

HOUSING ELEMENT AND FAIR SHARE HOUSING PLAN

TOWNSHIP OF RANDOLPH MASTER PLAN



March 29, 2019

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Project Number 2019019.001

The original of this report was signed and
sealed in accordance with N.J.S.A. 45:14A-12.

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THE TOWNSHIP OF RANDOLPH HOUSING ELEMENT AND FAIR SHARE PLAN

I. INTRODUCTION

This document is presented in two parts; which include (i) the Township of Randolph Master Plan Housing Element and (ii) the Township of Randolph Fair Share Plan. This Housing Element and Fair Share Plan addresses the Township's compliance with the Municipal Land Use Law ("MLUL"), relevant Council on Affordable Housing ("COAH") regulations, relevant Uniform Housing Affordability Controls ("UHAC") regulations, the Highlands Water Protection and Planning Act and its rules, regulation and guidance documents (Highlands Act and Regulations), and other applicable law. The Master Plan Housing Element will examine the Township's demographics, and employment characteristics, population and demographic characteristics of the Township of Randolph, along with the housing stock and historic trends throughout the decades. A Housing Plan according to the Municipal Land Use Law C.40:55D-28b(3) must include, but is not limited to, residential standards and proposals for the construction and improvement of housing. The Housing Element shall contain at least the following:

- An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics and type, including the number of units affordable to low and moderate income households and substandard housing capable of being rehabilitated;
- A projection of the municipality's housing stock, including the probable future construction of low and moderate 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;
- An analysis of the existing and probable future employment characteristics of the municipality;
- A determination of the municipality's present and prospective fair share for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing; and
- A consideration of the lands most appropriate for the 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.

The Fair Share Plan will address the plan to meet Randolph's Fair Share Housing Obligation. The Fair Share Plan is part of the Township of Randolph's request to acquire a Judgement of Compliance and Repose ("JOR") from the Court in the Declaratory Judgement Action In the Matter of the Application of the Township of Randolph for Declaratory Judgment, Docket No. MRS-L-1640-15 which was filed in Morris County on July 2, 2015, and will include the projects and strategies to address Randolph's affordable housing obligations.

II. THIRD ROUND HOUSING ELEMENT

A. OVERVIEW

This 2019 Housing Element and Fair Share Plan was prepared in response to the New Jersey Supreme Court Decision decided on March 10, 2015, In re Adoption of N.J.A.C. 5:96 & 5:97 by the N.J. Council on Affordable Housing, 221 N.J. 1 (2015) (“Mount Laurel IV”), and has been prepared in accordance with the Municipal Land Use Law (MLUL) at N.J.S.A. 40:55D-28b(3). The Housing Element and Fair Share Plan has also been prepared to comply with all requirements of the Fair Housing Act (N.J.S.A. 52:27D-301 et seq.), COAH Second Round regulations (N.J.A.C. 5:93-1, et seq.) and Mount Laurel case law.

1. Statewide Affordable Housing History

The affordable housing or Mount Laurel doctrine, started with the 1975 decision by the N.J. Supreme Court involving the Township of Mount Laurel (So. Burl. Cty. N.A.A.C.P. v. Tp. of Mt. Laurel, 67 N.J. 151 (1975) or “Mount Laurel I”). In Mount Laurel I, the Supreme Court decided that under the State Constitution, each municipality “must, by its land use regulations, make realistically possible the opportunity for an appropriate variety and choice of housing for all categories of people who may desire to live there”, including those of low and moderate income. Thus, the Mount Laurel I decision prohibits municipalities from using zoning powers to prevent the potential for the development of affordable housing.

Displeased with progress under its earlier decision, in 1983, the NJ Supreme Court released a second Mount Laurel decision (So. Burlington Ct. N.A.A.C.P. v. Mount Laurel Tp., 92 N.J. 158 (1983) or “Mount Laurel II”). Because the Legislature had not enacted laws to implement the holding in Mount Laurel I, the Court in Mount Laurel II fashioned a judicial, or what is commonly referred to as a “Builder’s remedy”. That remedy created a special process by which builders could file suit for the opportunity to construct housing at much higher densities than a municipality otherwise would allow as long as they set-aside an amount of that housing for low- and moderate-income households. In essence, Builder’s Remedy lawsuits seek to force towns to meet their affordable housing obligations generally utilizing the site proposed by the builder bringing the lawsuit.

Responding to the builder’s remedy litigation generated by the Mount Laurel II decision and the high fair share obligations generated by the AMG Realty Co. v. Warren Tp., 207 N.J.Super. 388 (Law 1984) decision, the State Legislature passed the Fair Housing Act (hereinafter “FHA”) in 1985, which the Supreme Court upheld in (Hills Dev. Co. v. Bernards Twp., 103 N.J. 1 (1986) or “Mount Laurel III”). The Township of Randolph participated in the Mount Laurel III litigation.

The FHA created COAH, and required COAH to adopt criteria and guidelines not only to establish a fair share formula, but also to establish various means by which a municipality could adjust its fair share based upon credits, adjustments and other factors within COAH’s discretion. The FHA also required COAH to adopt criteria and guidelines to identify the techniques available to municipalities to meet its obligation. The FHA included a process for municipalities to obtain Substantive Certification, which, if granted by COAH, would protect municipalities against an exclusionary zoning lawsuit for a defined period of time. The FHA also provided a means by which a municipality in an exclusionary zoning case at that time could seek to transfer its case to the newly created state agency, COAH. Finally, the FHA established an administrative process by which a municipality could bring itself under COAH’s jurisdiction and comply “without litigation” N.J.S.A.

52:27D-303. To implement the FHA requirements, COAH adopted a series of regulations. COAH adopted the First Round regulations in 1986. In the First Round, COAH adopted regulations establishing a fair share formula by which any municipality could ascertain its fair share in the first instance. COAH also adopted regulations to enable municipalities with insufficient land to address the number generated by the formula to adjust their fair share to the number of units that could realistically be achieved through traditional inclusionary zoning, i.e., rezoning suitable sites at densities of at least 6 units per acre with a 20 percent set-aside. The adjusted fair share became the municipality's fair share and COAH imposed no obligation on the municipality beyond its fair share, as adjusted.

COAH adopted its Second Round regulations in 1994. As in the First Round, COAH adopted regulations (a) by which all municipalities could ascertain the number generated by a fair share formula and (b) by which land-poor municipalities could obtain an adjustment to the number generated by the formula. COAH labelled the adjusted number the "realistic development potential" or "RDP" and COAH labelled the difference between the number generated by the formula and the RDP as the "unmet need." In contrast to the First Round regulations where COAH imposed no obligation on land-poor municipalities above their fair share, as adjusted, COAH imposed an obligation on land-poor municipalities above the adjusted fair share. Said another way, while COAH forgave the unmet need in the First Round, it imposed an obligation on municipalities for the unmet need in Second Round. However, COAH gave itself the discretion to impose or not impose an unmet need obligation. It was not mandatory. In this regard, N.J.A.C. 5:93-4.2 (h) provides that COAH "may" require a land-poor municipality to adopt a development fee ordinance, and overlay ordinance and other ordinances to address the so-called unmet need.

Third Round regulations were supposed to be adopted in 1999 when the Second Round rules were set to expire. However, COAH did not adopt the first iteration of Third Round rules until 2004. In 2007, the Appellate Division affirmed portions of COAH's 2004 Third Round rules, but invalidated other aspects of them. See In Re Adoption of N.J.A.C. 5:94 & 5:95, 390 N.J. Super. 1 (App. Div. 2007). The opinion remanded the matter to COAH for adoption of new compliant regulations, and gave the agency six months to do so.

After the Appellate Division gave COAH two extensions of the six month deadline, COAH finally adopted a second set of Third Round rules in September of 2008. Many municipalities submitted Third Round affordable housing plans to COAH and to courts for approval in December of 2008 in response to the new Third Round rules.

On October 8, 2010, the Appellate Division concluded that COAH's revised 2008 regulations suffered from many of the same deficiencies as the first set of Third Round rules, and it invalidated substantial portions of the 2008 Third Round regulations again. See In re Adoption of N.J.A.C. 5:96 & 5:97, 416 N.J. Super. 462 (App. Div. 2010). The decision was appealed to the New Jersey Supreme Court, which invalidated the second version of the Third Round regulations and directed COAH to use a methodology for determining prospective affordable housing needs similar to the methodologies used in the prior rounds.

During this same time period, Governor Christie initiated a series of steps to abolish or reduce the role of COAH. During this time period the Legislature introduced a Bill, which would have radically transformed the affordable housing world. The S-1 Bill in its initial form was supported by Governor Christie. By the time it went through the Assembly, however, a very different bill passed and the Governor conditionally vetoed the Bill.

Frustrated with the lack of movement by COAH to adopt updated Third Round rules, the Supreme Court issued an order on March 14, 2014, which required COAH to adopt new Third Round regulations by October 22, 2014. COAH proposed the third version of Third Round regulations on April 30, 2014. Unfortunately, in October of 2014, the COAH Board deadlocked 3-3 when voting to adopt the third version of Third Round regulations. COAH never made any effort to overcome the deadlock and, consequently, COAH never adopted Third Round regulations for a third time.

In response to COAH's failure to adopt Third Round regulations, on March 10, 2015, the Supreme Court issued Mount Laurel IV. In this decision, the Court (1) found that COAH had violated the March 14, 2014 Order by failing to adopt new Third Round regulations by October 22, 2014, (2) held that, without new Third Round regulations, COAH could not process municipalities' petitions for substantive certification, (3) directed trial courts to assume COAH's functions, and (4) authorized municipalities under COAH's jurisdiction to file Declaratory Judgment Actions along with a motion for Temporary Immunity between June 8, 2015 and July 8, 2015, or risk exposure to Builder's Remedy lawsuits.

While the Supreme Court in the 2015 case declined to adopt a specific methodology or formula to calculate the Third Round affordable housing obligations of the municipalities and instead left that determination to the 15 Mount Laurel Judges (one in each vicinage), it did provide some guidance. The Court also treated municipalities that had participated in the COAH process at the point it issued its decision, but had not yet secured COAH's approval of their affordable housing plans in the same way that the 1985 FHA treated municipalities that had been in builder's remedy litigation at that time and had thereafter secured a transfer of their case from the court to COAH. Such municipalities secured enormous protections from developers seeking to dictate how the municipalities satisfied their obligations.

B. SUMMARY OF RANDOLPH'S AFFORDABLE HOUSING HISTORY AND ACTIVITIES

The Township of Randolph has had a long history of providing affordable housing with respect to its Court and COAH-mandated fair share obligations. The Township participated in the process established by the first round rules by adopting a HEFSP which was dated January 1987. This was filed with the Council on Affordable Housing (COAH). COAH granted First Round substantive certification of a Housing Element and Fair Share Plan to the Township of Randolph on November 16, 1987 and again on March 3, 1988. That same plan was further amended in 1990 and was incorporated into the 1992 Master Plan by reference.

In response to the Second Round regulations COAH adopted in 1994, the Township's 1995 Housing Element and Fair Share Plan initially addressed the Second Round affordable housing obligations. COAH requested additional information in a report dated November 9, 2000, and in response, the Township prepared an amendment to the HEFSP 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 was prepared pursuant to the COAH rules adopted on December 20, 2004. On December 1, 2005, the New Jersey Council on Affordable Housing ("COAH") issued a report "intended to provide guidance to Randolph in preparing its Third Round plan" which also reviewed the Township's efforts to satisfy its prior round obligation. The 2005 COAH Report confirms that Randolph was entitled to 309 credits toward the satisfaction of the new construction portion of its affordable housing obligation. Specifically, the 2005 COAH Report awarded 309 credits to the

Township in connection with the following projects: 100 prior cycle credits for India Brook Senior Housing; 23 credits for 23 bedrooms in 5 alternative living arrangement facilities; 32 credits and 15 rental bonuses for the non-age-restricted, rental units at the Bennett Avenue Family Housing development; 40 credits for the non-age-restricted, ownership units at the Woodmont development; 10 credits for the non-age-restricted, rental units at the Brookside Village Apartments; 38 credits for the non-age-restricted, rental units at the Canfield Mews development; 27 credits for the non-age-restricted, rental units at the Arrowgate Village development; 17 credits for the non-age-restricted, ownership units at the Boulder Ridge development; 6 credits for the non-age-restricted, rental units at a Morris County Affordable Housing Corporation development; and 1 credit for a non-age-restricted ownership unit sponsored by Morris County Habitat for Humanity.

As noted earlier in this Plan, the Appellate Division invalidated COAH's first iteration of Third Round rules in 2007 and required COAH to adopt major changes to its rules. Those rule changes were adopted in June 2008 and again amended in September 2008. The Township's most recent Housing Element and Fair Share Plan dated April 27, 2010 was adopted by the Planning Board on May 17, 2010.

In accordance with the MLUL, COAH's Second Round regulations, and other applicable law, the Township hereby presents this Housing Element and Fair Share Plan to the Court for review and approval by the Courts. In presenting its Plan at this stage, it is important to emphasize that the Township's Third Round affordable housing obligation is driven by the noted water capacity issues. As early as December 2017, the Township filed a waiver request to prevent the exhaustion of its water resources on its affordable housing obligation, and the Court directed the Township to prepare a protocol for pursuing that waiver. By virtue of the imposition of a Scarce Resource Order ("SRO") in June 2018, there is a clear acknowledgement that the Township's water supply is limited because this SRO prevents Randolph from distributing remaining water supply to new users who were not listed on Appendix A attached to the SRO.

The Court entered an Order compelling the Township to file with the Court and serve on all parties a draft updated Housing Element & Fair Share Plan ("HEFSP"), with all the supporting information required by law not later than May 1, 2019. The submission is to include the Township's justification for its claimed fair share obligation for the 1999-2025 period and any request for waivers made by the Township. This Plan utilizes the SRO, as well as a detailed report prepared by the Township's Engineer, Ferriero Engineering, dated September 11, 2018, which calculates the Township's ability to accommodate additional development beyond those projects listed on the SRO based on the available water supply.

1. Existing Credits

Including and in addition to the units outlined in the 2005 COAH Report, the following list inventories the affordable housing units and credits that have been constructed in the Township prior to 2019. It is understood that all documentation required by the Court Master for units that did not previously receive credit from the Court may be necessary to establish their validity.

1. Canfield Mews, 184 Canfield Avenue (Block 41, Lots 1 and 1.01), completed with all affordable certificates of occupancy issued by October 10, 1991, which consists of 192 total rental units with a set-aside of 38 rental affordable units, which includes 19 low and 19 moderate units.

