

HOUSING ELEMENT AND FAIR SHARE HOUSING PLAN

TOWNSHIP OF RANDOLPH MASTER PLAN



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2nd Submission

Prepared by

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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.

A handwritten signature in black ink, appearing to read 'K. O'Kane'.

Katherine O'Kane, AICP, PP
#33LI00634300



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1. Amended Consent Order (Includes Table A) Imposing Scarce Water Resource Restraints, dated June 6, 2018
2. Outline of Protocol for Waiver from Ed Buzak to Phillip B. Caton, Special Master, dated December 15, 2017.
3. Planning Report on Waiver Request for Scarce Resource, prepared by Robert Michaels, Township Planner, dated February 2018
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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 ("Township" or "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 and other critical resources 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 municipalities with insufficient land or other critical resources 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, COAH gave itself the discretion to consider the imposition of alternative mechanisms for addressing all or a part of its unmet need. In this regard, N.J.A.C. 5:93-4.2 (h) provides that COAH "may" require a land or critical resource-poor municipality to adopt a development fee ordinance, and overlay ordinance and other ordinances to address all or a portion of 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, including Randolph, 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. See In re Adoption of N.J.A.C. 5:96 & 5:97, 215 N.J. 578, 612, 616-17 (2013).

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 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. See In re Adoption of N.J.A.C. 5:96 & 5:97, 221. N.J. 1 (2015). 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. The Township submitted this Housing Element and Fair Share Plan to the Highlands Water Protection and Planning Council in a Petition for Plan Conformance. The same Plan was filed with COAH on June 7, 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 advised of its intention to request a waiver to prevent the exhaustion of its water resources on its affordable housing obligation pursuant to N.J.A.C. 5:93-4.5, and the Court directed the Township to prepare a protocol for pursuing that waiver. The Township prepared reports related to the waiver request (See Appendices C.2 ,C.3, and C.4). 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 was 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. The Township has since considered a report distributed by the appointed Special Master, Elizabeth McManus, PP, AICP, for additional direction in preparing this Housing Element and Fair Share Plan (See Appendix K).

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, 11, 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. 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. 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
Rental	--	54	53	107
Group Home/Special Needs	--	21	2	23
For-Sale	--	31	35	66
Age-Restricted	--	50	50	100
			Total	296
Affordable Units Previously Approved or Built				
Rental	--	3	3	6
For Sale	--	20	20	40
Special Needs/Assisted Living	--	17	--	17
			Total	63
Total Completed or Approved Units				
			<i>Total Existing</i>	359



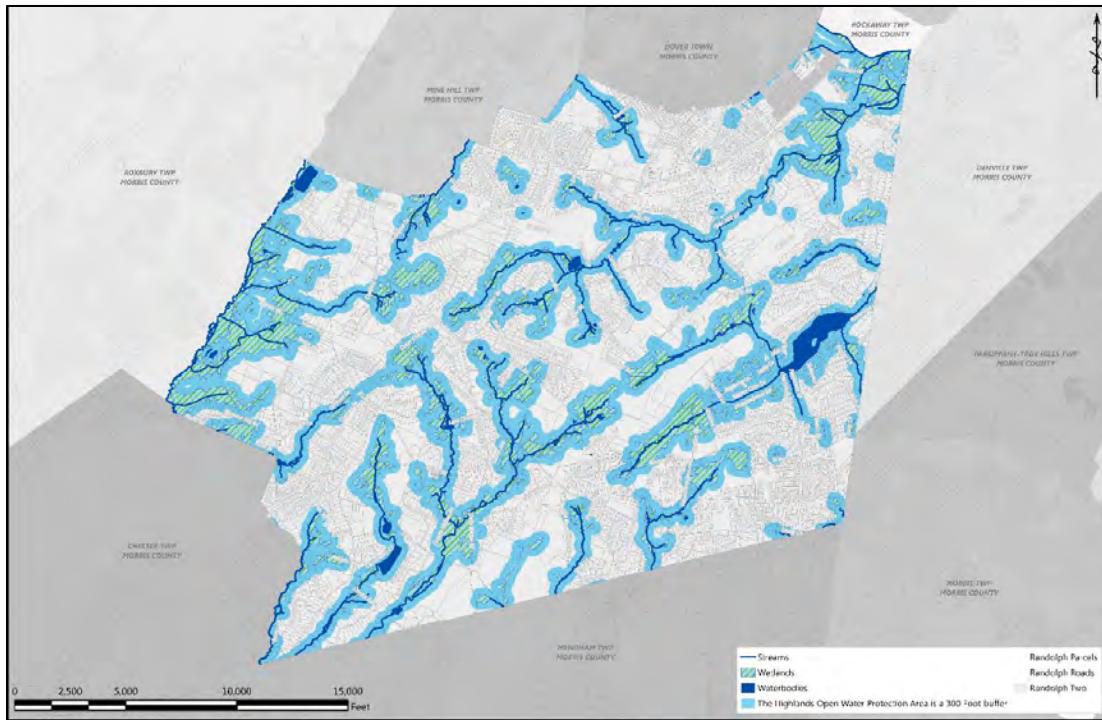
C. DEVELOPMENT CONSTRAINTS IN RANDOLPH

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

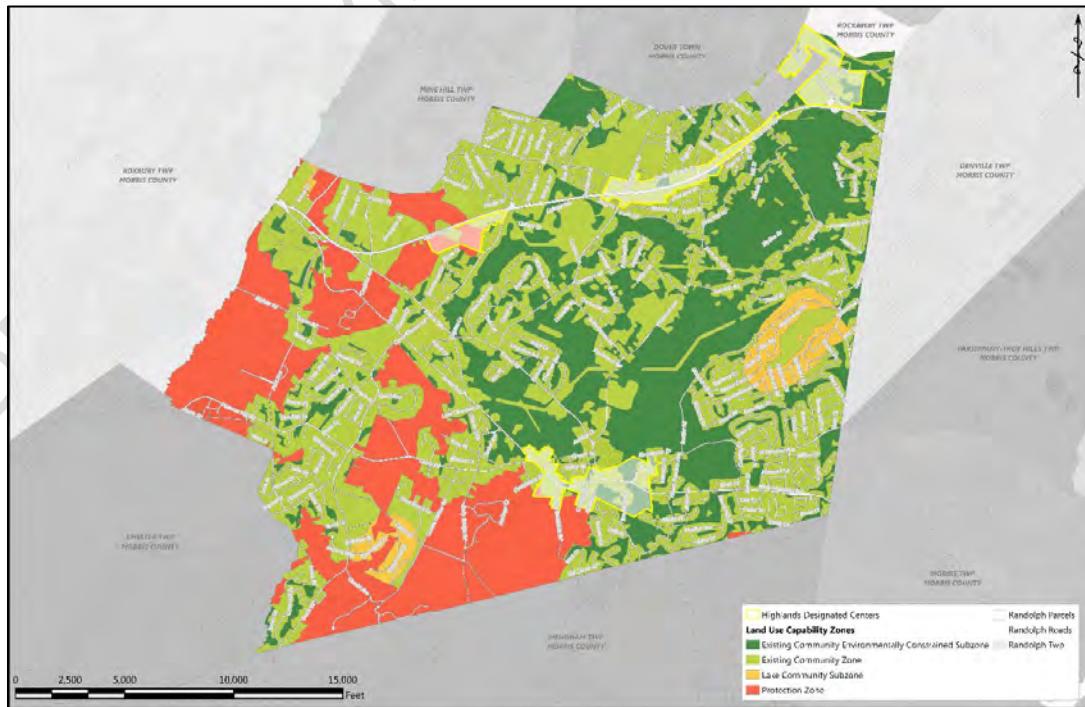
Randolph is located in the Highlands Region, which is established by the Highlands Water Protection and Planning Act of 2004 ("the Act"). Overall, about five (5%) percent, or 581 acres, of the Township is located in the preservation area and ninety-five (95%) percent, 12,961 acres, in the planning area. 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. Land within the Highlands Planning Area are exempt from the regulations promulgated by the New Jersey Department of Environmental Protection (NJDEP) set forth in N.J.A.C. 7:38. 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 Highlands Planning Area is the portion of the Highlands Region that is not included in the Highlands Preservation Area. While the Act does not establish any new standards for the Highlands Planning Area, the Highlands Regional Master Plan, provides an avenue for enhanced standards, TDR, and smart growth in this portion of the Highlands Region. 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.

