments project is comprised of a total of 100 age-restricted affordable rental units of which 50 units address a portion of the Prior Round obligation and the remaining 50 units are available to address potential future obligations, as they exceed the prior round age-restricted unit cap.</p> <p>*** The Court approval for this project is subject to appeal by the Township.</p> <p>****Riverfront Developers LLC is proposing a total of 19 units, of which 16 units are proposed within the prior round portion of the Plan and the remaining three (3) can be applied towards future obligations or third round unmet need.</p>			

Rehabilitation Share

The rehabilitation share for the Township was recalculated to 55 units within the Substantive Rules. The Township contains 15 completed rehabilitation units as recognized within the December 9, 2011 Order. However, due to the requirements of the Union County Rehabilitation Program, these units are not eligible for credit. Therefore, the Township will address the 55 unit obligation by establishing its own Rehabilitation Program. While Cranford may commence its own Program initially due to time constraints for compliance with the Court, the Township also intends to contact the surrounding municipalities to gauge interest in a shared Rehabilitation Program. A shared program such as this is anticipated to lower the cost of producing affordable housing for all municipalities that are involved and result in a savings that could be invested to create additional affordable housing units. The Township's Rehabilitation Program is envisioned to be funded through the collection of development fees in accordance with an approved Development Fee Ordinance. Detailed information regarding the Rehabilitation Program is included within **Appendix D**. In addition, a draft Rehabilitation Manual has been submitted to the Township and Special Master under separate cover for review and comment. The Township intends to adopt the Rehabilitation Manual upon the receipt of comments from the Special Master and the qualified Rehabilitation Administrator to be retained by the Township. The Township intends to adopt a Resolution of Intent to bond in the event of any funding shortfall.

Prior Round Plan

The affordable housing units within the Prior Round Plan are comprised of the Lincoln Apartments (50 of 100 age-restricted rental units), Riverfront Developers LLC (16 of 19 non age-restricted rental units), SERV Center of New Jersey (three special needs bedrooms), Cranford Development Associates project (54 family rental units), Lehigh Acquisition Project (22 of 24 family rental units) and three (3) rental bonus credits. As shown within Table 19, the sum of these projects yields 148 credits, which satisfies the 148-unit prior round obligation.

As mentioned previously, the Township is permitted to claim credit for a maximum of 50 age-restricted units toward the prior round obligation. In accordance with this limitation, a total of 50 of the 100 Lincoln Apartments units that exist within the Township have been included within the prior round portion of the Fair Share Plan. The remaining 50 units are available to address potential future affordable housing obligations, as discussed in the third round portion of this Plan.

The Township is required to provide a minimum of 37 rental units within the prior round portion of the Fair Share Plan. The sum of the 54-unit Cranford Development Associates project, 22 units from the 24-unit Lehigh Acquisition project, 16 units from the 19-unit Riverfront Developers LLC project, 50 Lincoln Apartments units and three (3) special needs bedrooms yields a total of 145 rental units which exceeds the 37 rental unit minimum requirement.

It is important to note that Riverfront Developers, LLC was noted within the December 9, 2011 court order as containing a total of 16 units. However, on September 21, 2011, the Cranford Township Planning Board adopted a Resolution of Memorialization for Riverfront Developers, LLC (Application No. PO4-11). This resolution increased the number of “Mt. Laurel” units from 16 up to 19 units. As noted in Table 19, above, 16 units will be applied to fulfill the Township’s prior round obligation, while the remaining three (3) units shall be applied towards any future obligation.

Implementation Ordinances

In order to implement the Plan the Township intends to adopt an Affordable Housing Ordinance. A copy of the proposed draft Ordinance is included within **Appendix F** of this Plan. The proposed draft Ordinance is compliant with the requirements of the Fair Housing Act (N.J.S.A. 52:27D-301 et seq.), Substantive Rules (N.J.A.C. 5:97 et seq.) and the Uniform Housing Affordability Controls (N.J.A.C. 5:80-26.1 et seq.).

Additionally, the Township intends to adopt a Development Fee Ordinance to provide a mechanism to fund the Plan. A copy of the approved Development Fee Ordinance is included within **Appendix G**.