2. Arrowgate, 930 Route 10(Block 42, Lot 122.01), completed with all affordable certificates of occupancy issued by December 31, 1995, which consists of 164 total units with market rate for-sale units and a set-aside of 27 rental affordable units, which includes 14 low and 13 moderate units.
3. Boulder Ridge, Boulder Ridge Drive and Wendover Court (Block 184, Lot 1 and 1.20), which consists of 98 total for-sale units with a set-aside of 17 for-sale affordable units, which includes 8 low and 9 moderate units.
4. Bennett Avenue Family Housing, Bennett Avenue (Block 191, Lots 7, 8, 1, 12 & 13 and Block 195, Lots 3 & 4), which is a 100% affordable project that consists of 32 total rental units, which includes 16 low and 16 moderate units.
5. India Brook Senior Housing, 213 Morris Turnpike (Block 93, Lot 56.01), which is a 100% senior/age-restricted affordable project that consists of 100 total age-restricted units, which includes 50 low and 50 moderate units.
6. Woodmont, Spruce Tree Lane (Block 119, Lot 109.01-109.40), which consists of 201 total units with a set-aside of 40 for-sale affordable units, which includes 20 low and 20 moderate units.
7. Brookside Village Apartments, 21 Brookside Avenue (Block 224, Lot 79.01), which consists of 40 total units with a set-aside of 10 rental affordable units, which includes 5 low and 5 moderate units.
8. Morris County Affordable Housing Corporation, Bennett Avenue (Block 191, Lots 14 & 15), which is a 100% affordable for-sale project that consists of 6 total for-sale units, that are moderate income.
9. Morris County Habitat for Humanity Projects (Habitat I):
 - a. Habitat House, 13 Calumet Road (Block 59, Lot 15), which consists of 1 for-sale unit that is low-income.
 - b. Habitat House, 152 Millbrook Avenue (Block 134, Lot 3.02), which consists of 1 for-sale unit that is low-income.
 - c. Habitat House, 11 Fairlawn Avenue (Block 134, Lot 9), which consists of 1 for-sale unit that is low-income.
10. Group Homes and Supportive Needs Housing:
 - a. Peer Group Housing, 7 Main Street (Block 17, Lot 18), consisting of a 4 bedroom group home of which 2 are low-income and 2 are moderate-income.



- b. ARC Much Dignity House, 18 Cedar Terrace (Block 176, Lot 82), consisting of a 6 bedroom group home, of which all 6 are low-income.
- c. Skylands Group Home, 140 Combs Hollow Road (Block 50, Lot 6), consisting of a 4 bedroom group home of which all 4 are low-income.
- d. High Avenue House, 45 High Avenue (Block 53, Lot 44), consisting of a 4 bedroom group home of which all 4 are low-income.
- e. School House Group Home, 40 Schoolhouse Road (Block 82, Lot 30), consisting of a 5 bedroom group home of which all 5 are low-income.

Additionally, the following units have been approved or constructed post-1986 and prior to 2019; these were not included in the 2005 COAH Report and rather were considered as “New Project Sites” in the 2010 Housing Element and Fair Share Plan:

1. Woodmont, Millbrook Avenue (Block 119, Lot 109.01-109.40)
 - a. Extension of Expiring Controls - Woodmont is an existing inclusionary development with 201 dwelling units, 40 of which are for-sale affordable units. The controls on these units were scheduled to expire by July 1, 2014, but controls were extended pursuant to a new Deed Restrictions for the 40 existing for-sale affordable units.
2. Sunrise Assisted Living, 648 Route 10 (Block 73, Lot 16)
 - a. Sunrise Assisted Living is a senior care and living facility that offers assisted living, short-term stays, memory care, and coordination of hospice services.
 - b. The NJ Department of Health (NJDOH) lists this facility as a long-term care facility with both Medicaid and Private funding, and therefore 8 credits are sought for Medicaid certificates.
3. Brightview Assisted Living, 175 Quaker Church Road (Block 111, Lot 20.01)
 - a. Brightview Randolph is a senior care and living facility that has both independent living apartments, as well as assisted living apartments and memory-care facilities.
 - b. The NJ Department of Health (NJDOH) lists this facility as a long-term care facility with both Medicaid and Private funding, and therefore 6 credits are sought for Medicaid certificates.
6. Group Homes and Supportive Needs Housing:
 - a. Our House, 17 Pamela Drive (Block 35, Lot 28), consisting of a 3 bedroom group home of which all 3 are low-income (CO date October 2013 with 30-year controls).

Finally, the following projects have been approved, but not yet constructed:

1. Grecco Realty, LLC, 477 Route 10 (Block 111, Lot 12.01)

- a. Grecco Realty has an approved shopping center located on the westbound side of Route 10. The developer has received approval to build 10 age-restricted units, with a set-aside of 5 of affordable age-restricted rental units for low- and moderate-income households.
 - b. Consists of an affordable set-aside of 5 age-restricted rental units.
2. Rose of Sharon, 236 Dover Chester Road (Block 21, Lot 29)
- a. The site is developed with an existing two-family dwelling on an oversized lot within the R-1 zone. The developer has received approval to subdivide the property in order to develop two additional single-family dwellings, one of which would be a rental. One unit within the existing two-family structure would be set-aside as an affordable dwelling.
 - b. Consists of an affordable set-aside of 1 rental unit.

| Table A. Summary of Completed Units through 2019 | | | | |
|--|-----------------|------------|-----------------|--------------|
| Township of Randolph, Morris County, NJ | | | | |
| Affordable Units Previously Built in 2010 Housing Element | | | | |
| | Very Low | Low | Moderate | Total |
| <i>Rental</i> | -- | 54 | 53 | 107 |
| <i>Group Home/Special Needs</i> | -- | 24 | 2 | 28 |
| <i>For-Sale</i> | -- | 31 | 35 | 66 |
| <i>Age-Restricted</i> | -- | 50 | 50 | 100 |
| Total | | | | 299 |
| Affordable Units Previously Approved or Built | | | | |
| <i>Rental</i> | -- | 3 | 3 | 6 |
| <i>For Sale</i> | -- | 20 | 20 | 40 |
| <i>Special Needs/Assisted Living</i> | -- | 17 | -- | 17 |
| Total | | | | 63 |
| Total Completed or Approved Units | | | | |
| <i>Total Existing</i> | | | | 363 |

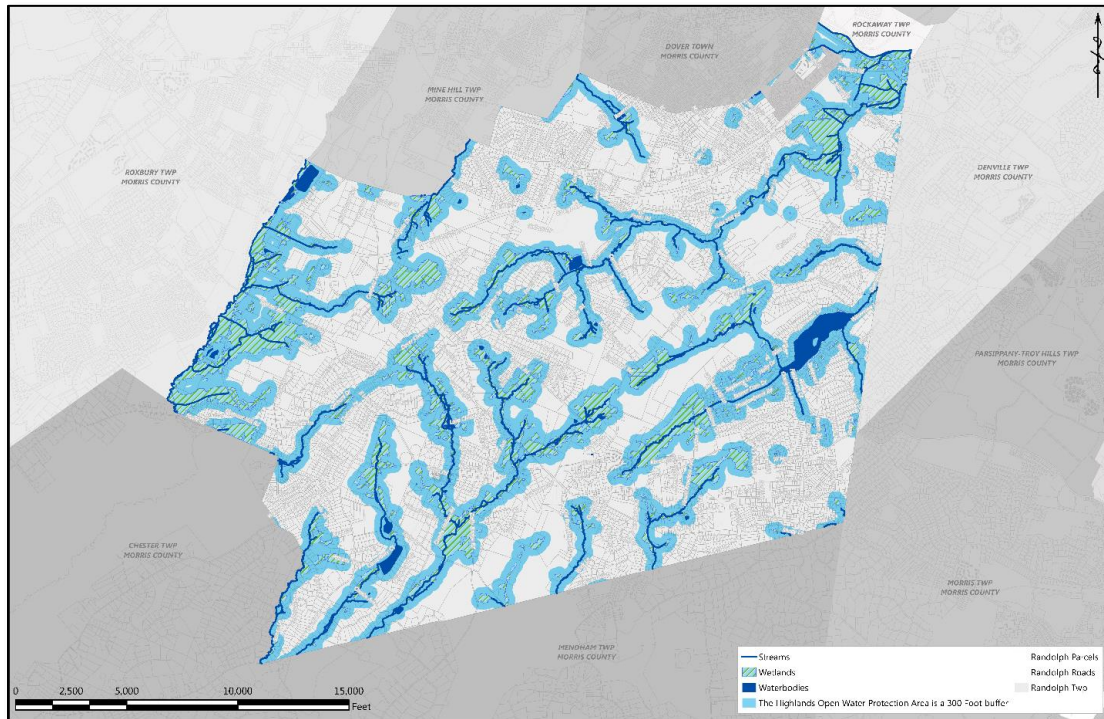
C. DEVELOPMENT CONSTRAINTS IN RANDOLPH

1. Highlands Water Protection and Planning Act Rules (N.J.A.C. 7:38)

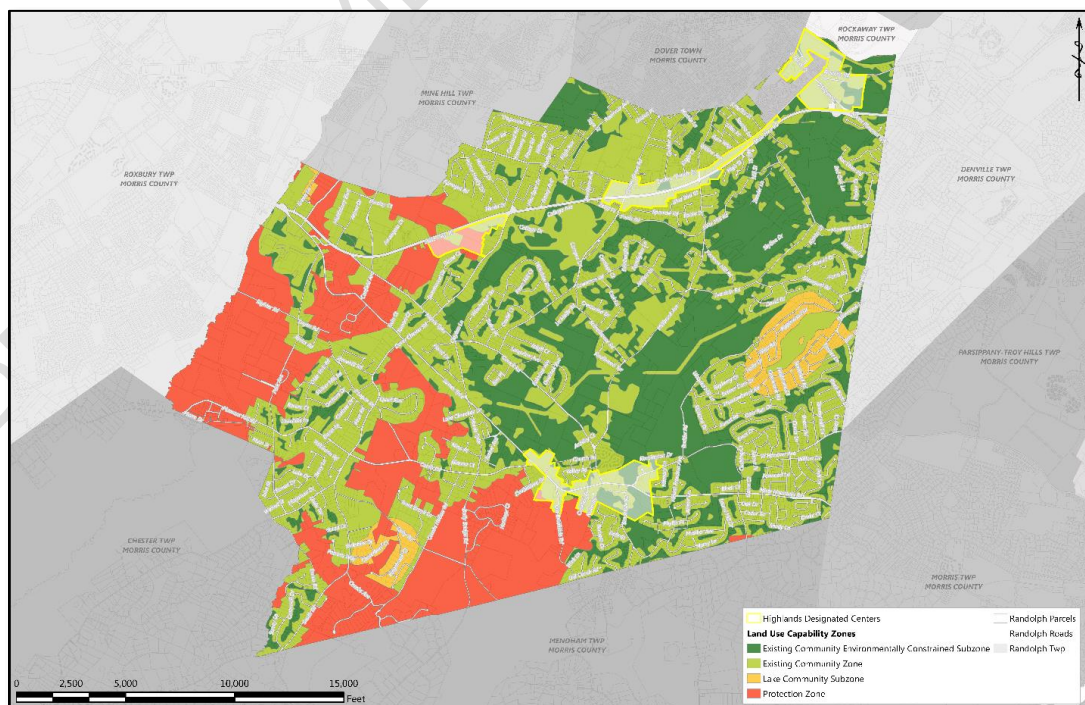
Randolph is located in the Highlands Region, which is established by the Highlands Water Protection and Planning Act of 2004. Overall, about ten (10%) percent, or 581 acres, of the Township in the preservation area and ninety (90%) percent, 12,961 acres, in the planning area. The Township submitted a Petition for Plan Conformance for both areas, which was approved by the Highlands Council on January 17, 2013. The Highlands Council does not issue permits, but does review proposed projects throughout the Highlands Region for consistency with the Highlands Act and Highlands Regional Master Plan (RMP). Applications involving projects in the Preservation Area are reviewed and permitted by the New Jersey Department of Environmental Protection (NJDEP), Division of Land Use Regulation. The following map depicts the planning area in dark grey, and the preservation area in the northwest extent in light grey. Additionally, the map depicts various preserved open space and farmland parcels, which further reduce the available developable land in Randolph.



The Highlands Regional Master Plan addresses components necessary to protect the natural, scenic and other Highlands resources, including but not limited to, forests, wetlands, stream corridors, steep slopes, and critical habitat for flora and fauna. More specifically, the Highlands Open Water Protection Areas (N.J.A.C 7:38-3.6) requires a 300-foot buffer from certain waterways and bodies of water. The following map shows additional constraints based on wetlands, waterways, and open water buffer areas.



In addition to conservation efforts, the Highlands Act designates certain areas where development and redevelopment is planned and encouraged, known as Highlands Centers. These are intended to support balance in the Highlands Region by providing for sustainable economic growth while protecting critical natural and cultural resources. Randolph has four (4) Highlands Center designations which include: (a) Mount Freedom Highlands Village Center, (b) Route 10 Corridor/East Highlands Center, (c) Route 10 Corridor/West Highlands Center, and (d) South Salem Street Highlands Redevelopment Center.



Likewise, Land Use Capability Zones were developed pursuant to N.J.A.C. 7:38-1.1(a), whereby the Highlands Council has included a land use capability map and a comprehensive statement of policies for planning and managing the development and use of land in its Regional Master Plan. Randolph in particular includes areas in the Protection Zone, Existing Community Zone, and the Existing Community Environmentally Constrained and Lake Community Sub-Zones. Zone designation provides all levels of government (federal, State, county, and municipal) and the public with an indication of capacity and where special consideration is required to protect regionally significant resources.

2. History of the Highlands Region and COAH

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 initially to December 8, 2009 and further to June 8, 2010 for communities that expressed their nonbinding intent to conform to the Regional Master Plan (RMP). The MOU also established a scarce resource order on 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 last HE&FSP was prepared in 2010 and submitted to COAH for substantive certification. Due to challenges to its regulations COAH did not conduct a substantive review of that plan and no substantive certification was received. In 2013, in the Highlands Council review of the Randolph's Highlands Master Plan Element for consistency of the Petition for Plan Conformance with the Highlands Regional Master Plan (RMP), the Council "recognized that the main component of the Council on Affordable Housing (COAH) Third Round rules was invalidated in 2010 and an appeal of that invalidation is pending in the New Jersey Supreme Court; that COAH's *Guidance for Highlands Municipalities that Conform to the Highlands Regional Master Plan* was invalidated by the Appellate Division of the Superior Court; that significant changes to State laws pertaining to the provision of affordable housing are being considered; that Governor Christie's Reorganization Plan No. 001-2011 (issued June 29, 2011) eliminated COAH and transferred its functions and duties to the Department of Community Affairs (DCA); and that the Appellate Division of the Superior Court invalidated the Governor's Reorganization Plan in a March 8, 2012 decision, reversing the abolition of COAH and the transfer of its function, powers and duties to the DCA". However, the review also recognized that as required by the Highlands Act and the Fair Housing Act, COAH has the responsibility to determine affordable housing obligations and must take the Highlands Regional Master Plan into consideration in discharging this responsibility.