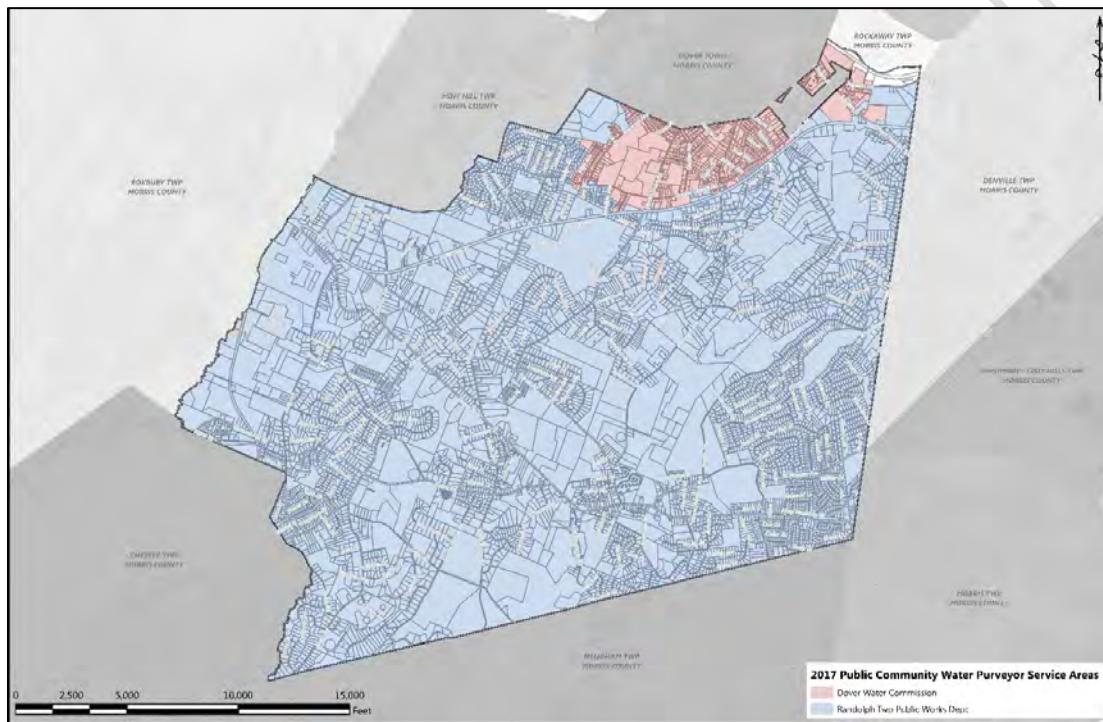
2. History of the Highlands Region and COAH

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.

3. Randolph's Water Resources

The Township of Randolph is largely served by two public community water purveyor service areas, which include the Dover Water Commission (“Dover Water”) and the Randolph Township Public Works Department (“Randolph Water”). As depicted in the map below, an obvious majority of the Township’s properties are serviced by Randolph Water. As per the 1992 Township Master Plan, the Township owns and operates a public community water system. A section of the Township generally north of Route 10 and east of Dover-Chester Road is served by the Town of Dover under a separate franchise agreement. The remaining properties throughout the Township are served by private wells.



Randolph does not own or operate a water supply source or a water treatment facility and rather, 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.

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." As early as December 2017, the Township advised of its intention to request a waiver to prevent the exhaustion of its water resources on its affordable housing obligation pursuant to N.J.A.C. 5:93-4.5, and the Court directed the Township to prepare a protocol for pursuing that waiver. The Township prepared reports related to the waiver request (See Appendices C.2, C.3, and C.4). 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, subsequently 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.

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), and potential failures of existing individual private wells, 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 less 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 modest increases in population during the 1990s, and mirrored subsequent lesser increases during the 2010s.

**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.



**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%

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

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 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 3: Population by Sex and Age 2017,
Township of Randolph**

	All	Female	Male
Total 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

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

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

Number of Rooms	Morris County		Township of Randolph	
	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 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 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.

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	
<i>High school or Equivalent</i>	16.4%
<i>Bachelor's Degree</i>	33.7%
<i>Graduate or Professional Degree</i>	26.2%
<i>Unemployed</i>	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 the Township's noted water capacity issues in relation to the Third Round Fair Share Obligations. As early as December 2017, the Township advised of its intention to request a waiver to prevent the exhaustion of its water resources on its affordable housing obligation pursuant to N.J.A.C. 5:93-4.5, and the Court directed the Township to prepare a protocol for pursuing that waiver. The Township prepared reports related to the waiver request (See Appendices C.2, C.3, and C.4). 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, subsequently 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 was 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.

The Township has a 643-unit cumulative Third Round obligation based upon the fair share methodology calculated by the Richard Reading report dated July 17, 2018, which was prepared for Morris County at the direction of the Honorable Maryann L. Nergaard, JSC by Court Order of June 20, 2017. These obligations were based upon the application of the principles elucidated in the Mercer County Opinion decided upon by the Honorable Judge Mary C. Jacobson in her opinion dated March 8, 2018, for the determination of each of the categories of affordable housing need for the municipalities located in Morris County. The following chart illustrates the numbers for the Prior Round and the Third Round. These numbers serve as the basis for establishing what fair share obligations the Township will be targeting in this Housing Element and Fair Share Plan.

Table A: Fair Share Obligations Richard Reading Report on the "Determination of Low and Moderate Income Housing Needs in Morris County Based Upon the Mercer County Opinion", dated July 17, 2018	
Rehabilitation Obligation	33
Prior Round Obligation (1987-1999)	261
Gap Present Need (1999-2015): 252	Total (1999-2025): 643
Prospective Need (2015-2025): 391	
Total Obligation:	937



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. While this Plan utilizes the Richard Reading report to establish the Third Round obligation, the subsequent references to the SRO and the Township Engineer's report help to establish a context around the most limiting factor to all development in the Township – water availability.

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 (See Appendix I). The Township will continue to work with the Special Master to evaluate whether a rental rehabilitation program must be administered by the Township.,

Based on the percentage of renter-occupied housing as depicted in Table 13, the number of rental rehabilitations would be approximately 7 units of the total 33-unit obligation. According to additional Census information, approximately one-third of units were built after 1980, one-third were built in the 1970s, and one-third were built prior to 1970. Considering the relatively small number of units for a rehabilitation program, the Special Master shall evaluate if a dedicated program is necessary based on this information. Despite the lack of a determination, the Township has preemptively set aside affordable housing trust funds within their Spending Plan for at least 7 renter-occupied units at an average of \$10,000 per unit, or \$70,000 (See Appendix H). If determined to be necessary, the Township would contract with a qualified agency to implement this rental rehabilitation program until the minimum rental units prescribed have been completed. The Township would continue to participate in the Morris County HOME Program for owner-occupied units until the remaining rehabilitation obligation was fully satisfied.

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. The following sections provide a detailed overview of Prior Round crediting.

1. Prior Round Rental Obligation

The prior round rental obligation is 25% of 261, or 66 units. The Township is applying thirty-eight (38) rental units from the Canfield Mews project (Block 42, Lots 1 and 1.01); twenty-seven (27) rental units from the Arrowgate project (Block 42, Lots 122.01); and one (1) rental unit from the Habitat House project (Block 59, Lot 15). The Township therefore satisfies its 66-unit rental obligation.

2. Prior Round Age-Restricted Cap

COAH's Round 2 regulations permit a total of 25 percent of the new construction obligation (with certain caveats that are not applicable to Randolph) to be satisfied with age-restricted housing. Based upon this, the Township is eligible for 25% of 261 units, or a total of 65 age-restricted housing units are permitted to be credited against the Prior Round obligation. Overall, the Township is applying sixty-five (65) age restricted units from its completed India Brook Senior Housing project to the Prior Round.

3. Prior Round Rental Bonus Credits

In accordance with N.J.A.C. 5:93-5.15(d), the Township is entitled to rental bonus credits generated by projects described below, up to the maximum of sixty-six (66) rental bonuses for which it is eligible based on 25% of its 261-unit Prior Round obligation. The Township is claiming a total of 65 bonus credits, including: thirty-eight (38) rental bonus credits from the Canfield Mews rental project (Block 42, Lots 1 and 1.01); twenty-seven (27) rental bonus credits from the Arrowgate rental project (Block 42, Lot 122.01); and one (1) from three (3) age-restricted rental units in the India Brook Senior Housing project (Block 93, Lot 56.01).

4. Satisfaction of Prior Round Obligation

The Township enters Third Round having satisfied the entirety of its Prior Round obligation. The Township has a 261-unit Prior Round obligation, and has satisfied that obligation as follows:

**Table C. Prior Round Affordable Housing Fulfillment
Township of Randolph, Morris County, NJ**

1987-1999 Prior Round Obligation	261			
	Total Project Units	Low	Mod	Set-Aside Credits
<i>Inclusionary Rental Projects</i>	356	33	32	65
Canfield Mews (Block 42, Lots 1 and 1.01)	192	19	19	38 (R)
Arrowgate (Block 42, Lot 122.01)	164	14	13	27 (R)
<i>Inclusionary For-Sale Projects</i>	299	28	29	57
Boulder Ridge (Block 184, Lots 1 and 1.20)	98	8	9	17 (S)



Woodmont (Block 119, Lot 109.11)	201	20	20	40 (S)
Age-Restricted Projects	100	33	32	65
India Brook Senior Housing – 100% Affordable (Block 93, Lot 56.01)	100	33	32	65 (ARR)
Group Homes and Supportive Needs	8	6	2	8
Peer Group Housing (Block 17, Lot 18)	4	2	2	4 (SNR)
Skylands Group Home (Block 50, Lot 6)	4	4	-	4 (GH)
SUBTOTAL OF ALL UNITS	763	100	95	195
Rental Bonuses (up to 66 allowed)				66
TOTAL PRIOR ROUND CREDITS	763	100	95	261
(FR) = Family Rental	(ARR) = Age-Restricted Rental			
(GH) = Group Home	(SNR) = Special Needs Rental			
(R) = Rental	(RCA) = Regional Contribution Agreement			
(S) = For-Sale	(BC) = Bonus Credit			

a. **Detailed Summary of Prior Round Satisfaction**

(1) **187 existing affordable units** from the following constructed units:

- a) 38 affordable rental units from the Canfield Mews project (Block 42, Lots 1 and 1.01).
- b) 27 affordable rental units from the Arrowgate project (Block 42, Lot 122.01).
- c) 17 affordable for-sale units from the Boulder Ridge project (Block 184, Lots 1 and 1.20)
- d) 65 age-restricted rental units from the India Brook Senior Housing Project Block 93, Lot 56.01)
- e) 40 affordable for-sale units from the Woodmont Project (Block 119, Lot 109.11)

(2) **8 existing group home and supportive needs units** from the following constructed units:

- a) 4 units from the 4-bedroom supportive needs housing known as Peer Group Housing (Block 17, Lot 18)

- b) 4 units from the 4-bedroom Skylands Group Home (Block 50, Lot 6).