A Draft Spending Plan is included within **Appendix H** which provides an estimate of the development fees anticipated to be collected through 2018 and the amount of the collected development fees that are anticipated to be allocated to each project. In addition, a draft Resolution of Intent to Bond to fund the Rehabilitation Program if the development fees collected are insufficient is included within **Appendix H**.

A draft Resolution of the Mayor and Township Committee of the Township of Cranford adopting the “Affirmative Marketing Plan” and “Affirmative Fair Housing Marketing Plan” is included within **Appendix K**. Other documentation such as the draft Contract for the Administration of Affordable Housing Units, the draft ordinance to create a Municipal Housing Liaison, draft resolutions appointing a Municipal Administrative Agent and a Municipal Housing Liaison are included within **Appendix L**.

C. Proposed Plan to Address the Potential Future Third Round Obligation

As mentioned previously, the Substantive Rules contain parameters that municipal fair share plans must comply with in order to obtain credit for affordable rental units and affordable age-restricted units. N.J.A.C. 5:97-3.10 sets forth formulas for the calculation of the maximum number of age-restricted units and the minimum number of affordable rental units that may be included within a municipal fair share plan. As mentioned previously, the RDP calculated for the Township is five (5) units. The limitations for compliance with addressing the 5-unit RDP are calculated below.

In accordance with N.J.A.C. 5:97-3.10(c)2, the maximum number of age-restricted units that Cranford Township may take credit for is 1-unit, as calculated below.

$$0.25 * (\text{RDP}) = \text{Age-Restricted Unit Maximum}$$

$$0.25 * (5) = 1.25 \text{ rounded down to a } \mathbf{1 \text{ Age-Restricted Unit Maximum}}$$

Each municipality is required to provide a minimum of 25 percent of its affordable housing obligation as rental units. In accordance with N.J.A.C. 5:97-3.10(b)3, Cranford Township must provide a minimum of two (2) rental units. The calculation of this requirement is included below.

$$0.25 * (\text{Growth Share Obligation}) = \text{Rental Unit Minimum}$$

$$0.25 * (5) = 1.25 \text{ rounded up to } \mathbf{2 \text{ Rental Unit Minimum}}$$

A summary of each potential limitation and minimum requirement described above is included within Table 20.

Table 20: Potential Third Round Limits and Requirements	
Obligation	Units/Credits
Age-Restricted Units (Maximum)	1
Rental Unit (Minimum)	2

The Plan to Address the Potential Obligation within the Above Limitations

Cranford Township could satisfy a 5-unit third round RDP utilizing the projects and programs depicted within Table 21.

Table 21: Third Round Affordable Housing Credit Analysis			
Project	Affordable Units/Credits	Unit/Credit Type	Status
Lincoln Apartments (Block 532, Lot 18.01)*	1	Age-Restricted Rental	Completed in 1990s
Needlepoint Homes (Block 480, Lot 1)	1	Non Age-Restricted Rental	Completed
Lehigh Acquisition Project (Block 511, Lot 1)**	2	Non Age-Restricted Rental	Proposed
Riverfront Developers, LLC (Block 481; Lots 1.02, 2.01 and 3-9)	3	Non Age-Restricted Rental	Proposed
Total	7	Units	-
Total Potential Obligation	5	Units	Addressed
Surplus Credits to be Applied Toward Future Obligations			
Excess Third Round Credits	2	-	-
Lincoln Apartments*	49	Age-Restricted Rental	Completed in 1990s
Potential Excess Prior Round Units Due to Rental Bonus Benefit from Prior Round***	34	Units	Proposed
Total	85	Credits	-
<p>* The Lincoln Apartments project is comprised of a total of 100 age-restricted affordable rental units of which 50 units address a portion of the Prior Round obligation, one unit is allocated to the third round and the remaining 49 units are available for future affordable housing obligations as shown above.</p> <p>** A total of 24 units are included in this project of which 22 are proposed within the prior round portion of the Plan and two (2) are proposed within the third round portion of the Plan.</p> <p>*** A total of 34 units are anticipated from potential excess prior round units due to potential rental bonuses benefit from prior round family rental bonus units, once they are constructed.</p>			

One (1) unit from the Lincoln Apartments project is included within the Third Round portion of the Plan, which is in compliance with the age-restricted unit limitation of one (1) unit calculated for the third round obligation. The Lehigh Acquisition project contributes an additional two (2) units. The Needlepoint homes unit and the three (3) remaining units from the Riverfront Developers LLC project add four (4) more units, bringing the total to seven (7) affordable housing units and satisfying the 5-unit RDP with two (2) excess credits.