Water provided by the Township in the Randolph service area is purchased exclusively from the Morris County Municipal Utilities Authority (“MCMUA”), whose source is ground water, known as the Almatong well fields. The Randolph Township water utility obtains 100% of the water in its system from the MCMUA and is solely dependent upon the MCMUA for any additional water supply. The contract between the Township and the MUA sets the maximum amount of water the Township has to distribute. The contractual peak daily flow (Firm Capacity) is 3.12 millions of gallons per day (MGD). The available water capacity for any water system is defined by the NJDEP as the Firm Capacity minus the sum of the peak daily demand plus the committed peak. There are six MCMUA wells located in Randolph and Chester townships and two wells in Flanders Valley located in Mount Olive and Roxbury Townships. These wells draw from the Upper and Lower Stratified Glacier Drift and the Lower Liethsville Limestone Formations. Multiple reports prepared by the Township engineer as part of the declaratory judgment proceedings conclusively demonstrate the inability of the MCMUA to secure permits from the New Jersey Department of Environmental Protection (“NJDEP”) to obtain new water supply sources, despite repeated efforts by the MCMUA to do so. Thus, the Randolph Township water utility has a finite water capacity available for its present customers and, most importantly for the purposes of this Plan, its future growth.

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lawn watering regulations in May of 2007 for properties which receive water provided by the Township of Randolph and the Town of Dover. These regulations impose restrictions on residential lawn watering during the summer months and supplement Chapter 50, Water and Sewers, of the Revised Ordinances of the Township of Randolph. This local policy is in line with the Highlands Council's encouragement and support for the development of municipal-wide water conservation ordinances. Additionally, the review of the Township's Highlands Master Plan Element in 2013 requested that the "Township work with the Highlands Council to develop a comprehensive Water Use and Conservation Management Plan to be funded in the later stages of Plan Conformance." As early as December 2017, the Township made a waiver request to prevent the exhaustion of its water resources on its affordable housing obligation, and the Court directed the Township to prepare a protocol for pursuing that waiver. By virtue of the imposition of a Scarce Resource Order ("SRO") in June 2018, there is a clear acknowledgement that the Township's water supply is limited because this SRO prevents Randolph from distributing remaining water supply to new users who were not listed on Appendix A attached to the SRO. In addition to the SRO, the Township's Engineer, Ferriero Engineering, prepared a more detailed report dated September 11, 2018, which calculates the Township's ability to accommodate additional development based on the available water supply.

In relation to the COAH Second Round Regulations, there is a provision that stipulates that a municipality can seek relief from the use of an entire resource (land, water, sewer) in addressing its affordable housing obligation per N.J.A.C. 5:93-4.5. The Township has sought relief from the Court under this section of the Second Round regulations. The Township Engineer's report validates the Township's position and provides a technical analysis of the water supply in relation to both approved and anticipated development (see Appendix A). This report largely shapes the basis for the amount of development that may occur in Randolph according to the availability of water supply, and ultimately helps establish a determination of the Township's targeted obligation. The report found that the net available water capacity ("NAWC") of the Township of Randolph limits the level of all future new development in the Township. With minimal allocation (5.4%) of the NAWC to future non-residential development to service the expansion of the residential base and a similar minimal allocation to single family detached units (8.4/year), there remains sufficient NAWC to accommodate the demand of an aggregate 325 multifamily residential units, consisting of an estimated 20%, or 65 units available to low- and moderate-income unit set-aside, and an additional share of 260 market units.

Sites that have been analyzed and determined to have already or to realistically receive water during the period of substantive certification shall be included – which largely relates to those listed on Appendix A attached to the SRO. A complicating factor, however, relates to specific sites that were included as new users listed on Appendix A attached to the SRO, but were included on this list at a gallonage demand lesser than that the current development proposed to be part of this Plan – therefore requiring additional capacity.

D. HOUSING, DEMOGRAPHIC AND EMPLOYMENT INFORMATION

The following detailed Housing, Demographic, and Employment background information regarding Randolph helps to describe and create an inventory of characteristics in the Township of Randolph that directly apply to current and future housing demand in the town and region. This analysis will include population demographics, housing characteristics, regional comparison, and recent trends.

1. Analysis of Population and Demographics

The following tables look to analyze the population trends in Randolph from the decennial Census and American Community Survey data. An analysis of population demographics in a target area can help a community to understand and plan for the range of people that live and work within its borders. Also, local population demographics understood in the context of and compared to the larger regional area provides a unique opportunity to understand larger geographic implications of present conditions and future local and regional opportunities. This demographic profile was broken down into functional areas including: analyses of community demographics, housing stock, and employment data.

Population

Table 1, which depicts the population change since 1930, shows that from 1940 to 1970, the Township saw a significant increase in population. The numbers demonstrate that the population spiked mostly between the 1950s and 1970s, and subsequently the Township saw a less extreme, but consistent increase thereafter throughout the 1980s, 1990s, and 2000s. Since the 2000s, the Township of Randolph has experienced minor fluctuations as increases in population that have become less volatile in recent years, dropping to a 3.6% increase between 2000 and 2010, and a 0.7% increase between 2010 and 2017.

Randolph's largest increase in growth occurred from the 1940s to the 1960s. The Township's population experienced a near doubling during the 1940s, and then

increase by 70% and 82% thereafter in the 1950s and 1960s, despite the Township losing a population count of approximately 1,000 due to the incorporation of the Victory Gardens Borough from Randolph in 1951. The population continued on a steadier incline with a 34% increase during the 1970s. In recent years, the Township's population has shown signs of stabilization, with increases under 15% in the 1980s, with the largest increase between 1990 and 2000 with 24%.

When compared to Morris County as a whole (Table 2), the Township has experienced similarly modest and steady increases from 2000 through 2010. Both the County and the Township saw

**Table 1: Population 1930-2017,
Township of Randolph**

| Year | Total Population | % change |
|--------|------------------|----------|
| 1930 | 2,165 | -- |
| 1940 | 2,160 | -0.23% |
| 1950 | 4,293 | 98.8% |
| 1960 * | 7,295 | 69.9% |
| 1970 | 13,296 | 82.3% |
| 1980 | 17,828 | 34.1% |
| 1990 | 19,974 | 12.0% |
| 2000 | 24,847 | 24.4% |
| 2010 | 25,734 | 3.6% |
| 2017 | 25,918 | 0.72% |

Source: U.S. Bureau of the Census, Decennial Censuses
American Community Survey 2012-2016 5-yr Estimate

*Victory Gardens Borough was incorporated from Randolph in 1951 with a population of 1,085.

modest increases in population during the 1990s, and mirrored subsequent lesser increases during the 2010s.

| Table 2: Population 1990-2010 Township of Randolph and Morris County | | | | |
|---|-----------------|-----------------|----------------------|-----------------|
| | Randolph | % Change | Morris County | % Change |
| 2000 | 24,847 | -- | 470,212 | -- |
| 2010 | 25,734 | 3.6% | 492,276 | 4.7% |
| 2017 | 25,918 | 0.72% | 498,847 | 1.3% |
| <i>Source: U.S. Bureau of the Census, 2000-2010 Decennial Censuses and 2013-2017 American Community Survey 5-Year Estimates</i> | | | | |

Age Characteristics

Understanding the age make up of a community is important when planning for new housing, resources, and the future of the Township as a whole. Looking at a further breakdown of population data by age and sex, it shows that the Township's population is concentrated in specific age cohorts. Table 3 to the right depicts that nearly 34% of the population is 40-59 years old, while another 27% is 0-19 years old. Age cohorts ranging from 20-39 years old make up 20% of the population, while those over 60 make up 19%. These age cohorts generally suggest that Randolph consists largely of families with middle-aged parents and children.

Table 4 complements the data and compares it to that of Morris County as a whole. It depicts the steady increase of the age cohort of 18 to 24 year olds in both Randolph and Morris County from 2000 to 2017 – for Randolph from 5.1% to 8.8% to 9.1%, and for Morris County from 6.4% to 9.8% to 11%, respectively. Contrastingly, both the County and Township saw steady declines in the under 5 population, suggesting that less children are being born or less families with small children are moving here in recent years.

Both Morris County and Randolph have seen a steady decline in the 25 to 34 age cohort with numbers in 2000 recorded at 12.4 and 13.4 percent, respectively, which decreased to 11.3 and 11.4 in 2017, respectively. Additionally, Randolph experienced a slight uptick in the 35 to 44 age cohort between 2000 and 2010, which later sharply declined by almost 5% according to the 2017 numbers; however, Morris County saw a steady decline from 2000 onward in this age

| Table 3: Population by Sex and Age 2017, Township of Randolph | | | |
|--|------------|---------------|-------------|
| | All | Female | Male |
| Total 2010 Census Population | 25,918 | 13,240 | 12,678 |
| Under 5 years | 1,435 | 781 | 654 |
| 5 to 9 years | 1,400 | 736 | 664 |
| 10 to 14 years | 2,173 | 1,029 | 1,144 |
| 15 to 19 years | 2,068 | 1,096 | 972 |
| 20 to 24 years | 1,349 | 709 | 640 |
| 25 to 29 years | 1,018 | 539 | 479 |
| 30 to 34 years | 1,592 | 775 | 817 |
| 35 to 39 years | 1,324 | 709 | 615 |
| 40 to 44 years | 1,896 | 905 | 991 |
| 45 to 49 years | 2,179 | 1,185 | 994 |
| 50 to 54 years | 2,474 | 1,261 | 1,213 |
| 55 to 59 years | 2,191 | 1,124 | 1,067 |
| 60 to 64 years | 1,547 | 678 | 869 |
| 65 to 69 years | 1,154 | 549 | 605 |
| 70 to 74 years | 721 | 329 | 392 |
| 75 to 79 years | 669 | 411 | 258 |
| 80 to 84 years | 312 | 155 | 157 |
| 85 years and over | 416 | 269 | 147 |
| Median age (years) | 41.8 | 41.7 | 41.8 |
| <i>Source: U.S. Bureau of the Census, 2013-2017 American Community Survey 5-Year Estimates</i> | | | |

cohort. Overall, the fluctuations between the age cohorts suggest that the age makeup of Randolph, and in Morris County overall, has been shifting over time.

| Table 4: Population by Age 2000-2017, Township of Randolph and Morris County | | | | | | | | | | | | |
|---|-----------------|----------|----------------------|----------|-----------------|----------|----------------------|----------|-----------------|----------|----------------------|----------|
| Age | 2000 | | | | 2010 | | | | 2017 | | | |
| | Randolph | | Morris County | | Randolph | | Morris County | | Randolph | | Morris County | |
| | # | % | # | % | # | % | # | % | # | % | # | % |
| Under 5 | 1,881 | 7.6 | 32,466 | 6.9 | 1,307 | 5.1 | 28,739 | 5.9 | 1,435 | 5.5 | 24,949 | 5.0 |
| 5 to 17 | 5,441 | 21.9 | 83,822 | 17.8 | 6,415 | 25.0 | 101,524 | 20.7 | 5,641 | 21.8 | 97,372 | 19.5 |
| 18 to 24 | 1,272 | 5.1 | 30,043 | 6.4 | 2,249 | 8.8 | 47,948 | 9.8 | 2,367 | 9.1 | 54,752 | 11.0 |
| 25 to 34 | 3,089 | 12.4 | 62,924 | 13.4 | 3,139 | 12.2 | 62,877 | 12.8 | 2,916 | 11.3 | 56,643 | 11.4 |
| 35 to 44 | 4,915 | 19.8 | 87,939 | 18.7 | 5,266 | 20.5 | 85,634 | 17.5 | 4,075 | 15.7 | 73,869 | 14.8 |
| 45 to 54 | 4,221 | 17.0 | 71,707 | 15.2 | 3,963 | 15.5 | 71,385 | 14.6 | 4,665 | 18.0 | 80,742 | 16.2 |
| 55 to 64 | 2,038 | 8.2 | 40,900 | 8.7 | 1,729 | 6.7 | 35,252 | 7.2 | 2,013 | 7.8 | 42,451 | 8.5 |
| 65 & Over | 1,824 | 7.3 | 54,461 | 11.6 | 1,582 | 6.2 | 56,452 | 11.5 | 3,806 | 10.8 | 68,069 | 13.6 |
| Total | 24,847 | 100 | 470,212 | 100 | 25,650 | 100 | 489,811 | 100 | 25,918 | 100 | 498,847 | 100 |

Source: U.S. Decennial Censuses, 2000, and 2010, and 2013-2017 American Community Survey 5-Year Estimates

Race

Table 5 shows the racial breakdown of the population according to responses from the 2013-2017 American Community Survey 5-Year Estimates. Over 97% of the population responded as “One Race,” with 81.9% responding as white. The next largest racial group in Randolph is Asian at 10.6%, followed by 2.8 percent responding as Black or African American and 2.7 percent responding as “two or more races”.

Household Size and Characteristics

In addition to population demographics, household size in relation to the population helps to characterize the Township. Using Decennial Census data from 2000 and 2010 and 2013-2017 ACS data, Table 6 below shows that the Average Household Size in Randolph has fluctuated marginally from 2000 to 2017, in conjunction with a steady increase in population and a similar fluctuation in the number of occupied housing units. Morris County as a whole saw a similar fluctuation in the average household size from 2.72 to 2.68 to 2.72. Similar to Randolph, Morris County as a whole experienced an increase in household population, and an increase/decrease fluctuation in occupied housing units between 2000 and 2017.

| Table 5: Population by Race, 2017 Township of Randolph, NJ | | |
|---|----------|----------|
| | # | % |
| One Race | 25,220 | 97.3 |
| White | 21,249 | 81.9 |
| Black or African American | 737 | 2.8 |
| American Indian/Alaska Native | 0 | 0 |
| Asian | 2,745 | 10.6 |
| Native Hawaiian/Other Pacific Islander | 34 | 0.13 |
| Some Other Race | 455 | 1.8 |
| Two or More Races | 698 | 2.7 |
| Total population | 25,918 | 100.0 |

Source: U.S. Census, 2013-2017 American Community Survey 5-Year Estimates

**Table 6: Households And Population 2000 to 2017,
Township of Randolph and Morris County**

| | 2000 | | | 2010 | | | 2017 | | |
|----------------------|---------------|------------------------|-------------|---------------|------------------------|-------------|---------------|------------------------|-------------|
| | HH Population | Occupied Housing Units | Avg HH Size | HH Population | Occupied Housing Units | Avg HH Size | HH Population | Occupied Housing Units | Avg HH Size |
| Randolph | 24,847 | 8,679 | 2.86 | 25,734 | 9,013 | 2.85 | 25,918 | 8,991 | 2.87 |
| Morris County | 470,012 | 169,711 | 2.72 | 492,276 | 189,842 | 2.68 | 498,847 | 180,124 | 2.72 |

Source: U.S. Census, 2010

**Table 7: Household Size, 2010
Township of Randolph**

| Household Size | Number of Households | Percent |
|-------------------------------------|----------------------|---------|
| 1 Person | 1,609 | 18.0 |
| 2 Persons | 2,641 | 29.6 |
| 3 Persons | 1,691 | 19.0 |
| 4 Persons | 1,954 | 21.9 |
| 5 Persons | 756 | 8.5 |
| 6 or More | 266 | 3.0 |
| Total Occupied Housing Units | 8,917 | 100 |

Source: U.S. Census, 2010

Table 7 shows that household sizes in occupied housing units was highest for 2 persons in Randolph 29.6%, closely followed by 4 persons at 21.9%.