(3) **66 rental bonus credits** out of the 65 maximum allowable.

- a) 38 rental bonus credits from the Canfield Mews rental project.
- b) 27 rental bonus credits from the Arrowgate rental project.
- c) 1 age-restricted rental bonus credit from three (3) age-restricted rental units in the India Brook Senior Housing project.

E. THE TOWNSHIP'S ALLOCATION OF THE THIRD ROUND REGIONAL NEED

The Township has a Third Round Prospective Need Obligation of 643, based upon the July 17, 2018 Richard Reading Report for Morris County, prepared as directed by the Honorable Maryann L. Nergaard, JSC by Court Order of June 20, 2017.

1. Water as a Scarce Resource

Water is a fundamental resource both to New Jersey's natural heritage and to its economic well-being. At the regional level, planning frameworks in the Highlands and Pinelands regions were established to protect those regions' vulnerable water resources. Regional planning efforts like the New Jersey State Development and Redevelopment Plan ("SDRP"), in particular, includes policy objectives directly related to development and water supply. More specifically, the SDRP states a policy recommendation to "establish the character, location, magnitude and timing of development and redevelopment based on, and linked to, the quantity of water that is available without adversely affecting water-dependent habitats and ecosystems and without exceeding the sustainable yield of the water source" and, "in areas experiencing stressed water supply resources, improve current systems and manage water use and development intensity, to minimize the need for additional water supply facilities." Other environmentally and infrastructure focused planning efforts, such as the New Jersey Department of Environmental Protection's "New Jersey Statewide Water Supply Plan, 2017-2022", includes a policy item to "coordinate sustainable water supply policies with the Highlands Regional Master Plan and the Pinelands Comprehensive Management Plan. The policy item recommends that the, "NJDEP should examine the need to better coordinate the distribution of approved available and sustainable supply with the future need for residential, commercial or industrial uses based on available local data, information and analyses that may have been conducted for Water Quality Management planning, the Highlands Regional Master Plan and Pinelands Comprehensive Management Plan." Probably the most applicable planning and policy effort to Randolph is the Highlands Water Protection and Planning Act, which was signed in August 2004 to preserve open space and protect the state's greatest diversity of natural resources, including the precious water resources that supply drinking water to more than half of New Jersey's families.

While the fact that Randolph does not have adequate water to fulfill its obligation is not unique in New Jersey, the particular context and parameters of the water scarcity in the Township should not be ignored. It is important to emphasize that the Township's ability to address its Third Round obligation is driven by its noted water supply and capacity limitations.



The Township water supply service areas consist of the Randolph Water Service Area – which distributes water purchased exclusively from the Morris County Municipal Utilities Authority (“MCMUA”) - and the Town of Dover Water Service Area - served through the Dover Water Commission. Randolph does not own or operate a water supply source or a water treatment facility and rather, 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 and the committed peak”. The September 11, 2018 Report of the Township Engineer (Appendix A) confirms that the peak daily demand is 2.368 MGD and the committed peak is 0.060 MGD leaving a gross available Firm Capacity as calculated by the NJDEP of 0.692 MGD. The Township’s June 2018 Scarce Resource Order (“SRO”) lists the new users who have already been apportioned water capacity in the Randolph Water Service Area on Appendix A attached to the SRO. The Township Engineer confirmed in his Report that the aggregate flow listed in Appendix A to the SRO (0.367 MGD) is **not** included in the NJDEP’s “committed peak” for Randolph and therefore must be deducted from the gross available Firm Capacity to arrive at a net available water capacity (“NAWC”). Thus, the report found that the NAWC of the Township of Randolph is 0.314 MGD, which limits the level of all future new development in the Township.

2. Waiver Request Pursuant to N.J.A.C 5:93-4.5

Pursuant to N.J.A.C. 5:93-4.5, the provision for a waiver is available to request relief from having to utilize all available water capacity for the purpose of creating affordable housing. The imposition of a Scarce Resource Order (“SRO”) in June 2018, recognizes and acknowledges that the Township has limited water supply. Appendix A attached to the SRO, denotes those users with approvals or vested rights to develop their property – simply put they are pending connections to the water supply, and commonly known in the NJDEP regulatory scheme as “committed flow”. Subsequent developers or property owners who seek use of public water that are not on that list would have to apply to the Special Master for approval to connect and the Special Master’s decision would be subject to review by the Court. The intention of the SRO as provided in the Court Order is for “Randolph to withhold and reserve all remaining water supply for projects which assist the Township in satisfying its constitutional affordable housing obligation, until further Order of this Court as set forth hereinafter”. However, the COAH regulations state that, “the Council shall entertain waiver requests by motion, in accordance with N.J.A.C. 5:91-12 from municipalities seeking relief from the following requirements: 1. The use of an entire resource (land, water, sewer) in addressing the municipal housing obligation”; and therefore, the SRO does not serve as a proxy for the waiver request. Rather, the SRO establishes that water is in fact a scarce resource and sets the stage for the municipality to apply for a waiver from being mandated to exhaust all its remaining water to satisfy its affordable housing obligation.

The September 11, 2018 report (Appendix A) subsequent to the SRO, prepared by the Township’s Engineer, Ferriero Engineering, calculates the Township’s ability to accommodate additional development beyond those projects listed on the SRO based on the available water supply. As above-mentioned, the report found that the NAWC of the Township of Randolph is 0.314 MGD,. This report is intended to allocate additional water specifically for new affordable housing

development that addresses the Third Round, while reserving a proportional amount of the remaining capacity for non-residential development, and a minimal amount for accommodating failing wells and for non-inclusionary development. The report states that, “the services that exist in the Township must be expected to expand to support the future populations of the Township or those new residents will not be able to find employment, go to the grocery store, see a doctor or attend a house of worship in the town in which they live”. Overall, the report utilized utility billing records to determine the proportion of residential and non-residential water use, which was found to be 94.6% residential to 5.4% non-residential distribution. Therefore, the report ultimately carries out the intent of the waiver provision by preserving a modest proportion of water resources for non-residential development. 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 units/year), and potential failures of existing individual private wells (30 wells), there remains sufficient NAWC to accommodate the demand of an aggregate 325 multifamily residential units, consisting of 65 low- and moderate-income units (assuming a 20% set-aside and the regulatory bedroom mix for the affordable unit) and an additional share of 260 market units (assuming all three bedroom market units). While the Engineer’s report relates to the larger portion of the Township serviced by the Randolph Water Service Area, there are additional limited development opportunities in the proportionately smaller Dover Water Service Area that have been included in this Plan. The Township Engineer is actively preparing a Report that analyzes the water resources available in the Dover Water Service Area, and the adequacy of their capacity to serve additional development and affordable housing.

This Plan utilizes both the SRO and the Engineering Report to determine the Township’s ability to accommodate future growth and development as it relates to affordable housing. While the Township has requested to not exhaust its entire water resource for affordable housing by preserving a proportion for non-residential growth, and minimal amounts for failing private wells of existing residents and for non-inclusionary development, the much larger proportion has been allocated to affordable housing projects to address the Township’s Third Round obligation. Regardless, water still presents a limiting factor that ultimately caps the gross number of units that can realistically be served by the existing public water system. The outcome of those limits is outlined in the following sections that detail the Township’s strategies to address their Third-Round obligation.

3. Durational Adjustment Pursuant To N.J.A.C. 5:93-4.3

While the most recently adopted COAH regulations were approved nearly 10 years before the Highlands Act was passed, they did still accommodate the lack of adequate resources, including water, as a “durational adjustment” under N.J.A.C. 5:93-4.3(c). These rules create a process for the municipality to defer the obligation until if or when the infrastructure is available. N.J.A.C. 5:93-4.3(c) states that: *“The lack of adequate capacity, in and of itself, shall constitute a durational adjustment of the municipal housing obligation. The requirement to address the municipal housing obligation shall be deferred until adequate water and/or sewer are made available. In order to provide water and/or sewer on sites the Council determines are realistic for inclusionary development, municipalities shall adhere to the following:*

- 1. Notwithstanding the lack of adequate water and/or sewer at the time a municipality petitions for substantive certification, the municipality shall reserve and set aside new water and/or sewer capacity, when it becomes available, for low and moderate income housing, on a priority basis.*



2. *Municipal officials shall endorse all applications to the DEP or its agent to provide water and/or sewer capacity. Such endorsements shall be simultaneously submitted to the Council.*
3. *Where the DEP or its designated agent approves a proposal to provide infrastructure to a site for the development of low and moderate income housing identified in the housing element, the municipality shall permit such development; and*
4. *Where a municipality has designated sites for low and moderate income housing that lack adequate water and/or sewer and where the DEP or its designated agent approves a proposal to provide water and/or sewer to a site other than those designated for the development of low and moderate income housing in the housing element, the municipality shall amend its housing element and fair share housing ordinance to permit development of such site for low and moderate income housing. The amended housing element and fair share housing ordinance shall be submitted to the Council within 90 days of the site's approval by the DEP or its agent. The Council may waive these requirements when it determines that the municipality has a plan that will provide water and/or sewer to sufficient sites to address the municipal housing obligation within the substantive certification period."*

The Township seeks a water capacity durational adjustment pursuant to the N.J.A.C. 5:93-4.3 for the satisfaction of its affordable housing obligation beyond that which can be accommodated by its available water supply after the waiver request outlined above. More specifically, to the extent that the Township's affordable housing obligation exceeds its current capacity to provide water to those inclusionary or 100% affordable projects, the Township commits to provide future available water, proportioned as set forth in the Township Engineer's Report, to the inclusionary or 100% affordable projects set forth in this HEFSP so as to satisfy its affordable housing obligation as, if, and when additional water capacity becomes available.