A total of 85 affordable housing units and credits are potentially available to address future obligations including all or portion any third round “unmet need.” The units are depicted in the bottom portion of Table 21. As mentioned earlier in this memorandum, on September 21, 2011, the Cranford Township Planning Board adopted a Resolution of Memorialization for Riverfront Developers, LLC (Application No. PO4-11). This resolution increased the number of “Mt. Laurel” units

from 16 up to 19 units. Out of the total 19 units, 16 units address the prior round obligation while the remaining three (3) units are proposed to address future obligations as illustrated within Table 19 and Table 21, respectively.

A total of 33 units within Table 21 are listed as “Potential Excess Prior Round Units Due to Rental Bonus Credits from Prior Round.” These 34 affordable rental units are anticipated to result in the future under the following scenario:

The 54 affordable rental units from Cranford Development Associates and 22 affordable rental units from the Lehigh Acquisition project are anticipated to be constructed by December 31, 2018. The construction of these developments would enable the Township to obtain rental bonus credits for the affordable units up to a maximum of 37 rental bonus credits within the Prior Round Plan. As three (3) rental bonus credits have already been claimed for the three (3) special needs bedrooms, the Township may be able to claim credit for the remaining 34 rental bonus credits following the construction of these projects. This will bring the total number of rental bonus credits within the Prior Round Plan to the maximum of 37 rental bonus credits. The availability of 34 rental bonus credits from these projects, once they are built, would remove the need for 34 of the units from these two developments to remain in the Prior Round Plan. Therefore, 34 of the affordable housing units from these developments could be allocated to provide 34 affordable housing credits in the Third Round Plan.

The 5-unit RDP for the Township has been addressed within Table 21 without the need to utilize the Myrtle Avenue site. As the Myrtle Avenue site is not required in order to achieve compliance, it has been removed from this Plan. Additionally, documentation was required in order to substantiate the credits requested for the existing special needs housing. At this time the Township has been unable to obtain the contractual funding documentation or deed restriction, which would have qualified the two Community Access group homes for credits. These group homes, based upon the Township’s tax records, contain a total of ten (10) bedrooms and therefore would have qualified for ten (10) credits rather than the eight (8) credits mentioned within the 2012 Plan. Although this amended Plan excludes these credits within the prior round, it should be noted that in the event the Township is able to obtain all the necessary documentation, these ten (10) credits shall be claimed at a later date. These credits will be utilized to either satisfy the prior round obligation or the Third Round or any future obligations as per the pertinent housing regulations, legislative action or court decisions at that time.

Based upon the information provided above, a total of four (4) of the five (5) units proposed to address the 5-unit RDP are family rental units, which satisfies the fifty percent minimum family unit requirement set forth at N.J.A.C. 5:97-3.9.

D. Conclusion

This Fair Share Plan addresses the entire 55-unit rehabilitation share, 148-unit prior round obligation and a 5-unit potential third round obligation. In addition, the Plan provides for up to 85 surplus affordable housing credits to apply toward any fair share obligation that is assigned to the Township including any “unmet need” from the third round. As demonstrated above, this Housing Plan Element and Fair Share Plan satisfies all of the applicable requirements set forth within the Substantive Rules, Fair Housing Act, and the UHAC and serves as a sound basis for the Judgment of Repose through December 31, 2018 which is sought by the Township. The strategies, funding sources and implementation measures described herein will be utilized to provide an effective means of constructing affordable housing within Cranford Township.

SECTION III
APPENDICES