The American Community Survey was utilized to evaluate Randolph income characteristics compared to Morris County as a whole. Table 8 demonstrates that the per capita income and the median household income in Randolph, \$59,088 and \$156,339, are both higher than the County per capita income and median household income, \$53,491 and \$130,058.

In addition to a higher per capita income, fewer Randolph residents are living below the poverty level. Based on the 2013-2017 American Community Survey (Table 8) 2.4%

of Randolph residents compared to 2.9% of Morris County residents are living below the poverty level. Compared to the State of New Jersey as a whole, Randolph fares better economically.

**Table 8: Income Characteristics – 2013-2017 ACS,
Township of Randolph and Morris County**

| | Township of Randolph | Morris County | State of New Jersey |
|---|----------------------|---------------|---------------------|
| Median Household Income | \$128,125 | \$107,034 | \$101,634 |
| Median Family Income | \$156,339 | \$130,058 | \$90,575 |
| Per Capita Income | \$59,088 | \$53,491 | \$37,538 |
| Percent of Persons Below Poverty Level | 2.4% | 2.9% | 10.9% |

Source: Selected Economic Characteristics, 2013-2017 American Community Survey 5-Year Estimates

The income limits in Table 9 were produced by the Affordable Housing Professionals of New Jersey in 2018 to set the Affordable Housing Regional Income Limits. The table shows the very low income, low income, and moderate-income thresholds for Region 2, including Morris County, for each household size. Specific rows are for calculating the pricing for one and three-bedroom sale and rental units per N.J.A.C. 5:80-26.4(a).

**Table 9: Affordable Housing Professionals of New Jersey
2018, Affordable Housing Regional Income Limits
Region 2 - Morris County, New Jersey**

| Household Size | Moderate Income | Low Income | Very Low Income |
|----------------|-----------------|------------|-----------------|
| 1 Person | \$52,762 | \$32,976 | \$19,786 |
| 1.5 Persons* | \$56,531 | \$35,332 | \$21,199 |
| 2 Persons | \$60,299 | \$37,687 | \$22,612 |
| 3 Persons | \$67,837 | \$42,398 | \$25,439 |
| 4 Persons | \$75,374 | \$47,109 | \$28,265 |
| 4.5 Persons* | \$78,389 | \$48,993 | \$29,396 |
| 5 Persons | \$81,404 | \$50,878 | \$30,527 |
| 6 Persons | \$87,434 | \$54,646 | \$32,788 |
| 7 Persons | \$93,464 | \$58,415 | \$35,049 |
| 8 Persons | \$99,494 | \$62,184 | \$37,310 |

Source: Affordable Housing Professionals of New Jersey
* These are for calculating the pricing for one and three-bedroom sale and rental units per N.J.A.C. 5:80-26.4(a)

2. Analysis of Housing Characteristics

Age of Housing

Randolph is a substantially developed community. Population spikes in from the 1960s to 1980s were caused by a large increase in the number of houses being built during this time. From 1960 to 1979, 3,463 houses were built and then, from 1980 to 1999, another 3,113 houses were built. From 1950 to 1990 there was an increase of nearly 15,000 people, which correlates to the spike in residential construction. The Township continued to experience construction to a lesser extent through 2009.

The continued population growth through 2010 occurred in conjunction with the construction of an additional 547 homes during that same period. The population has begun to show signs of leveling off. There was only a 3.6% increase in population from 2000 to 2010, and the 2013-2017 American Community Survey estimates that from 2010 to 2017 there has only been a 0.72% increase in population. This is echoed in Table 10 which demonstrates an estimate that there have only been 52 houses built since 2010. Due to continued construction, the age of housing in Randolph is more evenly distributed than Morris County as a whole. Whereas 73.1% of Randolph's housing was built between 1960 and 1999, comparatively, Morris County has 55.7% in the same period. Morris County has a larger share of housing built prior to 1959, with 34.6%, while Randolph has 19.6%. Construction since 2000 has been comparatively close for Randolph and Morris County, with 9.7% and 7.1%, respectively.

**Table 10: Age of Housing – 2013-2017 ACS,
Township of Randolph and Morris County**

| Year Housing Unit Built | Township of Randolph | | Morris County | |
|-------------------------|----------------------|---------|-----------------|---------|
| | Number of Units | Percent | Number of Units | Percent |
| 2014 or later | 31 | 0.3% | 848 | 0.5% |
| 2010 – 2013 | 21 | 0.2% | 2,149 | 1.2% |
| 2000 – 2009 | 595 | 6.6% | 14,467 | 8.0% |
| 1980 – 1999 | 3,113 | 34.6% | 45,474 | 25.2% |
| 1960 – 1979 | 3,463 | 38.5% | 54,858 | 30.5% |
| 1940 – 1959 | 1,433 | 15.9% | 38,337 | 21.3% |
| 1939 or earlier | 335 | 3.7% | 23,991 | 13.3% |
| Total | 8,991 | 100% | 180,124 | 100% |

Note: Figures may not add due to rounding
Source: 2013-2017 American Community Survey 5-Year Estimates

Table 11 show that the number of residential building permits from 2010 onward has increased steadily. This depiction is likely skewed due to the economic recession period through most of 2012. As an example of the impact of this, from 2010 to 2012, 45 building permits were issued, and comparatively, 190 were issued from 2014 to 2016. Data from 2017 showed a large incline in residential development, with 90 building permits issued; however, data through November 2018 showed a recent decline with just 35 building permits issued. This data may suggests that the scarce resource of water in the Township has an impact on development patterns, and may cause an unpredictable fluctuation over time.

**Table 11: Residential Building Permits, 2010-2017
Township of Randolph**

| Year | Residential Building Permits |
|---------------|------------------------------|
| 2010 | 2 |
| 2011 | 5 |
| 2012 | 20 |
| 2013 | 18 |
| 2014 | 71 |
| 2015 | 61 |
| 2016 | 40 |
| 2017 | 93 |
| 2018 * | 35 |
| Total | 345 |

Source: New Jersey Department of Labor and Workforce Development
*Through November 2018

Table 12 shows the housing size by the number of rooms, and compares Randolph to Morris County as a whole. In general, Randolph has a larger number of occupied housing with more rooms, with 73.2% of housing have 6 or more rooms. Of that 73.3%, 55.5% is accounted for by 8 or more rooms. In comparison, Morris County as a whole has a more even distribution of housing sizes, but still has a large share of housing with multiple rooms with 89.1% of housing having 4 or more rooms.

**Table 12: Housing Size by Number of Rooms - 2013-2017 ACS,
Township of Randolph and Morris County**

| Number Of Rooms | Township of Randolph | | Morris County | |
|---------------------|----------------------|---------|-----------------|---------|
| | Number of Units | Percent | Number of Units | Percent |
| 1 Room | 1,832 | 0.7% | 52 | 0.6% |
| 2 or 3 Rooms | 17,675 | 9.8% | 1,036 | 11.5% |
| 4 or 5 Rooms | 39,323 | 21.8% | 1,323 | 14.7% |

| | | | | |
|--|---------|-------|-------|-------|
| 6 or 7 Rooms | 49,241 | 27.3% | 1,590 | 17.7% |
| 8 or more Rooms | 72,053 | 40.0% | 4,990 | 55.5% |
| Total | 180,124 | 100% | 8,991 | 100% |
| Source: 2013-2017 American Community Survey 5-Year Estimates | | | | |
| Note: Percentages May Not Add Due To Rounding | | | | |

The vast majority of housing in Randolph is owner-occupied, with 76% of all occupied housing as owner-occupied. Just under 25% of all occupied housing in Randolph is renter occupied.

The total vacancy rate in the Township is 4.3%, based on the 2013-2017 ACS, which reported that 408 units were vacant out of 9,399 total units – meaning 8,991 units were occupied. The vacancy rate for owner occupied is 0.2, while the renter vacancy rate is 7.3.

Table 14 shows the value of owner occupied housing reported by the 2013-2017

**Table 13: Tenure and Housing Vacancy Rates, 2013-2017 ACS
Township of Randolph**

| | Total | Owner Occupied | Renter Occupied |
|----------------------------|--------------|-----------------------|------------------------|
| Total Housing Units | 9,399 | 6,842 | 2,149 |
| Vacant Units | 408 | - | - |
| Vacancy Rate | 4.34 | 0.2 | 7.3 |

Source: Occupancy Status, 2013-2017 American Community Survey 5-Year Estimates

(1) Includes all vacant units, including those rented or sold but not occupied, seasonal recreational and occasional use units, and "other" vacant units.

(2) Includes units available for sale only

(3) Includes units available for rent.

American Community Survey. Based on the data provided, the majority of the housing in Randolph at 50.2%, is valued between \$500,000 and \$999,999. The next most common bracket for housing value is \$300,000 to \$499,999 at 40.7%, meaning that 90.9% of the housing in Randolph is valued between \$300,000 and \$999,999. Similarly, the majority of housing located within Morris County at 40.4% is valued between \$300,000 and \$499,999. However, housing values in the County are more evenly distributed in the lower values, with 6.2% of housing valued under \$199,999, whereas Randolph's housing stock is comprised of 2.76% for this bracket. Contrastingly, the share of housing valued at \$1 million or more is 1.9% for Randolph, while the County has 5.7% of its housing valued in this bracket.

**Table 14: Value of Owner Occupied Housing, 2013-2017 ACS
Township of Randolph and Morris County**

| Housing Value | Township of Randolph | | Morris County | |
|-------------------------------|-----------------------------|----------------|------------------------|----------------|
| | Number of Units | Percent | Number of Units | Percent |
| Under \$50,000 | 78 | 1.14% | 2,454 | 1.8% |
| \$50,000 to \$99,999 | 23 | 0.33% | 1,133 | 0.84% |
| \$100,000 to \$149,999 | 30 | 0.43% | 3,310 | 2.4% |
| \$150,000 to \$199,999 | 59 | 0.86% | 1,630 | 1.2% |
| \$200,000 to \$299,999 | 302 | 4.4% | 19,364 | 14.3% |
| \$300,000 to \$499,999 | 2,787 | 40.7% | 54,588 | 40.4% |
| \$500,000 to \$999,999 | 3,433 | 50.2% | 44,684 | 33.1% |
| \$1,000,000 or more | 130 | 1.9% | 7,667 | 5.7% |
| Total | 6,842 | 100% | 135,197 | 100% |

Note: Figures may not add due to rounding.

Source: Value of Owner-occupied housing units, 2013-2017 American Community Survey 5-Year Estimates

Table 15 depicts that the majority of rent levels in Randolph were found to be between \$1,000 and \$1,499, with 62.7% reported falling in that range. Each of the other rent brackets do not make up a significant portion of the 2,149 rental units. 15% of housing was estimated to be between \$1,500 and \$1,999, and the next largest bracket was \$500 to \$999, which was comprised of 7.3% of rental units. While 4.7% responded with “less than \$500”, this reporting may be family contributions or informal rent situations, considering that the other 88% of rental housing was estimated to be \$1,000 or more.

| Table 15: Rent Levels, 2013-2017 ACS Township of Randolph | | |
|---|-----------------|-------------|
| Rent | Number of Units | Percent |
| Less than \$500 | 101 | 4.7% |
| \$500 to \$999 | 156 | 7.3% |
| \$1,000 to \$1,499 | 1,347 | 62.7% |
| \$1,500 to \$1,999 | 323 | 15.0% |
| \$2,000 to \$2,499 | 102 | 4.7% |
| \$2,500 to 2,999 | 36 | 1.7% |
| \$3,000 or more | 11 | 0.51% |
| No cash rent | 73 | 3.4% |
| Total | 2,149 | 100% |
| Source: Contract Rent for Renter-occupied housing units, 2013-2017 American Community Survey 5-Year Estimates | | |

3. Analysis of Employment Characteristics

Historical employment data and trends for Randolph Township are illustrated in Table 16, which shows covered employment by general sector for 2014. The annual average number of covered jobs in Randolph for that year was 8,036. Almost 78 percent of those jobs were in the private sector and 21.6 percent of the covered employment was within the local government. That number included educational employment. Covered employment, which is jobs in both the private and public sectors that are covered by unemployment insurance, is reported by the New Jersey Department of Labor and Workforce Development on a quarterly basis. These are jobs found within the Township and should not be confused with data for employed individuals residing in Randolph.

| Table 16: Covered Employment Summary, 2014 Township of Randolph | | | | | | |
|--|--------------|--------------|--------------|--------------|----------------|------------|
| Sector | March | June | September | December | Annual Average | |
| | | | | | Number | Percent |
| Federal | 4 | 4 | 4 | 4 | 4 | 0.0 |
| State | 32 | 31 | 29 | 29 | 30 | 0.4 |
| Local | 2,080 | 1,722 | 2,199 | 1,614 | 1,739 | 21.6 |
| Private | 6,099 | 6,587 | 6,220 | 6,237 | 6,263 | 77.9 |
| Total | 8,215 | 8,344 | 8,452 | 7,884 | 8,036 | 100 |
| Source: New Jersey Department of Labor and Workforce Development | | | | | | |

Based on the “Major Employers in Morris County, 2018” prepared by the Morris County Office of Planning and Preservation, there are a number of major employers in the County with 500 employees or more. Table 17 depicts entities who employ over 500 people and it is not reflective of all of the businesses and employers within the County. There are more than 450 businesses located within Randolph’s border, which largely include businesses that offer retail services.

| Table 17: Morris County, Major Employers 2018 |
|--|
| Employer |
| Picatinny Arsenal |
| Atlantic Health System |
| Novartis |
| Bayer |
| ADP |
| Wyndham Worldwide |
| Accenture |
| Honeywell |
| Allergan |
| St. Clare's Health System |
| Barclays |
| County of Morris |
| PricewaterhouseCoopers |
| BASF |
| Greystone Park Psychiatric Hospital |
| Realogy Holdings Corp. |
| Deloitte & Touche |
| Mondelēz International |
| Tiffany & Co. |
| Avis Budget Group, Inc. |
| UPS |
| Arconic (former Alcoa Howmet) |
| GAF |
| Reckitt Benckiser |
| MetLife |
| Lincoln Park Care Center |
| Pfizer |
| Zoetis |
| County College of Morris |
| Siemens Health Care Diagnostics |
| Source: “Major Employers in Morris County, 2018” prepared by the Morris County Office of Planning and Preservation |

The Township of Randolph is highly educated, with over 60% of residents attaining a Bachelor's degree or higher, including 26.2% having a graduate or professional degree.