4. Addressing the Third Round Obligation

With the guidance of the limitations imposed by the SRO and the knowledge of the existing water supply resources outside of that Order as outlined in the Engineer's Report, the Township's Fair Share Plan proceeds with a waiver and durational adjustment as a means to balance the existing infrastructure constraints and the Third Round obligation. Despite the scarcity of water as a resource, which is necessary for all development and especially housing, the Township's Plan maximizes affordable housing opportunities through a diversity of sites and housing products.

It is important to keep in mind, that while maximizing the available resources for affordable housing sites in this Plan, there are clear limitations to the number of units that may be constructed. Because water is scarce, it is important to the Township that it be properly earmarked for projects that are realistic. While land as a scarce resource may still allow for increased density or development, water is very different in that a site cannot be realistic or sustainable if it is 10% or even 1% short of the water demand produced by the number of units. Randolph may not be unique in its water scarcity, but it does not make the proper allocation of water resources any less important.

F. SATISFACTION OF THIRD ROUND 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 obligation of 643, its rental obligation is 25 percent, or one-hundred and sixty-one (161) units. The Township has an approved rental project with fourteen (14) units are Gateway Apartments (Block 77, Lots 25, 30, and 31), and anticipates that the additional inclusionary sites being applied to Third Round after the completion of the mediation process will have a number of rental units that will contribute towards 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 of 643, or one-hundred and sixty (160). 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 160-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 Third Round obligation of 643, the Township has an obligation of at least eighty-four (84) 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 Bonus Credits

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 Third Round obligation of 643, the Township is permitted up to one-hundred and sixty-one (161) bonus credits. As the Township is proceeding with the requirements of a durational adjustment, the Township reserves the right to bonus credits up to the maximum permitted for the Third Round.

The Township seeks credit for bonus credits on the following forty (40) existing rental units: thirty-two (32) rental bonuses from the Bennett Avenue Family Housing project (Block 191, Lots 7,



8, 11, 12 & 13 and Block 195, Lots 3 & 4); one (1) age-restricted rental bonus from the five (5) approved units within the Grecco Realty project (Block 111, Lots 10-16); and seven (7) total rental bonuses from the two Group Home projects - High Avenue House (Block 53, Lot 44) and Our House (Block 35, Lot 28). Additionally, the Township anticipates at least seventy-four (74) rental bonus credits from the following proposed rental projects: ten (10) rental bonuses from the KAB Mount Freedom Site (Block 224, Lot 5); twenty (20) rental bonuses from the Canoe Brook project (Block 44, Lot 25); thirty (30) rental bonuses from the Avalon Bay/Skylands Site (Block 42, Lot 5); and fourteen (14) rental bonuses from the Gateway Apartments project (Block 77, Lots 30-31). In total, this represents one-hundred and fourteen (114) bonus credits that may be applied to the Third Round obligation.

5. Third Round Family Units

While not a specific requirement outlined under N.J.A.C. 5:93, the minimum number of Third Round Family Units has rather become a typical component included within Third Round Plans and Settlements. This minimum has typically been 50%, which represents 50% of the third round rental obligation and 50% of the very low income unit obligation. Therefore, the Township would require a minimum of 50% of the total Third Round Obligation of 643, or 322 units.

6. Third Round Credits to Address Obligation

The following Table outlines the Township's credits to address its Third Round obligation and shall be considered at this time for the purpose of settlement. The Township and the Special Master are actively engaging with a number of intervening parties and developers at the time of the preparation of this Plan. Therefore, the proposed densities as outlined in Table B are subject to change based upon the allocation of water and the results of continued mediation. Similarly, set-asides shall be based upon the presumptive minimums as provided in the Second Round COAH regulations, with 15% for rental projects and 20% for for-sale projects; however, the Township reserves the right to consider set-asides in excess of those minimums in order to maximize affordable unit credits in light of the scarcity of water and its impact on development. Due to the limited water resources at this time, the Township seeks to prioritize sites that are suitable and readily available for development, and contribute the optimal (highest) set-aside of affordable units towards the Township's Third Round obligation. The Township, with the continued assistance of the Special Master, will continue to consider these factors as concept plans and mediations proceed with prospective developers and intervenors.

**Table B. Existing, Approved, and Proposed Projects Addressing the Third Round Obligation
Township of Randolph, Morris County, NJ**

Township Obligation	643					
	Completed Units	Proposed Units	L	M	VL	Set-Aside Credits
1. Existing or Approved						
Inclusionary Projects	312		33	30	-	63
Woodmont (Extension of Controls) (Block 119, Lot 109.11)	201		20	20	-	40 (\$)
Boulder Ridge	98		8	9	-	17 (\$)

(Block 184, Lots 1 and 1.20)						
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 / 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)
SUBTOTAL EXISTING OR APPROVED UNITS	374		73	68	-	125
Bonus Credits for Existing Units (161 maximum based on 25% of 643-unit obligation)						40
TOTAL EXISTING OR APPROVED CREDITS						165
2. 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		63	4	4	2	10 (R)



(Block 224, Lot 5)						
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

*The capacity reserved in the SRO is lower than proposed development

Proposed Affordable Housing Projects in the Dover Water Service Area

Inclusionary Projects		88	6	6	2	14
Gateway Apartments Block 77, Lots 30 and 31)		88	6	6	2	14 (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	41
SUBTOTAL PROPOSED NEW CONSTRUCTION		563	43	51	17	112
Bonus Credits for Proposed Units (161 maximum based on 25% of 643-unit obligation)						74
TOTAL PROPOSED NEW CREDITS						186
DETAILED TOTAL OF ALL EXISTING & PROPOSED CREDITS	<u>374</u>	<u>563</u>	<u>117</u>	<u>119</u>	<u>17</u>	<u>341</u>
GROSS TOTAL EXISTING & PROPOSED THIRD ROUND CREDITS AND UNITS						341
(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 + 40 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:

- a) **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).
- b) **6 for-sale affordable units** from the Morris County Affordable Housing Corporation 100% affordable for-sale project (Block 191, Lots 14 & 15).
- c) **1 affordable for-sale unit** from the Habitat House project (Block 59, Lot 15).
- d) **1 affordable for-sale unit** from the Habitat House project (Block 134, Lot 3.02).
- e) **1 affordable for-sale unit** from the Habitat House project (Block 134, Lot 9).

(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) **40 rental bonus credits**, from existing units.

- a) 32 rental bonuses from the Bennett Avenue Family Housing project (Block 191, Lots 7, 8, 11, 12 & 13 and Block 195, Lots 3 & 4).



- b) 1 age-restricted rental bonus from the five (5) approved units within the Grecco Realty project (Block 111, Lots 10-16).
- c) 4 rental bonuses from the High Avenue House Group Home project (Block 53, Lot 44).
- d) 2 rental bonuses from the Our House Group Home project (Block 35, Lot 28).

Proposed Units (112 units + 74 Bonus Credits)

- (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. While the site appears on Highlands Area publicly available mapping data as being located within both the Highlands Planning Area and within the 300-foot Highlands Open Water buffer because of wetlands at the southern portion of the site, the Township has not yet adopted a Highlands Area Land Use Ordinance and thus the standards of the buffer are not applicable.

- (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. The basis for the density established on this site has largely been based upon the availability of

water for both this site and others that require increased demand, while still providing a viable density bonus to create a realistic opportunity for affordable housing development. A site suitability analysis pursuant to N.J.A.C. 5:93-1.1, 5.3 and 5.6 has been outlined under Section I of this plan, and any additional environmental constraints that may exist are unknown at this time.

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.

While the site is currently developed, 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. This site and the surrounding area were part of the Mount Freedom Village Center Planning Study, which provided that "some of the structures in Mount Freedom are remnants of the resort and bungalow days of the community. There are some bungalows that remain, that have been converted to year-round occupancy and in some instances expanded". Therefore, the site is part of a larger, long-standing planning efforts to revitalize and redevelop this area of Randolph.

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.



The basis for the density established on this site has largely been based upon the availability of water for both this site and others that require increased demand, while still providing a viable density bonus to create a realistic opportunity for affordable housing development. A site suitability analysis pursuant to N.J.A.C. 5:93-1.1, 5.3 and 5.6 has been outlined under Section I of this plan, and any additional environmental constraints that may exist are unknown at this time.

(3) **41 units** from the following new inclusionary and 100% affordable projects in the Dover Water Service Area:

a) **14 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, which has received approvals from the Township Planning Board via Application SP 17-12 and Resolution of approval dated July 2, 2018, and would be willing to provide a 15% set-aside of additional affordable units. The developer could provide the affordable units 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, and 14 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.

(4) **74 rental bonus credits**, from proposed units.

- a) 10 rental bonuses from the KAB Mount Freedom Site (Block 224, Lot 5).
- b) 20 rental bonuses from the Canoe Brook project (Block 44, Lot 25).
- c) 30 rental bonuses from the Avalon Bay/Skylands Site (Block 42, Lot 5).
- d) 14 rental bonuses from the Gateway Apartments project (Block 77, Lots 30-31).

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 pursuant to the availability of water at this time:

- 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 pursuant to the availability of water at this time:

- 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.
- 14 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-five (85) units of affordable housing within proposed inclusionary developments, as well as an additional twenty-seven (27) new construction units in 100% affordable sites, for a total of one hundred and twelve (112) new units. In accordance with the Second Round regulations (N.J.A.C. 5:93-4.3) for a durational adjustment, additional sites that may not readily or realistically have access to adequate water supply will be considered for overlay zoning requiring inclusionary development, only if water capacity becomes available in the future. While implementing the requests of a waiver not to exhaust all water resources, the Township is committed to the provisions for the durational adjustment and will establish a variety of mechanisms to provide opportunities up to the Third Round obligation of 643, so that if water becomes available in the future, the sites may be developed accordingly.



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."

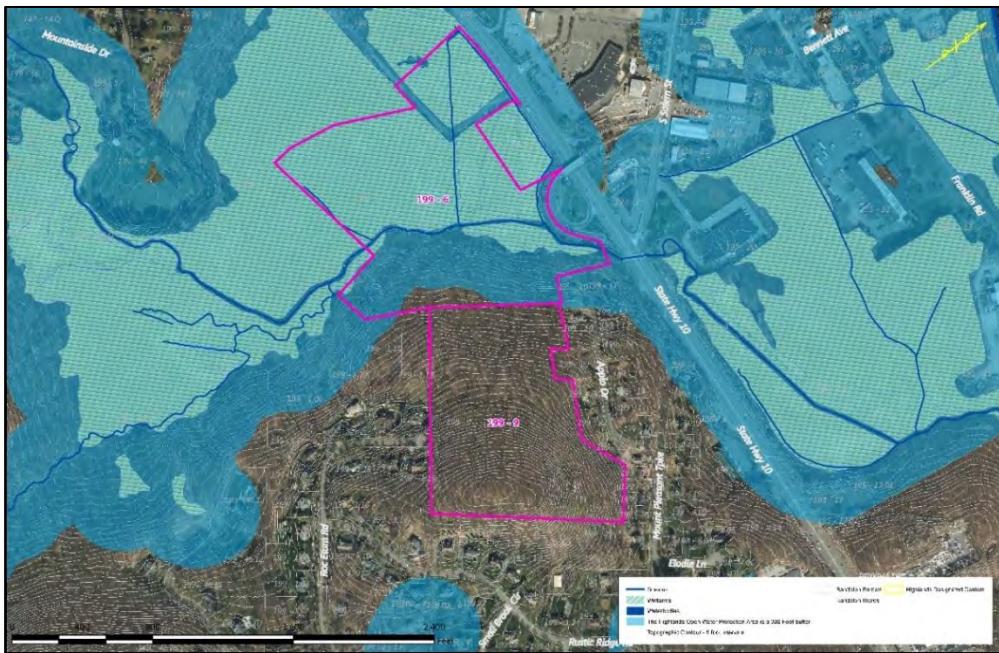
The Township is subject to a judicially imposed Scarce Resource Order ("SRO") from June 2018, which clearly acknowledges that the Township's water supply is limited because this SRO prevents Randolph from distributing remaining water supply to new users who were not listed on Appendix A attached to the SRO. Additionally, a detailed report subsequently 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. Proposed Sites in the Randolph Water Service Area

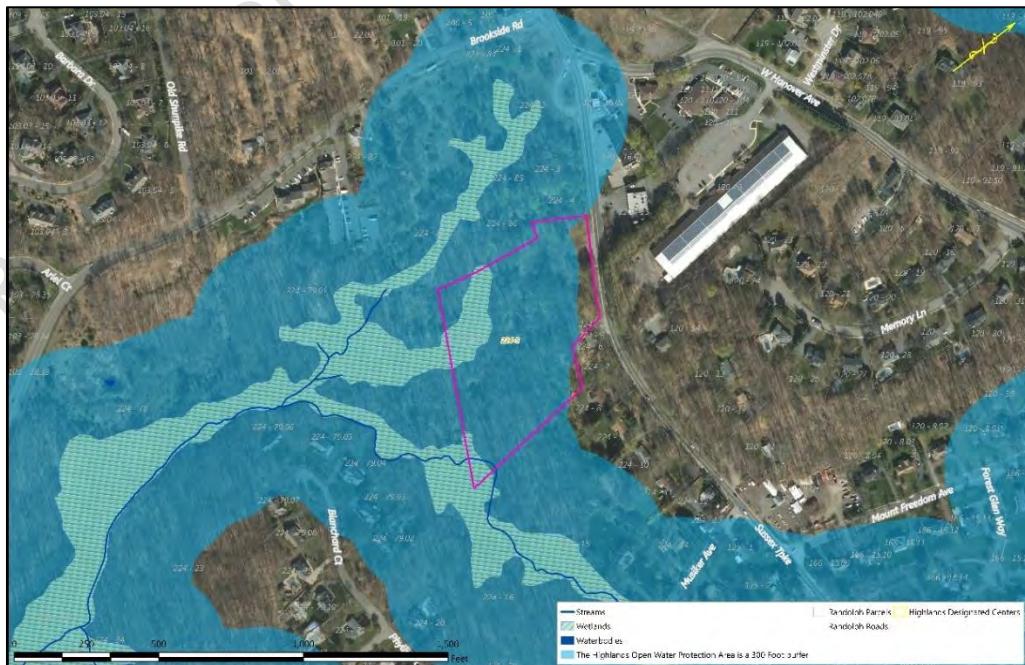
a. RANDOLPH MOUNTAIN (BLOCK 199, LOTS 6 & 9)



- 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 and was rezoned based upon the Court Orders in the litigation.
- 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.

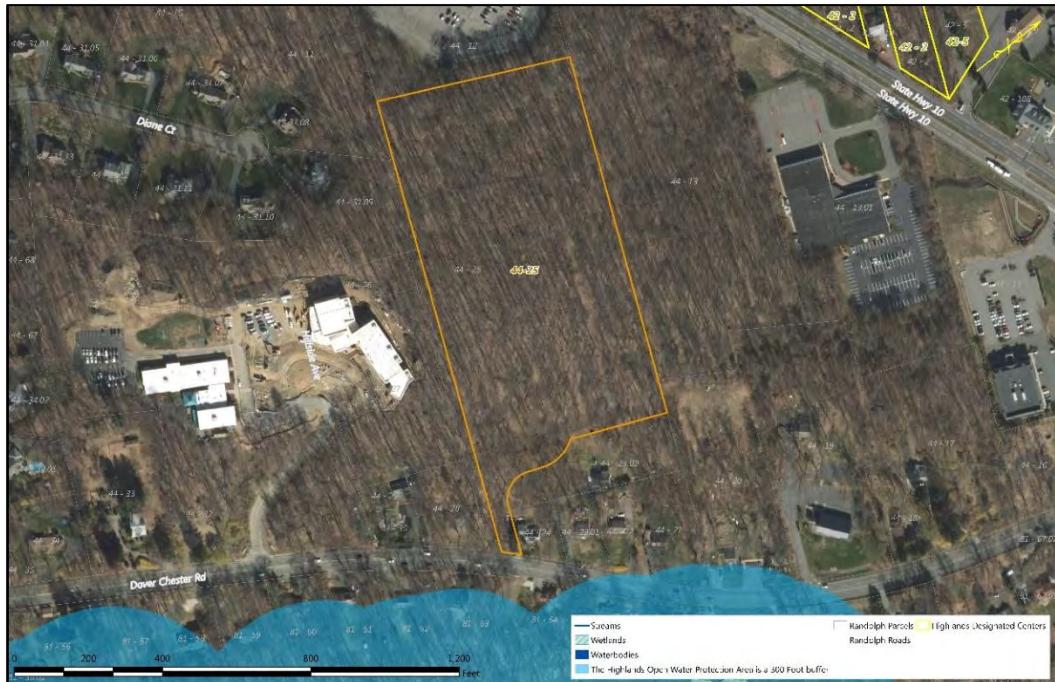
- 7) The site location is consistent with the adopted State Development and Redevelopment Plan. The site is located in the Highlands Planning Area, and is located in Planning Area 3, known as the Fringe Planning Area, in which limited growth is encouraged. The SDRP notes that "development within the 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". The site lies within the Highlands Planning Area of Randolph Township and as such is exempt from the regulations promulgated by the New Jersey Department of Environmental Protection (NJDEP) set forth in N.J.A.C. 7:38.
- 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 portion of the 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". The site lies within the Highlands Planning Area of Randolph Township and as such is exempt from the regulations promulgated by the New Jersey Department of Environmental Protection (NJDEP) set forth in N.J.A.C. 7:38. Additionally, the map above which depicts publicly available Highlands Area GIS data, shows the site within the 300-foot Highlands Open Water, as recommended by the Highlands Regional Master Plan ("RMP"). However, as this site is located in the Highlands Planning Area, and the Township has not yet adopted a Highlands Area Land Use Ordinance, it is not subject the buffer requirements.
- 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. The site is subject to further wetland delineation by the NJDEP to determine the developable acreage of the property.