Finally, Table 19 shows the most common industries and occupations for residents broken down by gender. In general, 17% of males in Randolph are employed in the Professional, Scientific, and Technical Services industry, with the next largest industry is Finance and Insurance industry at 9%. On the other hand, 16% of women are employed in educational services, while their second largest industry is Health Care at 12%.

| Table 18: Education and Employment Data for Randolph | |
|---|-------|
| For population 25 years and over | |
| High school or Equivalent | 16.4% |
| Bachelor's Degree | 33.7% |
| Graduate or Professional Degree | 26.2% |
| Unemployed | 2.6% |
| Source: City-Data.com | |

| Table 19: Most Common Industries and Occupations by Sex Township of Randolph | |
|---|-----|
| Most Common Industries for Males in 2016 | |
| Professional, Scientific, and Technical Services | 17% |
| Finance and Insurance | 9% |
| Chemicals | 8% |
| Construction | 6% |
| Health Care | 6% |
| Broadcasting and Telecommunications | 4% |
| Computer and electronic products | 4% |
| Most Common Industries for Females in 2016 | |
| Educational Services | 16% |
| Health Care | 12% |
| Professional, Scientific, and Technical Services | 14% |
| Finance and Insurance | 7% |
| Chemicals | 7% |
| Administrative and support and waste management services | 3% |
| Real estate and rental and leasing | 3% |
| Most Common Occupations for Males | |
| Computer Specialists | 8% |
| Top Executives | 8% |
| Other Management Occupations (excluding farmers/ farm mgmt.) | 7% |
| Sales Representatives, Services, Wholesale, and Manufacturing | 7% |
| Business operations specialists | 5% |
| Operations specialties managers except financial managers | 4% |
| Advertising, marketing, promotions, public relations, and sales managers | 4% |
| Most Common Occupations for Females | |
| Secretaries and administrative assistants | 7% |
| Other office and administrative support workers including supervisors | 6% |
| Preschool, kindergarten, elementary and middle school teachers | 6% |
| Other Management Occupations (excluding farmers/ farm mgmt.) | 5% |
| Business operations specialists | 5% |
| Registered Nurses | 5% |
| Computer Specialists | 4% |
| Source: City-Data.com | |

III. 2018 THIRD ROUND FAIR SHARE PLAN

A. FAIR SHARE OBLIGATIONS

It is well established that the Township has a 33-unit rehab obligation and a 261-unit prior round obligation. It is important to emphasize that there is some uncertainty about the Township's Third Round obligation because of noted water capacity issues. As early as December 2017, the Township filed a waiver request to prevent the exhaustion of its water resources on its affordable housing obligation, and the Court directed the Township to prepare a protocol for pursuing that waiver. By virtue of the imposition of a Scarce Resource Order ("SRO") in June 2018, there is a clear acknowledgement that the Township's water supply is limited because this SRO prevents Randolph from distributing remaining water supply to new users who were not listed on Appendix A attached to the SRO without court approval. In addition to the SRO, the Township's Engineer, Ferriero Engineering, prepared a more detailed report dated September 11, 2018, which calculates the Township's ability to accommodate additional development beyond those projects listed on the SRO, based on the available water supply. The Court entered an Order compelling the Township to file with the Court and serve on all parties a draft updated Housing Element & Fair Share Plan ("HEFSP"), with all the supporting information required by law not later than May 1, 2019. The submission is to include the Township's justification for its claimed fair share obligation for the 1999-2025 period and any request for waivers made by the Township.

This Plan utilizes the SRO and the Township Engineer's report in order to establish fair share obligation for the 1999-2025 period, which is both mindful of the scarce water capacity as well as the Township's need to provide opportunities for low- and moderate-income housing. These numbers as the basis for establishing what the Township will be targeting in this Housing Element and Fair Share Plan for the purposes of a resolution of this matter.

B. RANDOLPH'S CAPACITY TO ACCOMMODATE GROWTH

As described above, Randolph is located in the Highlands Region, which has regulations that are aimed at restricting development in environmentally sensitive areas within the region. Additionally, the Township has a noted water scarcity, which has been documented in recent years. More specifically, in order to demonstrate the Township's realistic ability to accommodate growth, the Court, with the consent of the Township and interveners in the Declaratory Judgment litigation, imposed a Scarce Resource Order ("SRO") in June 2018 and the Township prepared a more detailed report dated September 11, 2018. The SRO exempted any identified approved or prospective projects, while the report calculated the capacity beyond those projects listed on the SRO and found that the net available water capacity ("NAWC") of the Township of Randolph limits the level of all future new development in the Township.

C. SATISFACTION OF REHABILITATION OBLIGATION

The Township has a 33-unit rehabilitation obligation. In the past, the Township has participated in the Morris County Department of Community Affairs HOME program for housing rehabilitation. The program uses Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) funding. The Township will continue to participate in the Morris County HOME Program until the remaining rehabilitation obligation has been fully satisfied. If determined necessary by the Court Master, the Township shall establish its own rehabilitation program if the County program is

ever abandoned or loses its funding, and in that case shall amend the Spending Plan to fund the balance of its present need.

D. PRIOR ROUND COMPLIANCE

In 2016, the Court entered an Order confirming that Randolph satisfied its Prior Round obligation of 261 units, which acknowledged that COAH had previously awarded credit to certain units in its December 1, 2005 compliance review. In light of the Court's Order awarding credit to the units, it is well established that the Township has had a history of compliance, and in particular has satisfied its Prior Round obligation. A copy of the Court Order declaring that the Township has fulfilled its prior round obligation is contained in *Appendix B*.

E. THE TOWNSHIP'S THIRD ROUND ADJUSTED OBLIGATION

1. Third Round Adjusted Obligation Based Upon Scarce Resource of Water

It is important to emphasize that the Township's Third Round obligation is driven by its noted water supply and capacity limitations, and Randolph's unique situation precludes it from targeting the traditional obligation numbers promulgated by various and diverse expert reports. The Township's June 2018 Scarce Resource Order ("SRO") lists the new users who have already been apportioned water capacity on Appendix A attached to the SRO. Since other development has been proposed outside of Appendix A, and in order to assess the Township's ability to accommodate future growth and development, the Township Engineering report dated September 11, 2018, calculates the Township's ability to accommodate additional development beyond those projects listed on the SRO, based on the available water supply.

The report found that the net available water capacity ("NAWC") of the Township of Randolph limits the level of all future new development in the Township. With minimal allocation (5.4%) of the NAWC to future non-residential development to service the expansion of the residential base and a similar minimal allocation to single family detached units (8.4/year), there remains sufficient NAWC to accommodate the demand of an aggregate 325 multifamily residential units, consisting of an estimated 20%, or 65 units available to low- and moderate-income unit set-aside, and an additional share of 260 market units. Overall, the Township's adjustment is a combination of the projects listed on Appendix A of the SRO with the cap established by the report.

The total adjustment needs to be further refined to capture all situations that need to be contemplated by this Plan. A combination of the below factors has been considered in order to establish a fair share obligation for the 1999-2025 period in this Plan.

- There are affordable housing sites that are included on the Appendix A attached to the SRO that do not require additional demand against the development potential calculated in the Township's report. According to the SRO, approximately seventeen (17) affordable units may be generated from sites already earmarked for water demand.
- The Township water supply service areas consist of the Morris County Municipal Utilities Authority ("MCMUA") which is distributed by the Randolph Water Service Area, and the Town of Dover Water Service Area (served through the Dover Water Commission). While the report relates to the larger Randolph portion, there are additional limited development

opportunities in the Dover Water Service Area. It has been determined that an additional forty (40) affordable units may be generated in the Dover Water Service Area.

- Certain sites have been included as new users listed on Appendix A attached to the SRO, but at a smaller gallonage demand than the current development proposed to be part of this Plan; and therefore, will require additional capacity that was not anticipated by the SRO or the Township's report. For example, the "Skylands" site, Block 42, Lot 5 - which was previously approved for a 75-room hotel that was listed on the SRO and has an existing catering facility use on the site already connected to the Township's water supply - can accommodate an inclusionary multi-family project of approximately 40 multifamily residential units, thus yielding a set-aside of 6 to 8 affordable housing units depending upon whether it is a rental project or a sales project. Thus, while the site does have existing water, the site has been proposed at a higher yield of units than that of the existing water demand, creating a gap between what has been earmarked and what is needed.
 - In order to rectify this gap, the approximate 40-unit multifamily residential equivalent has been added to the resulting number of 325 from the Township's report, for a total aggregate number of 365 multifamily residential units. Overall, this translates to an aggregate set-aside between fifty-four (54) and seventy-three (73) units based upon a 15% or 20% set-aside for rental or for-sale units, respectively.
- In addition to the adjustment discussed, the Township likewise has a surplus of credit worthy units with valid affordability controls that may be applied to the Third Round. Therefore, the Township's final adjustment number will demonstrate the application of existing credits, as well as a "new construction" obligation that is curtailed by the lack of water capacity discussed in this HEFSP.

Overall, the total obligation is broken down under Table B, which shows that there are: a) one-hundred and twenty-five (125) surplus credits from previously constructed units that may be applied to the Third Round obligation; b) twenty-seven (27) rental bonus credits; c) up to forty (40) affordable units from sites in the Dover service area; d) up to seventeen (17) affordable units from sites listed in Appendix A of the SRO; and e) fifty-four (54) units from sites not listed within the SRO. Therefore, the Township has determined that due to its limited water capacity it is able to realistically provide inclusionary zoning revisions that generate a total third round affordable housing obligation of two-hundred and sixty-three (263) affordable housing units, with the new construction obligation portion of that adjusted number being one-hundred and eleven (111).

F. SATISFACTION OF THIRD ROUND ADJUSTED OBLIGATION

1. Third Round Rental Obligation

COAH's Rules (at N.J.A.C. 5:93-1, et seq.) provide that at least 25 percent of the new construction component for Third Round must be satisfied with rental units. Therefore, based on the Township's new construction adjustment to 111, its rental obligation is 25 percent, or twenty-eight (28) units. The Township has an approved rental project with thirteen (13) units are Gateway Apartments (Block 77, Lots 25, 30, and 31), and anticipates that the additional inclusionary sites being applied to Third Round will have a number of rental units that will fulfill the remaining rental obligation once constructed.

2. Third-Round Age-Restricted Housing

Applying COAH Second Round regulations, municipalities are permitted to age-restrict up to 25 percent of the Third Round obligation, in this case 25% of the adjustment of 111, or twenty-seven (27). The Township is applying five (5) age-restricted units from the approved Grecco Realty, LLC project (Block 111, Lots 10-16), and therefore is well under the 27-unit cap. Should the Township require a reduction in the share of age-restricted units included in this plan, it shall comply with the third round age-restricted cap.

3. Third Round Very Low-Income Housing Obligation

As a result of the July 2008, amendments to the Fair Housing Act, all municipalities have an obligation to ensure that at least 13 percent of the affordable units being provided town wide, with the exception of units constructed as of July 1, 2008 and units subject to preliminary or final site plan approval as of July 1, 2008, are affordable to very low income households (households that earn 30 percent or less of the median income).

Based on the total new construction obligation of 111, the Township has an obligation of at least fifteen (15) units to be provided to very low-income households. The Township anticipates that additional very low-income units will be provided via future affordable housing projects. The Township will ensure that the 13% very-low income obligation is satisfied through any new projects, and that any very-low income units built after 2008 are inventoried and accounted for.

4. Third Round Rental Bonuses

In accordance with N.J.A.C. 5:93-5.15(d), the Township will be entitled to rental bonus credits according to the maximum cap permitted. The COAH regulations do not provide a basis for the maximum cap for municipalities seeking an adjustment based on lack of water or sewer, only those seeking an adjustment based on lack of vacant land. However, to the extent that Randolph is entitled to any "bonus credits" to be applied to its Third Round obligation, such bonuses may be applied in accordance with N.J.A.C. 5:93-5.15(d).

It is assumed based on the new construction obligation of 111, the Township is permitted up to twenty-seven (27) bonus credits. The Township seeks credit for bonus credits on the following existing rental unit projects: twenty-seven (27) rental bonuses from the 32 total rental units at the Bennett Avenue Family Housing project (Block 191, Lots 7, 8, 11, 12 & 13 and Block 195, Lots 3 & 4).