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.

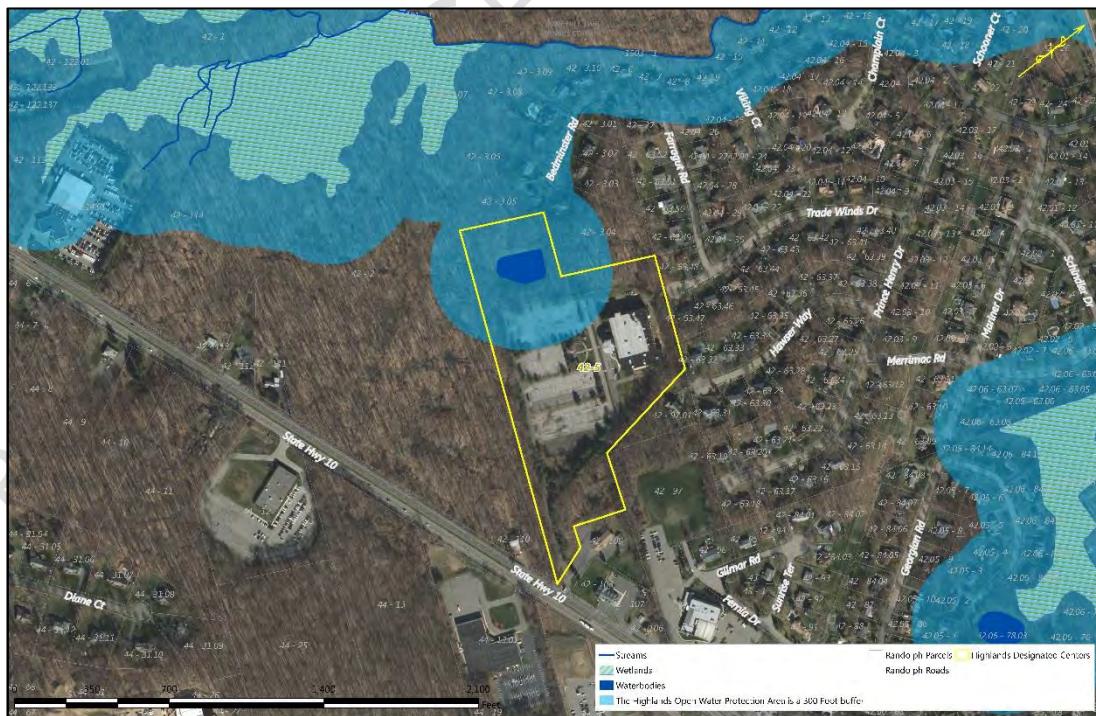
d. ELBAUM SITE (BLOCK 97, LOTS 26, 27.01, 27.02)



- 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”. While the site is currently developed, 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. This site and the surrounding area were part of the Mount Freedom Village Center Planning Study, which provided that “some of the structures in Mount Freedom are remnants of the resort and bungalow days of the community. There are some bungalows that remain, that have been converted to year-round occupancy and in some instances expanded”. Therefore, the site is part of a larger, long-standing planning efforts to revitalize and redevelop this area of Randolph.
- 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.

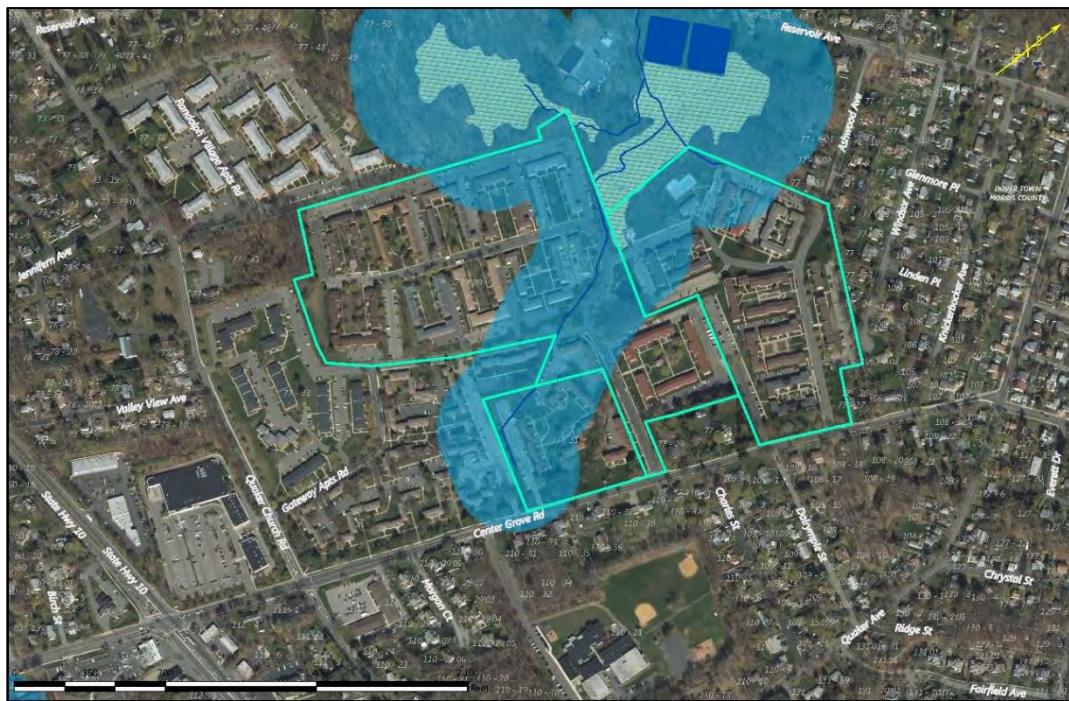
e. **AVALON BAY – “SKYLANDS” SITE (BLOCK 42, LOT 5)**



- 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 proposed use was 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. However, prior applications to the Township related to this property have shown C-1 streams in proximity or on the site that may be subject to further investigation and evaluation. In the case that C-1 streams are identified on the site, all NJDEP permitting and riparian buffering requirements shall be complied with.
- 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. Proposed 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.

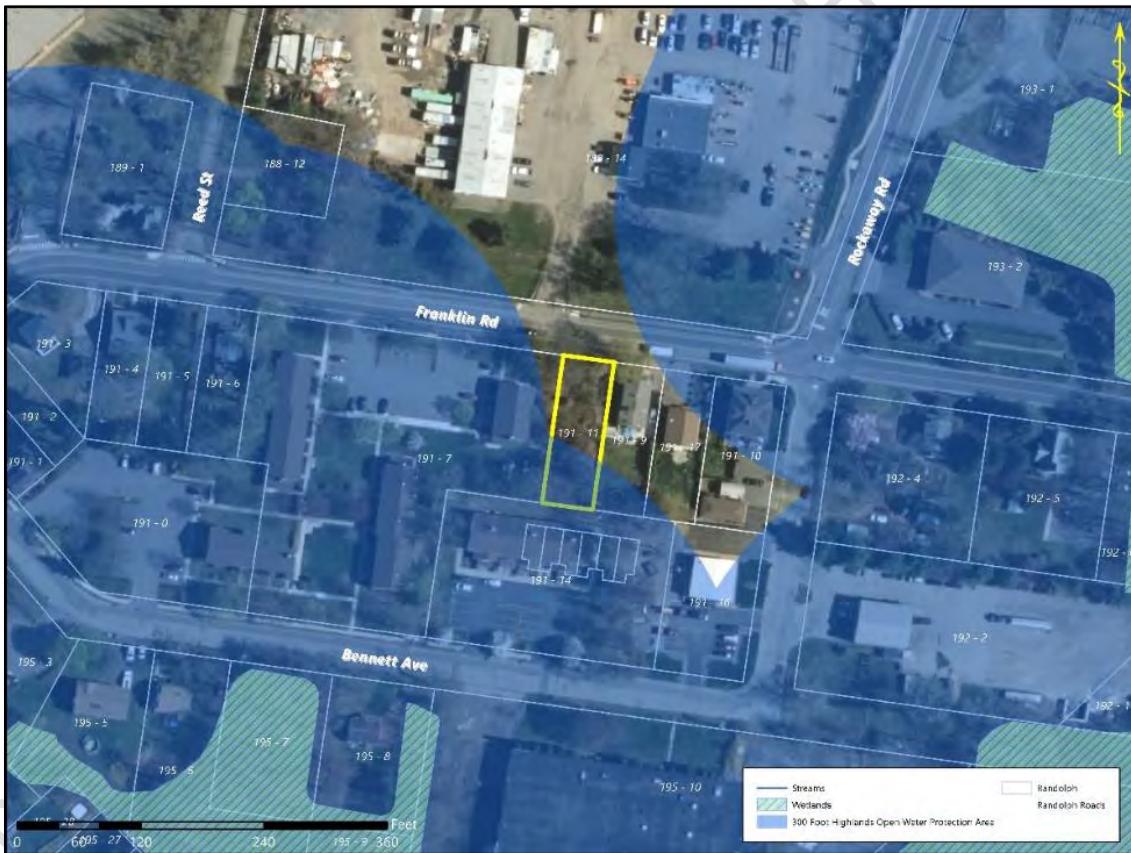
b. **E.A. PORTER SITE - HABITAT FOR HUMANITY (BLOCK 195, LOT 10)**



- 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 Franklin 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 no wetlands or flood plains on the site that were mapped by publicly available GIS data.

J. OVERLAYS TO ADDRESS UNMET NEED IF WATER BECOMES AVAILABLE

According to the calculations provided in Section H of this Plan, the Township has provided **125 units** of already constructed housing with **40 bonus credits** applied to those existing units, and proposes the construction of an additional **112 new units** with **74 bonus credits** applied to those prospective units. In total, these compliance mechanisms represent a total of **341 credits**, recognizing that the Township may not currently possess adequate water capacity at this time for the full construction of 112 new construction affordable housing units based upon bedroom distribution for inclusionary developments as provided in this Plan. The Township recognizes that each of these sites shall ultimately be subject to NJDEP approval for Bureau of Safe Drinking Water permitting. Overall, from the original obligation of 643, this represents an **unmet need of 302**.

In accordance with the Second Round regulations (N.J.A.C. 5:93-4.3) for a durational adjustment, additional sites that may not readily or realistically have access to adequate water supply will be considered for overlay zoning requiring inclusionary development, only if water capacity becomes available in the future. The following unmet need mechanisms are included herein with for consideration rather than implementation, until water capacity can be established.

While implementing the requests of the waiver, Township is committed to the provisions for the durational adjustment and will establish a variety of mechanisms to provide opportunities up to the Third Round obligation of 643, so that if water becomes available in the future, the sites may be developed accordingly. While not yet provided in a detailed form in this draft of the Plan, the following section below provides an overview of the strategies the Township is considering to address the 643 obligation.

Due to the nature of the availability of water - and in the same way that the Township, with the continued assistance of the Special Master in the mediation process - is working on a priority system

to allocate the available water capacity for the 112 new affordable housing units outlined above, the Township - similarly with the assistance of the Special Master - will apply that same priority system, to the extent applicable, to the sites identified to address the Township's unmet need. That system will seek to "prioritize" projects through a schedule that establishes the order in which sites may be developed as water becomes available. The Township will prioritize sites based upon their suitability and availability for development, and those that contribute the optimal (highest) set-aside of affordable units towards the Township's Third Round obligation. The section below does not yet reflect prioritization, and rather serves as an overview of various strategies at this time, until further mediation with the Special Master determines site specific conceptual design, density, and set-asides. Pursuant to the request for a waiver as permitted by N.J.A.C. 5:93-4.5, the Township seeks to not exhaust all water resources on affordable housing, and therefore while the following sites shall be provided overlay zoning immediately, their construction will be dependent on available water resources.

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

1. 25 to 33 Units from Proposed Overlay Zone over the Block 196, Lots 2, 3, and 4

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.



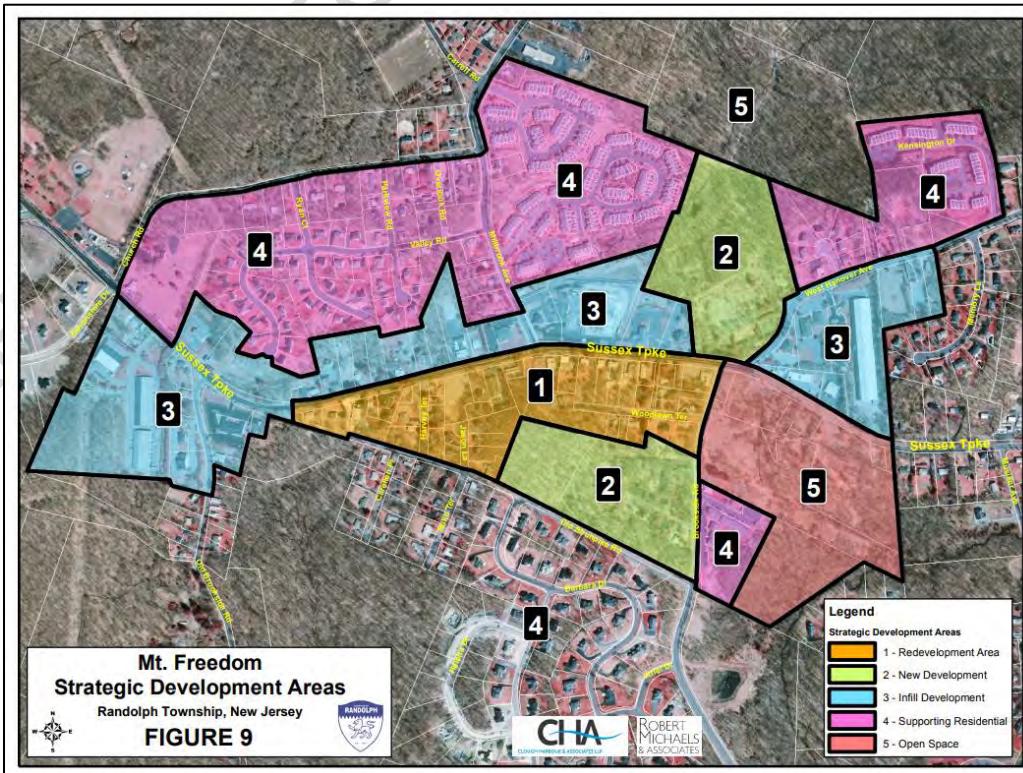
To create future opportunities for affordable housing if water becomes available, the Township will consider enacting an amendment to the zoning code for the area located north of Route 10. The site is located in the Randolph Water Service Area, however, there is an agreement in place that the Township 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 10 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 165 units total, with a set-aside between 25 and 33 affordable units.

2. Existing Zones in the Mt. Freedom Village Center

The Township has focused on planning efforts on the Mt. Freedom section of Randolph Township, which is located in the southeast corner of Randolph, for over 30 years. The history of Mount Freedom dates back to the middle of the 18th century. In the early part of the twentieth century, Mount Freedom began developing as a summer resort area with dozens of hotels and numerous bungalow colonies. Many of these facilities were established by recent Jewish immigrants and catered to Jewish families primarily from New York City. Some of the structures in Mount Freedom are remnants of the resort and bungalow days of the community. There are some bungalows that remain, that have been converted to year-round occupancy and in some instances expanded. Since 1992, the Township has partnered with a variety of groups to design and plan for the future of this section of Town, which has resulted in both a number of reports, as well as development as envisioned by those plans.

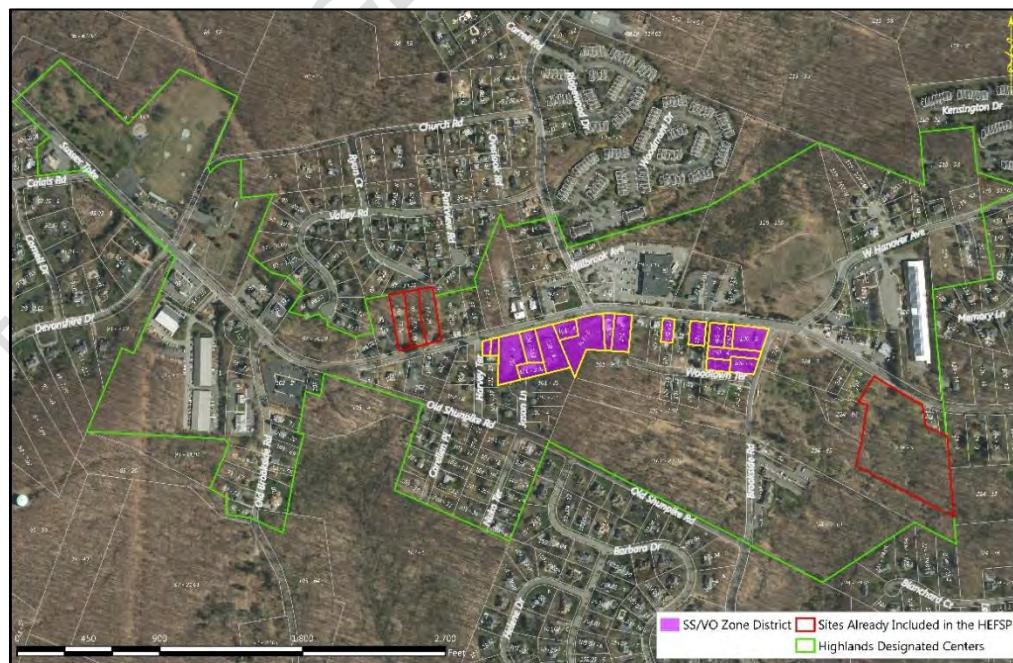
One of the most recent studies prepared in 2005 provided a comprehensive overview of the progress to date and reestablished the general vision for the section. The map below from that report depicts the Planning areas for Mt. Freedom. Since the time of that report, the parcel along Old Shunpike Road and Brookside Road has been developed as housing, known as "Kensington Square".