5. Third Round Credits to Satisfy Adjusted Obligation

Randolph's water capacity limitations as documented in the September 11, 2018 report and in this HEFSP have created a unique situation related to the Township's ability to accommodate future growth. Table B below outlines the existing affordable units at the top, and then provides a breakdown of new construction projects that are: a) located in the Randolph Water Service Area and have been previously allocated water capacity, b) located in the Randolph Water Service Area require new or additional water capacity; and c) located in the Dover Water Service Area.

| Table B. Existing and Proposed Projects Addressing the Third Round Obligation Township of Randolph, Morris County, NJ | | | | | | |
|--|--------------------|-------------------|----|----|----|----------------------|
| | Completed Units | Proposed Units | L | M | VL | Set-Aside Credits |
| Existing Units - Previously Constructed or Approved | | | | | | |
| Inclusionary Projects | 312 | | 33 | 30 | - | 63 |
| Woodmont (Extension of Controls) (Block 119, Lot 109.11) | 201 | | 20 | 20 | - | 40 (S) |
| Boulder Ridge (Block 184, Lots 1 and 1.20) | 98 | | 8 | 9 | - | 17 (S) |
| Grecco Realty, LLC, 477 Route 10 (Block 111, Lots 10-16) | 10 | | 5 | - | - | 5 (ARR) |
| Rose of Sharon, 236 Dover-Chester Road (Block 21, Lot 29) | 3 | | - | 1 | - | 1 (R) |
| 100% Affordable Projects | 41 | | 19 | 22 | | 41 |
| Bennett Avenue Family Housing (Block 191, Lots 7, 8, 11, 12 & 13 and Block 195, Lots 3 & 4) | 32 | | 16 | 16 | - | 32 (R) |
| Morris County Affordable Housing Corporation (Block 191, Lots 14 & 15) | 6 | | - | 6 | - | 6 (S) |
| Habitat House (Block 59, Lot 15) | 1 | | 1 | - | - | 1 (S) |
| Habitat House (Block 134, Lot 3.02) | 1 | | 1 | - | - | 1 (S) |
| Habitat House (Block 134, Lot 9) | 1 | | 1 | - | - | 1 (S) |
| Group Homes and Supportive Needs Housing | 21 | | 21 | - | - | 21 |
| High Avenue House (Block 53, Lot 44) | 4 | | 4 | - | - | 4 (GH) |
| Our House (Block 35, Lot 28) | 3 | | 3 | - | - | 3 (GH) |
| Sunrise Assisted Living, 648 Route 10 (Block 73, Lot 16) | 8 | | 8 | - | - | 8 (M) |
| Brightview Assisted Living, 175 Quaker Church Road (Block 111, Lot 20.01) | 6 | | 6 | - | - | 6 (M) |
| TOTAL EXISTING UNITS | 374 | | 73 | 68 | - | 125 |
| Bonus Credits (27 maximum based on 25% of 111-unit adjustment) | 27 | | - | - | - | 27 BC |
| SUBTOTAL | 374 | | 73 | 68 | - | 152 |

| Proposed Units | | | | | | |
|---|-----------------|----------------|----|----|----|-------------------|
| | Completed Units | Proposed Units | L | M | VL | Set-Aside Credits |
| Proposed Affordable Housing Projects in the Randolph Water Service Area | | | | | | |
| Inclusionary Projects Listed in SRO | | 97 | 7 | 7 | 3 | 17 |
| Randolph Mountain, Appio Drive (Block 199, Lots 6 and 9) | | 34 | 3 | 3 | 1 | 7 (S) |
| KAB Mount Freedom Site 7 acres @ 9 units/acre (Block 224, Lot 5) | | 63 | 4 | 4 | 2 | 10 (R) |
| Inclusionary Projects Not Listed in SRO | | 351 | 20 | 26 | 8 | 54 |
| Canoe Brook Site 12.9 acres @ 10 units/acre (Block 44, Lot 25) | | 129 | 8 | 9 | 3 | 20 (R) |
| Elbaum Site (Block 97, Lots 26, 27.01, 27.02) | | 22 | 1 | 2 | 1 | 4 (S) |
| * Avalon Bay – Skylands Site 20.01 acres @ 10 units/acre (Block 42, Lot 5) | | 200 | 11 | 15 | 4 | 30 (R) |
| | | | | | | |
| SUBTOTAL PROPOSED IN RANDOLPH SERVICE AREA | | 448 | 27 | 33 | 11 | 71 |
| * Site has existing water, however, capacity projected in SRO is lower than proposed development | | | | | | |
| Proposed Affordable Housing Projects in the Dover Water Service Area | | | | | | |
| Inclusionary Projects | | 88 | 5 | 6 | 2 | 13 |
| Gateway Apartments Block 77, Lots 30 and 31) | | 88 | 5 | 6 | 2 | 13 (R) |
| 100% Affordable Projects | | 27 | 11 | 12 | 4 | 27 |
| E.A. Porter Site - Habitat for Humanity (Block 195, Lot 10) | | 25 | 10 | 11 | 4 | 25 (S) |
| Morris County Housing Authority 172 Franklin Blvd (Block 191, Lot 11) | | 2 | 1 | 1 | - | 2 (S) |
| | | | | | | |
| SUBTOTAL PROPOSED IN DOVER SERVICE AREA | | 115 | 16 | 18 | 6 | 40 |
| | | | | | | |
| TOTAL PROPOSED NEW CONSTRUCTION | | 563 | 43 | 51 | 17 | 111 |
| | | | | | | |
| TOTAL EXISTING AND PROPOSED THIRD ROUND CREDITS AND UNITS | 263 | | | | | |
| (FR) = Family Rental (ARR) = Age-Restricted Rental (GH) = Group Home (BC) = Bonus Credit (R) = Rental (M) = Medicaid Certificate | | | | | | |

a. Detailed Summary of Third Round Credits

Existing Units Part of Prior Plan (125 credits + 27 Bonus Credits)

- (1) **63 units** from the following existing or approved inclusionary affordable housing projects:
 - a) **40 affordable for-sale units** from the extension of 30 year controls for the Woodmont project (Block 119, Lot 109.11)
 - b) **17 affordable for-sale units** from the Boulder Ridge project (Block 184, Lots 1 and 1.20)
 - c) **5 affordable rental units** from the Grecco Realty project (Block 111, Lots 10-16).
 - d) **1 affordable rental unit** from the Rose of Sharon project (Block 21, Lot 29).
- (2) **41 units** from the following existing, 100% affordable housing projects:
 - e) **32 affordable for-sale units** from the Bennett Avenue Family Housing 100% Affordable project (Block 191, Lots 7, 8, 1, 12 & 13 and Block 195, Lots 3 & 4).
 - f) **6 for-sale affordable units** from the Morris County Affordable Housing Corporation 100% affordable for-sale project (Block 191, Lots 14 & 15).
 - g) **1 affordable for-sale unit** from the Habitat House project (Block 134, Lot 9).
 - h) **1 affordable for-sale unit** from the Habitat House project (Block 134, Lot 3.02).
 - i) **1 affordable for-sale unit** from the Habitat House project (Block 134, Lot 3.02).
- (3) **21 units** from the following existing, group home and supportive needs projects:
 - a) **4 units** from the 4-bedroom High Avenue House (Block 53, Lot 44).
 - b) **3 units** from the 3-bedroom Our House (Block 35, Lot 28).
 - c) **8 beds** from the assisted living facility at Sunrise (Block 73, Lot 16).
 - d) **6 beds** from the assisted living facility at Brightview (Block 111, Lot 20.01).
- (4) **27 rental bonus credits**, based on a maximum of 25% of the 111-unit adjustment.



Proposed Units (111 units)

- (1) **17 units** from the following new inclusionary projects listed on Appendix A of the SRO:

- a) **7 affordable for-sale units** from the Randolph Mountain, Appio Drive (Block 199, Lots 6 & 9)

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, with a 20% set-aside of 7 affordable for-sale units.

- b) **10 affordable rental units** from the KAB Mount Freedom Site (Block 224, Lot 5)

The site is a single parcel with a total area of 7 acres. It is anticipated that the site can be developed at a gross density of 9 units per acre for a total of 63 units, with a 15% set-aside of 10 affordable rental units.

- (2) **54 units** from the following new inclusionary projects on sites that were not listed on Appendix A of the SRO:

- a) **20 affordable rental units** from the Canoe Brook Site (Block 44, Lot 25)

The site is a single parcel with a total area of 12.9 acres. It is anticipated that the site can be developed at a gross density of 10 units per acre for a total of 129 units, with a 15% set-aside of 20 affordable rental units.

- b) **4 affordable for-sale units** from the Elbaum Site (Block 97, Lots 26, 27.01, 27.02)

The site is comprised of three (3) parcels that have a total area of 2.2 acres. Ordinance No. 04-19 was passed March 21, 2019, which created the Village Mixed Use (VMU) Zone district that permits multifamily housing uses at a density of 10 units per acre. Therefore, it is anticipated that the site can be developed as-of-right at a gross density of 10 units per acre for a total of 22 units, with a 20% set-aside of 4 affordable for-sale units.

- c) **30 affordable rental units** from the Avalon Bay – Skylands Site (Block 42, Lot 5)

This site is currently developed with a catering facility that is still operational, and previously received approvals for a 75-room hotel on site that would function in conjunction with the catering facility. This site was listed on the SRO, however, the water capacity apportioned to that site for the hotel use based upon total demand is equivalent to approximately 18 multifamily residential units. Combined with the existing demand for the catering facility, the water gallonage is equivalent to the demand of approximately 40 multifamily residential units. Thus, while the site does have existing water, the site has been proposed at a much higher yield of units than that of the equivalent water demand, creating a gap between what has been earmarked and what is needed. Despite the need for additional water, the site does have some water that contributes to the overall demand. Therefore, Lot 5 which is 20.01 acres is anticipated to be developed at a gross density of 10 units per acre, for a total of 200 units, with a 15% set-aside of 30 affordable rental units.

(3) 40 units from the following new inclusionary and 100% affordable projects in the Dover Water Service Area:

- a) **13 affordable rental units** from the Gateway Apartments site (Block 77, Lots 25, 30, and 31)

This is an existing rental multi-family development located in the R-4 Zone District in which multi-family development is permitted. The owner has expressed an interest in constructing additional dwellings on the site and would be willing to provide a 15% set-aside of additional affordable units. The developer could provide the affordable from the existing inventory of apartments. These would be rental units that would be eligible for a rental bonus. It is anticipated that 88 new units would be provided 13 affordable units would be created.

- b) **25 affordable for-sale units** from the E.A. Porter Site – Habitat for Humanity (Block 195, Lot 10)

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. The Township is conducting a clean-up of the site funded by the Housing Trust Fund.

- c) **2 affordable for-sale units** from the Morris County Housing Authority, 172 Franklin Road (Block 191, Lot 11)

The Morris County Housing Authority (MCHA) currently owns the above referenced property and it is located in the Residential – Government Assisted Housing Zone (R-GAH). They are currently seeking a grant to assist in the



construction of two (2) affordable units on the property. The parcel is 7,500 square feet in area. It is in proximity to other affordable housing sponsored by MCHA. There is water and sanitary sewer service available for the development proposed.

G. CONSIDERATION OF SITES FOR INCLUSIONARY DEVELOPMENT

During the preparation of this Housing Element and Fair Share Plan, there have been a number of proposals for inclusionary residential development which have been considered as per the requirement in the FHA, of which the following were ultimately included in this Plan based largely upon site suitability. The following projects are all being considered for Inclusionary Development to fulfill the Township's obligation:

- 20 affordable rental units from the Canoe Brook Site (Block 44, Lot 25), based upon a 15% set-aside.
- 10 affordable rental units from the KAB Mount Freedom Site (Block 224, Lot 5), based upon a 15% set-aside.

In addition to the sites offered for development through the court intervention process, the following other sites were likewise considered and included in this Plan:

- 7 affordable for-sale units from the Randolph Mountain, Appio Drive (Block 199, Lots 6 & 9), based upon a 20% set-aside.
- 4 affordable for-sale units from the Elbaum Site (Block 97, Lots 26, 27.01, 27.02), based upon a 20% set-aside.
- 30 affordable rental units from the Avalon Bay – Skylands Site (Block 42, Lot 5), based upon a 15% set-aside.
- 13 affordable rental units from the Gateway Apartments site (Block 77, Lots 30 and 31), based upon a 15% set-aside.

Overall, this Plan includes eighty-four (84) units of affordable housing within proposed inclusionary developments.

H. AVAILABILITY OF INFRASTRUCTURE

The Township of Randolph is largely served by two public community water purveyor service areas, which include the Dover Water Commission and the Randolph Township Public Works Department. As depicted in the map below, an obvious majority of the Township's properties are serviced by Randolph Water. Water provided by the Township in the Randolph service area is purchased exclusively from the Morris County Municipal Utilities Authority (MCMUA), whose source is ground water, known as the Almatong well fields. There are six MCMUA wells located in Randolph and Chester townships and two wells in Flanders Valley located in Mount Olive and Roxbury Townships. These wells draw from the Upper and Lower Stratified Glacier Drift and the Lower Liethsville Limestone Formations.

Randolph has a documented history related to water scarcity, which includes local policy changes to address water conservation. In an effort to conserve water, the Township council adopted new lawn watering regulations in May of 2007 for properties which receive water provided by the

Township of Randolph and the Town of Dover. These regulations impose restrictions on residential lawn watering during the summer months and supplement Chapter 50, Water and Sewers, of the Revised Ordinances of the Township of Randolph. This local policy is in line with the Highlands Council's encouragement and support for the development of municipal-wide water conservation ordinances. Additionally, the review of the Township's Highlands Master Plan Element in 2013 requested that the "Township work with the Highlands Council to develop a comprehensive Water Use and Conservation Management Plan to be funded in the later stages of Plan Conformance."

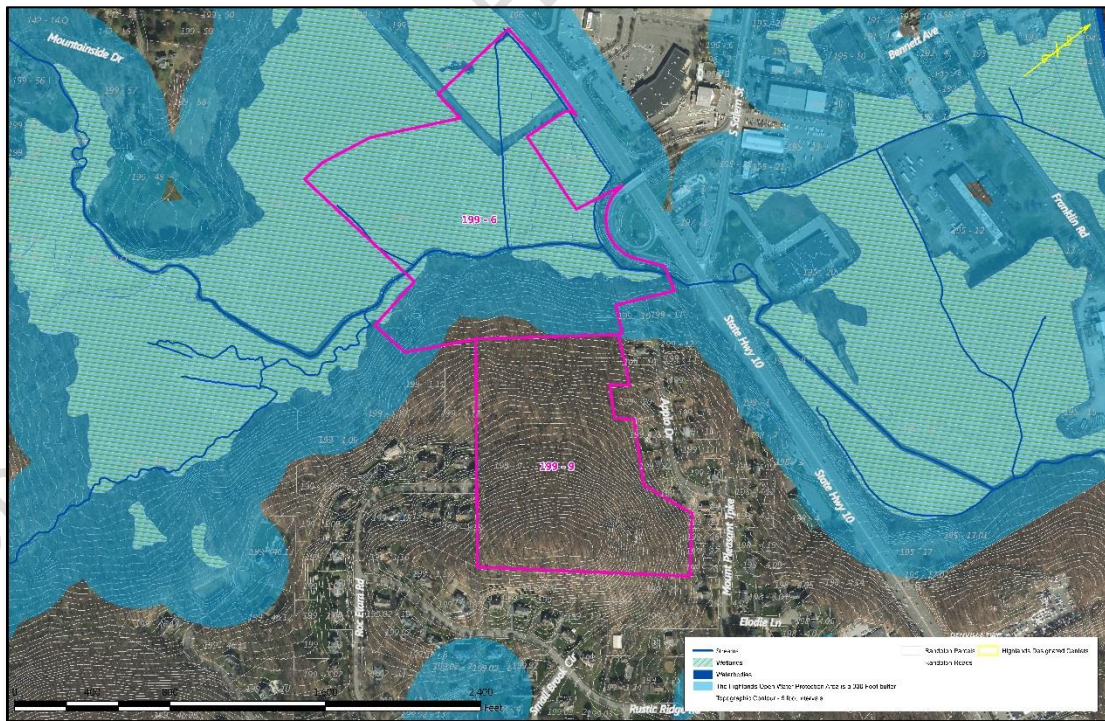
The Township is subject to a judicially imposed Scarce Resource Order ("SRO") from June 2018, which clearly acknowledges that the Township's water supply is limited because this SRO prevents Randolph from distributing remaining water supply to new users who were not listed on Appendix A attached to the SRO. Additionally, a detailed report prepared by the Township's Engineer, Ferriero Engineering, dated September 11, 2018, calculates the Township's ability to accommodate additional development beyond those projects listed on the SRO based on the available water supply.