In order to implement this vision, the Township has adopted new zones by Ordinance to reflect the encouraged land use patterns. The following zones represent an opportunity for the Township to capture additional affordable units by as-of-right densities. It should be noted that while the zoning has been identified as two distinct areas in the mapping, their geographic proximity and similarity in zoning requirements provides the ability for the zoning of neighboring properties to work together comprehensively in this section of the Township.

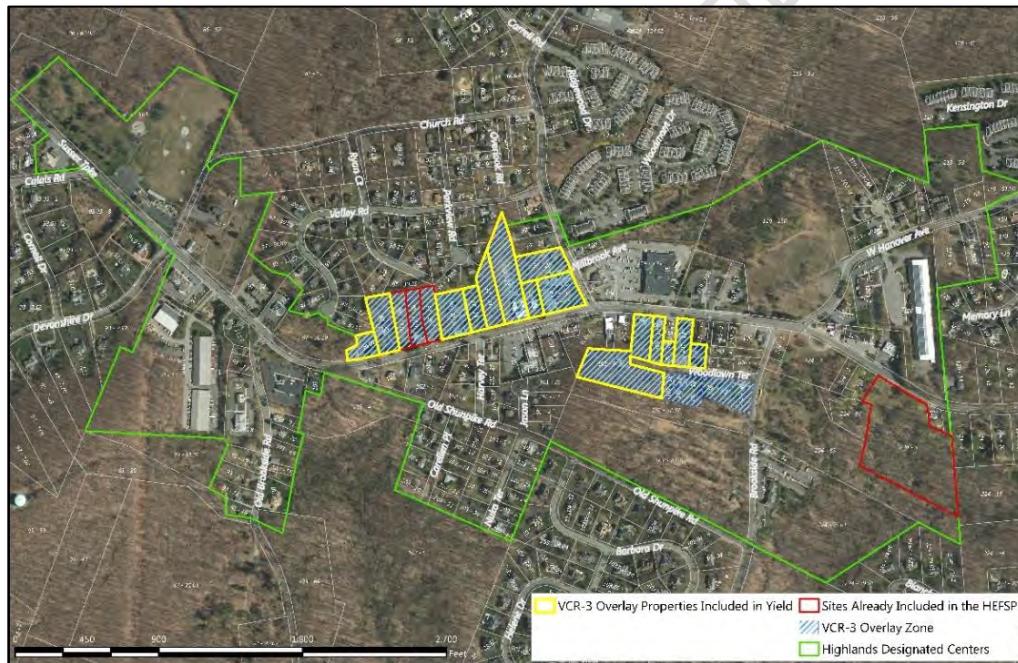
a. 13 to 17 Units from the Existing Specialty Shop/Village Office (SS/VO) Zone District

The existing Specialty Shop/Village Office (SS/VO) zone district includes six (6) properties. This zone was amended as recently as February 2019, and is designed to encourage the development of retail and office uses in combination with residential uses where appropriate at a requirement of a maximum gross density of 10 units per acre, and is limited to 8 units per structure. The Ordinance includes a provision for the set-aside of affordable units for developments of six (6) or more dwelling units at presumptive minimums of 15% or 20% for rental or for-sale projects, respectively. Overall, including only properties that appear to be vacant or could be redeveloped under the existing zoning, there are 18 properties in the SS/VO zone that comprise approximately 8.3 acres. Therefore, at a gross density of 10 units per acre, the existing as-of-right zoning could provide a yield between 13 and 17 affordable units, based on presumptive minimum set-asides of 15% and 20%.



b. 23 to 32 Units from an Existing Portion of the Village Center Residential 3 (VCR-3) Overlay District

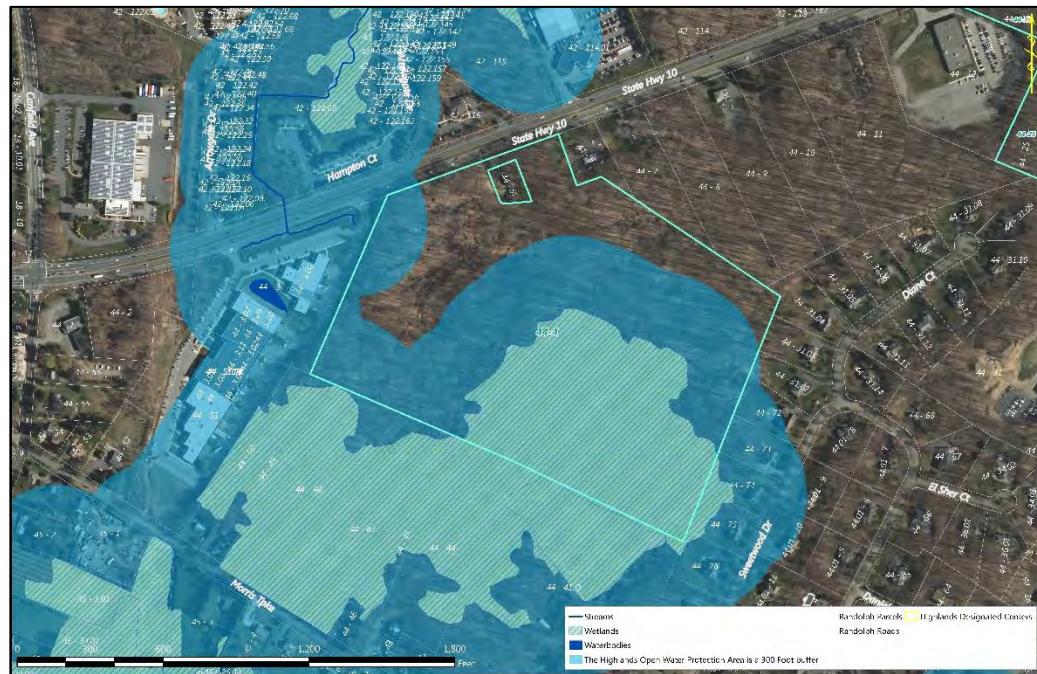
The existing Village Center Residential (VCR-3) Overlay District 3 is located in the Mt. Freedom section of Randolph. The Overlay Zone provides flexibility from the regulations of the underlying Village Center Residential (VCR) Zone district by permitting higher density housing and restricted non-residential uses, if specific design criteria are met. This is one of three overlay districts that are intended for the VCR districts. The overlay zone was amended and expanded as recently as February 2019, and allows for a maximum gross density of 10 units per acre. Additionally, the Ordinance includes a provision for the set-aside of affordable units for developments of six (6) or more dwelling units at presumptive minimums of 15% or 20% for rental or for-sale projects, respectively.



Overall, including only properties that appear to be vacant or could be redeveloped under the existing zoning, there are 17 properties in the VCR Overlay-3 that comprise approximately 15.2 acres. Therefore, at a gross density of 10 units per acre and a presumptive minimum 15% set-aside, the existing as-of-right zoning could provide a yield between 23 and 31 affordable units in the VCR Overlay-3, based on presumptive minimum set-asides of 15% and 20%.

3. Proposed Overlay Zone on Block 44, Lot 4 (LYS/Sporn)

Block 44, Lot 4 has been offered as a site for an inclusionary development with an affordable housing set-aside. The Township is considering this site for Overlay zoning.



There are site suitability issues that need to be addressed before the development details for the site may be further refined. Township Tax Maps show that there is a paper street named "Grove Street", which intersects with Route 10. Additionally, the site was previously the subject of a subdivision approval which created an outparcel adjacent to Route 10, Lot 5. While the subdivision was never constructed, Lot 5 of that perfected subdivision was created as a result. Additional information is needed to determine whether there are paper streets on the property or other encumbrances that may impact the title or availability of the property. Finally, a previous Letter of Interpretation ("LOI") issued by NJDEP for this property notes that a 300-foot special water resources protection area may be required to be established along all waters designated Category One and perennial or intermittent streams that drain into or are upstream of Category One waters. The LOI also states that depending upon the extent of any proposed development or disturbances of the property, this 300-foot buffer may apply to the watercourses located on and adjacent to the property. Should a 300-foot transition area be required, the developability of the property would be impacted. These factors and any other encumbrances shall be considered as part of the determination for appropriate bulk standards applied to the property. The intervenor has been requested to provide information on these issues but has not done so to date. This will be the subject of a future mediation session.

4. Proposed Overlay for a 100% Affordable Housing Development

The Township is exploring options with a site offered for a non-municipally sponsored, 100% Affordable Housing development that will provide age-restricted units. The specifics of this development have not yet been reviewed or approved by the Township Council. However, a 100% Affordable Housing development would be able to provide a significant number of affordable units towards the unmet need

as part of the durational adjustment. Any age-restricted project credited towards the Township's Third Round be within the limitations of the age-restricted cap of 25% of the total Third Round obligation, pursuant to N.J.A.C. 5:93-5.14.

5. 47 Remaining Bonus Credits Up to 25% of the Third Round Obligation

In pursuing the entirety of the Third Round obligation by providing realistic opportunities for affordable housing through a number of existing and proposed overlay zones as part of the durational adjustment, the Township reserves the right to receive credit for the remaining bonus credits up to the 25% of the Third Round obligation, in accordance with N.J.A.C. 5:93-5.15(d).

6. 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 D).

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 (See Appendix E and F). 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 (See Appendix G). 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 (See Appendix H). 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.

IV. APPENDICES