I. SITE SUITABILITY

Pursuant to N.J.A.C. 5:93-1.1, 5.3 and 5.6, all sites included in this plan are required to be available, approvable, developable, and suitable. The following analyses provide a site-by-site suitability test.

1. Sites in the Randolph Water Service Area

a. RANDOLPH MOUNTAIN (BLOCK 199, LOTS 6 & 9)



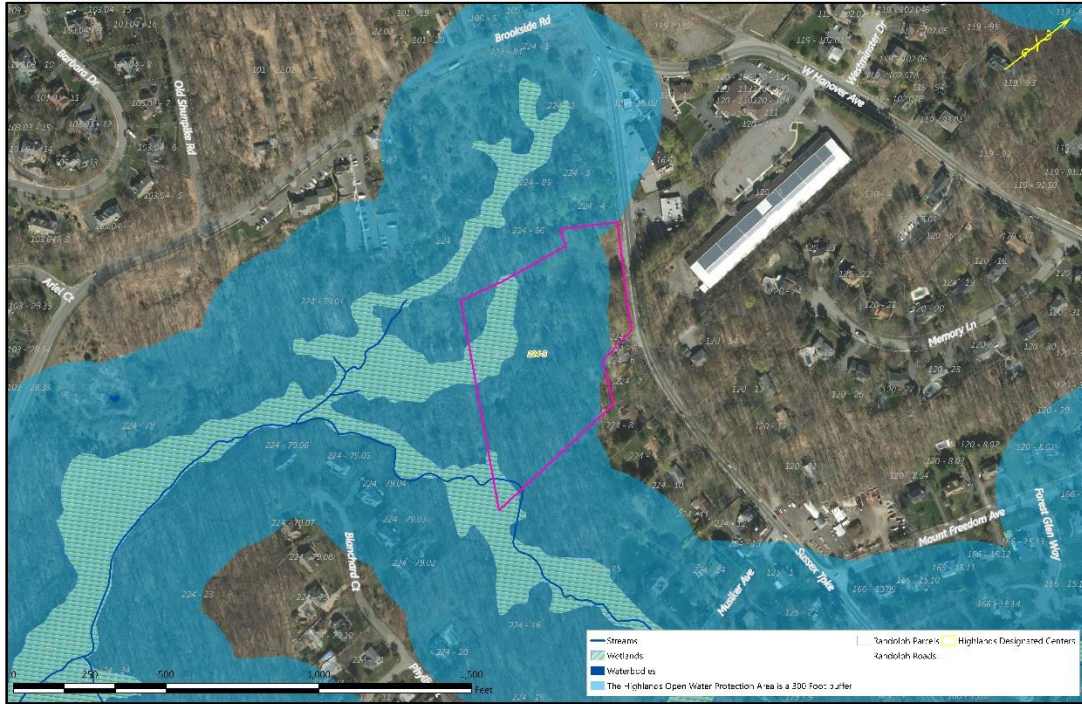
- 1) There are no known title encumbrances that would prohibit or otherwise impact the development of the property in general. The Randolph Mountain Site has been the

subject of litigation for many years. Per the Court's decision, the site is required to be included in the Township's Housing Plan.

- 2) The site has access to appropriate streets. Block 6 largely has frontage along Route 10, but does not have access, while contiguous Lot 9 provides access from Appio Drive and Roc Etam Road.
- 3) The site is located in the Randolph Water Service Area, and was previously listed on Appendix A to the Scarce Resource Order with demand for the total 34 units, and therefore there is adequate water capacity for the site despite Township-wide constraints.
- 4) The site is located in a sewer service area, and there is adequate sewer infrastructure and sewer capacity to serve the site.
- 5) Per NJDEP mapping, the Mill Brook is designated as a C-1 stream on-site that largely encumbers Lot 6. Lot 9 does not appear to be encumbered by any portion of the stream, and is therefore the preferable site for development.
- 6) According to topographic mapping of 5-foot contour intervals, there appear to be steep slopes throughout the site, with some portions in excess of 15% slope. It is anticipated that areas with significant steep slopes will not be developable, but that development can be clustered in the portions of the site not encumbered by steep slopes.
- 7) The site location is consistent with the adopted State Development and Redevelopment Plan. The site is located in the Highlands Planning Area, and is located in Planning Area 3, known as the Fringe Planning Area, in which limited growth is encouraged. The SDRP notes that "development within the Fringe Planning Area should be concentrated in or adjacent to existing Centers or in planned new Centers. The character, location and magnitude of new development should be based on the capacities of the natural and built systems within the Center and its Environs".
- 8) Per NJDEP, the site is not on the Known Contaminated Sites List.
- 9) The entirety of Lot 6 and the western portion of Lot 9 are listed as a Critical Environmental Sites ("CES") of the NJ State Development and Redevelopment Plan. The goal of the Critical Environmental and Historic sites designation is to protect the features and landscapes of historic or aesthetic significance that are less than one square mile in extent, and to help organize planning for new development or redevelopment by singling out the elements of natural systems, small areas of habitat, historic sites, and other features that should continue to be expressed in the future landscape through protection and restoration. The presence of CES gives land owners and developers important advance information on how to shape their proposals for development of the land around them, focusing on including them within the design and function of the development whenever possible, while protecting them from adverse impacts. Designating a site as a CES means that the site is of local, regional or statewide significance and that its protection and enhancement is of primary importance.

- 10) There are wetlands on the site that were mapped by publicly available GIS data, which show that Lot 6 is mostly encumbered by wetlands in relation to the Mill Brook and associated tributaries. Lot 9 does not appear to be encumbered by wetlands, and is therefore the preferable site for development.

b. KAB MOUNT FREEDOM SITE (BLOCK 224, LOT 5)



- 1) There are no known title encumbrances that would prohibit or otherwise impact the development of the property in general. The owner of the site approached the Township with a developer, expressing interest in being a part of the Township's Affordable Housing Plan.
- 2) The site has access to appropriate streets. The site has frontage on and access from Sussex Turnpike.
- 3) The site is located in the Randolph Water Service Area, and is listed on Appendix A to the Scarce Resource Order, and therefore there is adequate water capacity for the site despite Township-wide constraints.
- 4) The site is located in a sewer service area, and there is adequate sewer infrastructure and sewer capacity to serve the site.
- 5) Per NJDEP mapping, there are no C-1 streams on-site.
- 6) There are no slopes greater than 15 percent on the site.
- 7) The site location is consistent with the adopted State Development and Redevelopment Plan. The site is located in the Highlands Planning Area, and is located in Planning Area

2, in which development is encouraged. The SDRP notes that “the Suburban Planning Area is a key area for accommodating market forces and demand for development”.

- 8) Per NJDEP, the site is not on the Known Contaminated Sites List.
- 9) The site does not appear to be of exceptional cultural or historic value.
- 10) There are wetlands in the southern and southwestern portion of the site that were mapped by publicly available GIS data. These wetlands appear to encumber less than 10% of the site; however, their resource value has not been determined.

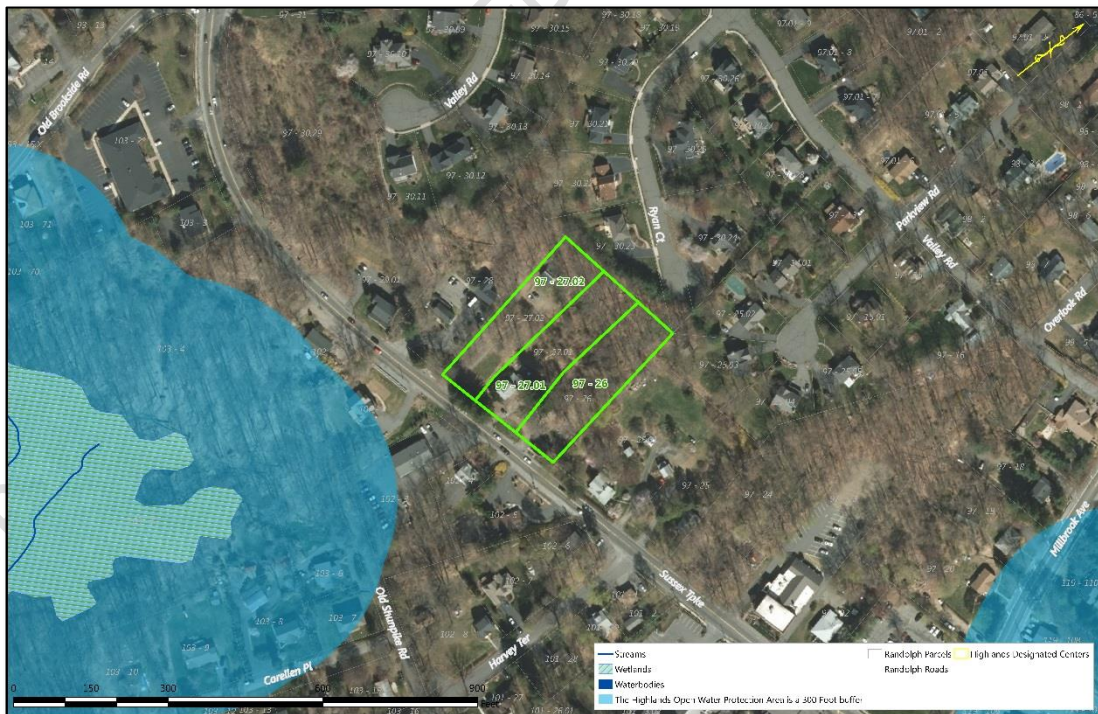
c. CANOE BROOK SITE (BLOCK 44, LOT 25)



- 1) There are no known title encumbrances that would prohibit or otherwise impact the development of the property in general. The owner of the site approached the Township with a developer, expressing interest in being a part of the Township’s Affordable Housing Plan.
- 2) The site has access to appropriate streets. The site has frontage on and access from Dover-Chester Road, but access is restricted to emergency only in an existing conservation easement. However, this Lot is in related ownership with adjacent Lot 12, and an access easement is proposed through that property to Route 10.
- 3) The site is located in the Randolph Water Service Area, and was not listed on Appendix A to the SRO. Based upon the Township Engineer’s report, although there is limited water capacity in the Township, there is adequate water capacity to earmark for the site’s proposed 129 total units.

- 4) The site is located in a sewer service area, and there is adequate sewer infrastructure and sewer capacity to serve the site. Sewer would need to be extended to the site.
- 5) Per NJDEP mapping, there are no C-1 streams on-site.
- 6) There are no slopes greater than 15 percent on the site.
- 7) The site location is consistent with the adopted State Development and Redevelopment Plan. The site is located in the Highlands Planning Area, and is located in Planning Area 3, known as the Fringe Planning Area, in which limited growth is encouraged. The SDRP notes that “development within the Fringe Planning Area should be concentrated in or adjacent to existing Centers or in planned new Centers. The character, location and magnitude of new development should be based on the capacities of the natural and built systems within the Center and its Environs”.
- 8) Per NJDEP, the site is not on the Known Contaminated Sites List.
- 9) The site does not appear to be of exceptional cultural or historic value.
- 10) There are no wetlands or flood plains on the site that were mapped by publicly available GIS data.

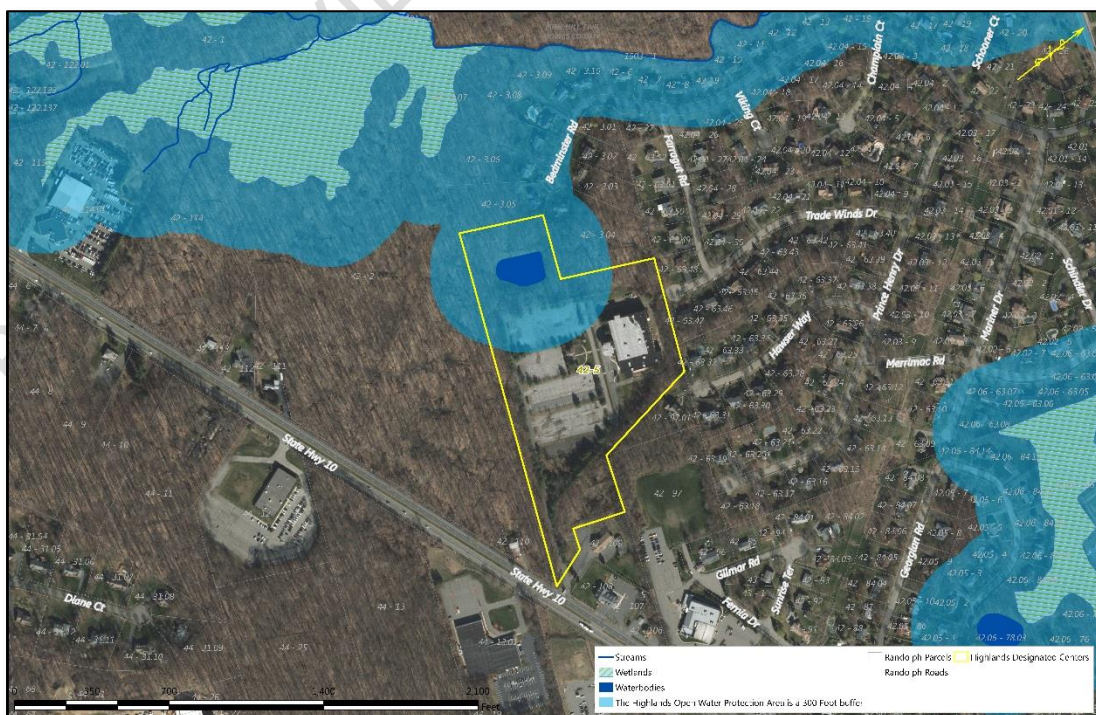
d. ELBAUM SITE (BLOCK 97, LOTS 26, 27.01, 27.02)



- 1) There are no known title encumbrances that would prohibit or otherwise impact the development of the property in general.

- 2) The site has access to appropriate streets. The site has frontage on and access from Sussex Turnpike.
- 3) The site is located in the Randolph Water Service Area, and was not listed on Appendix A to the SRO. Based upon the Township Engineer's report, although there is limited water capacity in the Township, there is adequate water capacity to earmark for the site's proposed 22 total units.
- 4) The site is located in a sewer service area, and there is adequate sewer infrastructure and sewer capacity to serve the site.
- 5) Per NJDEP mapping, there are no C-1 streams on-site.
- 6) There are no slopes greater than 15 percent on the site.
- 7) The site location is consistent with the adopted State Development and Redevelopment Plan. The site is located in the Highlands Planning Area, and is located in Planning Area 2, in which development is encouraged. The SDRP notes that "the Suburban Planning Area is a key area for accommodating market forces and demand for development".
- 8) Per NJDEP, the site is not on the Known Contaminated Sites List.
- 9) The site does not appear to be of exceptional cultural or historic value.
- 10) There are no wetlands or flood plains on the site that were mapped by publicly available GIS data.

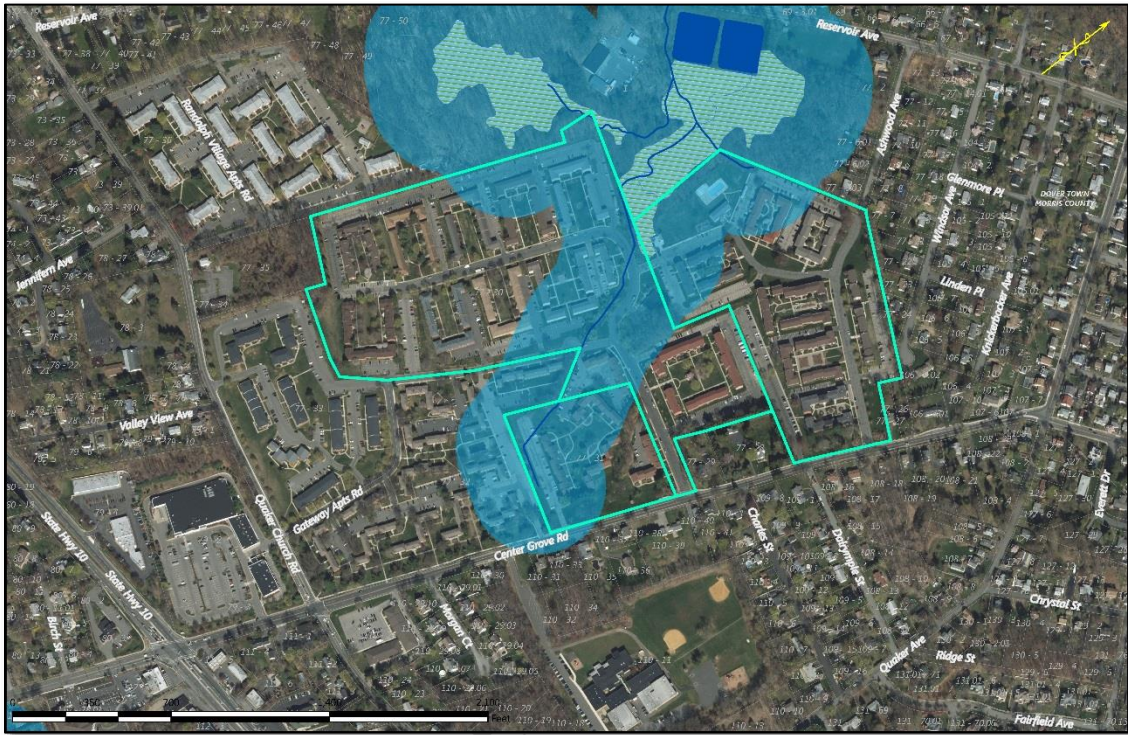
e. AVALON BAY – "SKYLANDS" SITE (BLOCK 42, LOT 5)



- 1) There are no known title encumbrances that would prohibit or otherwise impact the development of the property in general. The owner/contract purchaser of the site approached the Township with a developer, expressing interest in being a part of the Township's Affordable Housing Plan.
- 2) The site has access to appropriate streets. The site has frontage on and access from Route 10.
- 3) The site is located in the Randolph Water Service Area. Because the site is already developed and had previously approvals for additional uses on the site, it was listed in the Appendix to the SRO as a site with water capacity. However, the existing and proposed uses were limited to an equivalent number of residential units lower than that proposed by the contract purchaser for the site. Based upon the Township Engineer's report, although there is limited water capacity in the Township, there is adequate water capacity to earmark for the 200 total units proposed by this Plan.
- 4) The site is located in a sewer service area, and there is adequate sewer infrastructure and sewer capacity to serve the site.
- 5) Per NJDEP mapping, there are no C-1 streams on-site.
- 6) There are no slopes greater than 15 percent on the site.
- 7) The site location is consistent with the adopted State Development and Redevelopment Plan. The site is located in the Highlands Planning Area, and is located in Planning Area 2, in which development is encouraged. The SDRP notes that "the Suburban Planning Area is a key area for accommodating market forces and demand for development".
- 8) Per NJDEP, the site is not on the Known Contaminated Sites List.
- 9) The site does not appear to be of exceptional cultural or historic value.
- 10) There are no wetlands or flood plains on the site that were mapped by publicly available GIS data. There appears to be a waterbody associated with the Jackson Brook to the west, but it is unclear if the Brook flows through it.

2. Sites in the Dover Water Service Area

a. GATEWAY APARTMENTS (BLOCK 77, LOTS 25, 30, AND 31)



- 1) There are no known title encumbrances that would prohibit or otherwise impact the development of the property in general. The owner of the site has existing housing within the site and has expressed an interest in developing additional housing on undeveloped land within the site.
- 2) The site has access to appropriate streets. The site has frontage on and access from Center Grove Road.
- 3) The site is located in the Dover Water Service Area and there is adequate water capacity for the development.
- 4) The site is located in a sewer service area, and there is adequate sewer infrastructure and sewer capacity to serve the site.
- 5) Per NJDEP mapping, there are no C-1 streams on-site.
- 6) There are no slopes greater than 15 percent on the site.
- 7) The site location is consistent with the adopted State Development and Redevelopment Plan. The site is located in the Highlands Planning Area, and is located in Planning Area 2, in which development is encouraged. The SDRP notes that "the Suburban Planning Area is a key area for accommodating market forces and demand for development".

- 8) Per NJDEP, the site is not on the Known Contaminated Sites List.
- 9) The site does not appear to be of exceptional cultural or historic value.
- 10) There are wetlands located at the northern portion of the site on Lot 25 that were mapped by publicly available GIS data. These appear to be associated with the Wallace Brook Tributary. It is unclear where additional development will occur on the site and if the wetlands will impact the amount of net developable area.

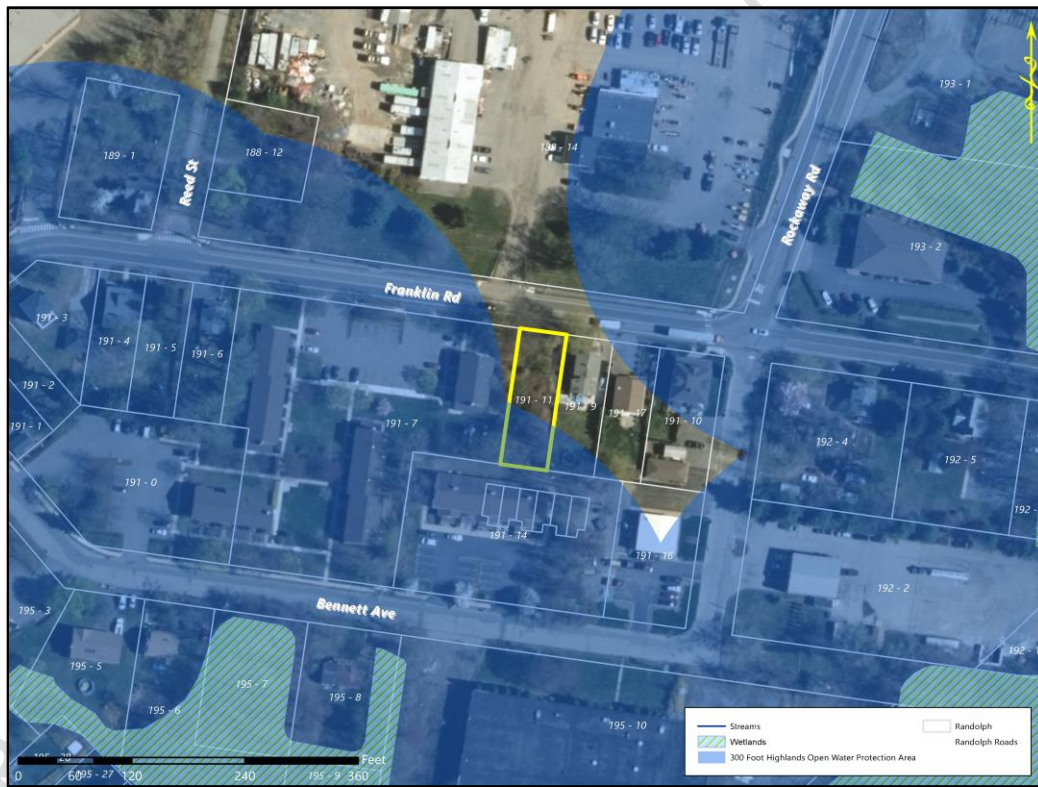
b. E.A. PORTER SITE - HABITAT FOR HUMANITY (BLOCK 195, LOT 10)



- 1) There are no known title encumbrances that would prohibit or otherwise impact the development of the property in general. The Township has been working with Habitat for Humanity on environmental cleanup of the site in preparation for the development of housing.
- 2) The site has access to appropriate streets. The site has frontage on and access from Bennett Avenue.
- 3) The site is located in the Dover Water Service Area and there is adequate water capacity for the development.
- 4) The site is located in a sewer service area, and there is adequate sewer infrastructure and sewer capacity to serve the site.
- 5) Per NJDEP mapping, there are no C-1 streams on-site.

- 6) There are no slopes greater than 15 percent on the site.
- 7) The site location is consistent with the adopted State Development and Redevelopment Plan. The site is located in the Highlands Planning Area, and is located in Planning Area 2, in which development is encouraged. The SDRP notes that “the Suburban Planning Area is a key area for accommodating market forces and demand for development”.
- 8) Per NJDEP, the site is not on the Known Contaminated Sites List.
- 9) The site does not appear to be of exceptional cultural or historic value.
- 10) There are wetlands on the far eastern portion of the site that were mapped by publicly available GIS data, and appear to be associated with the Rockaway River Tributary. These wetlands appear to encumber a very small portion of the site; however, their resource value has not yet been determined.

c. MORRIS COUNTY HOUSING AUTHORITY (BLOCK 191, LOT 11)



- 1) There are no known title encumbrances that would prohibit or otherwise impact the development of the property in general. The site is owned by Morris County Affordable Housing Corporation.
- 2) The site has access to appropriate streets. The site has frontage on and access from Bennett Avenue.

- 3) The site is located in the Dover Water Service Area and there is adequate water capacity for the development.
- 4) The site is located in a sewer service area, and there is adequate sewer infrastructure and sewer capacity to serve the site.
- 5) Per NJDEP mapping, there are no C-1 streams on-site.
- 6) There are no slopes greater than 15 percent on the site.
- 7) The site location is consistent with the adopted State Development and Redevelopment Plan. The site is located in the Highlands Planning Area, and is located in Planning Area 2, in which development is encouraged. The SDRP notes that “the Suburban Planning Area is a key area for accommodating market forces and demand for development”.
- 8) Per NJDEP, the site is not on the Known Contaminated Sites List.
- 9) The site does not appear to be of exceptional cultural or historic value.
- 10) There are no wetlands or flood plains on the site that were mapped by publicly available GIS data.

J. OVERLAYS TO ADDRESS ADDITIONAL SITES IF WATER BECOMES AVAILABLE

According to the calculations provided in Section G of this Plan, the Township has provided 125 units of already constructed housing with 27 bonus credits, and proposes the construction of an additional 111 units.

Although the Township is not seeking a vacant land adjustment or a durational adjustment related to lack of water, but instead a waiver under N.J.A.C. 5:93-4.5, there is no requirement under the Second Round regulations that additional already developed sites be considered for overlay zoning requiring inclusionary development; however, the Township has carefully examined vacant sites geographically within the Dover Water Service Area (although not included in the current franchise area agreement with Dover) and proposes the following additional overlay zoning.

i. Detailed Summary of Additional Overlay Areas Subject to the Availability of Water

1. Overlay Zone over the Block 196, Lots 2, 3, and 4

To create future opportunities for affordable housing if water becomes available, the Township will consider enacting an amendment to the zoning code for the area located north of Route 10. The site is located in the Randolph Water Service Area, however, there is an agreement in place that the Township may petition the Dover Water Service Area for future connection at these sites. The properties included are Block 196, Lots 2, 3, and 4. The Overlay Rezoned Area includes a total of 16.51 acres, which are proposed to be developed for inclusionary affordable housing at an average density of 6 units per acre, with a minimum 15 percent affordable set-aside for rental units and a minimum 20 percent affordable set-aside for for-sale

units. Therefore, it is anticipated that this Overlay could produce 99 units total, with a set-aside between 15 and 20 affordable units.



2. Mandatory Set-Aside Ordinance to Capture Other Units

The Township will also adopt a Mandatory Set-Aside Ordinance (“MSO”) to capture additional units. The adoption of the MSO requires that any site that benefits from a rezoning, variance or redevelopment plan approved by the Township, which results in multi-family residential development of five (5) dwelling units or more, will produce affordable housing at a set-aside rate of 20% for for-sale affordable units and at a set-aside rate of 15% for rental affordable units. The adoption of the MSO does not give any developer the right to any such rezoning, variance, redevelopment designation or other relief, or establish any obligation on the part of Township or its boards to grant such rezoning, variance, redevelopment designation or other relief (See Appendix F).

K. AFFORDABLE HOUSING ORDINANCE AND AFFIRMATIVE MARKETING PLAN

The Township will prepare a new Affordable Housing Ordinance and Affirmative Marketing Plan that is applicable to all new and existing affordable housing units created within Randolph. The Township will enter into a contract with a qualified affordable housing administrator to act as the Administrative Agent to manage the affordability controls and the affirmative marketing plan for all affordable housing units in the Township.

L. DEVELOPMENT FEE ORDINANCE AND SPENDING PLAN

The Township will prepare an amended Development Fee Ordinance. Until the amended Development Fee Ordinance is adopted, the Township will continue to rely on the existing Development Fee Ordinance.

The Township will prepare a Spending Plan. The Spending Plan will outline the anticipated collection and distribution of mandatory development fees and in lieu contributions, and the Township's proposals for spending the money that comes into the Affordable Housing Trust Fund. The Township understands that no funds may be expended without the Court's approval of the Spending Plan. It is understood that any documents not completed by the time of the adoption of this HEFSP will be subject to court master review and may be a condition of any judgement of repose.

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