
PART 2: FAIR SHARE PLAN

INTRODUCTION

The following Fair Share Plan (the Plan) details Fair Haven's Rehabilitation obligation, Prior Round obligation (1987-1999), and Gap + Prospective need (1999-2025). For each obligation, this Plan proposes mechanisms for which the Borough can realistically provide opportunities for affordable housing for moderate-, low-, and very low- income households.

The need for affordable housing in New Jersey is divided into three components:

- *Rehabilitation Obligation* – The Rehabilitation Obligation represents the number of existing housing units that are both deficient and occupied by low and moderate income households. This number is derived from review and analysis of housing conditions reported in the U.S. Census and American Community Survey.
- *Prior Round Obligation* – The Prior Round obligation is the cumulative 1987-1999 fair share obligation determined by 2014 COAH regulations. The First Round and Second Round are mutually referred to as the "Prior Round".
- *Third Round- Gap + Prospective Need*– July 1, 1999 - June 30, 2025. On January 18, 2017, the Supreme Court decided In Re Declaratory Judgment Actions Filed by Various Municipalities, County of Ocean, Pursuant To The Supreme Court's Decision In In re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (2015) ("Mount Laurel V"). It held that need having accrued during the gap period (1999-2015) should be calculated as part of the present, not prospective need. More specifically, the Supreme Court held that there is an obligation with respect to that period for households that came into existence during that gap that are eligible for affordable housing, that are presently (as of 2015) in need of affordable housing, and that are not already counted in the traditional present need.

As detailed in Part 1, the Borough is relying on the numbers generated in Judge Jacobsen's methodology as extrapolated by multiple experts, including Econsult, as updated through March 2018.

Fair Haven's affordable housing obligations per the March 2018 Jacobsen/Econsult Report are as follows:

Borough of Fair Haven Obligation	
Rehabilitation Obligation	0
Prior Round Obligation	135
Third Round	236
Total Obligation	371

PLANNING CONSIDERATIONS

This section of the Plan discusses the planning goals and policies that were considered and guided the preparation of the Fair Share Plan. The Borough Planning Board adopted a Master Plan Reexamination Report and Master Plan Update on August 25, 2016. The following objectives and recommendations were identified and discussed in the 2016 Plan.

- Provide opportunities for affordable housing and age-restricted housing in the Business District;
- Improve and redevelop the Business District as the "Main Street" of the community;
- Protect and enhance the existing character of the Borough and the residential quality of the neighborhoods;
- Protect, restore and maintain environment/cultural features;
- Plan and implement safe, convenient, and efficient circulation for pedestrians and bicyclists;
- Improve the enforcement of Borough development regulations and monitor compliance with the conditions of development approvals.

In addition, the Mayor and Council approved an Active Transportation Plan in November 2017. Subsequently, the Planning Board adopted the Plan as an element to the Master Plan in March 2018. The comprehensive Plan focuses on bicycling and walking "where these are convenient, comfortable, and safe transportations options for people of all ages and abilities". The following goals are identified and discussed in the Plan:

- Improve safety and driver awareness of bicyclists and pedestrians through infrastructure improvements such as traffic calming;
- Balance the needs of bicyclists, pedestrians and motor vehicles along River Road to enhance access and support a bustling, vibrant local business district;
- Support a Borough-wide network for bicyclists and pedestrians that is comfortable for school children and provides convenient access between residential neighborhoods and schools, parks, and businesses;

- Integrate Fair Haven's bicycle network with the regional network, supporting links to destinations in neighboring Red Bank, Rumson, Sea Bright, and Little Silver;
- Create a clear plan for integrated multimodal networks of safe travel options by foot or bike that can be easily communicated and shared with various constituencies, stakeholders, and partners, and that identifies a broad range of short- and long-term strategies.

This Plan embodies those planning goals and principles and represents a continuation of the Borough's implementation of its vision for the future of its community. The Borough is committed to produce affordable housing in a manner consistent with these goals, including a walkable and bike-friendly downtown. The Borough is also committed to providing housing for its growing aging population, both in terms of market-rate units and affordable units.

CONSIDERATION OF LANDS FOR AFFORDABLE HOUSING

In the deliberative process, the Borough of Fair Haven met with its professionals on multiple occasions throughout 2018 and 2019. In those meetings, the Borough examined zoning, aerials and existing land use maps to determine the sites most appropriate for affordable housing. Due to the lack of developable land, the Borough focused on municipally-sponsored projects to address its Realistic Development Potential (RDP).

The Borough has been evaluating the efficiency of its DPW Facility. One option is the possible reuse of the site as a more compact and efficient DPW facility occupying a smaller footprint, creating "surplus" property available for residential use, including affordable housing. The residential proposal is to create lots and homes that are compatible with the established pattern of the neighborhood, including detached family affordable units.

As to the overlay zoning, the Borough considered all the commercially zoned areas in the Borough, but ultimately determined that overlay zoning was most appropriate in the Borough's western commercial districts. As to the B-1 overlay zone, the Borough determined that a mixed-use concept of no more than three stories was most appropriate to achieve the Borough's planning goals and to maintain a vibrant, walkable downtown while also generating affordable housing. In reviewing its zoning maps, the Borough selected its overlays with great care and with a goal fostering a comprehensive plan for future redevelopment in the manner it deemed most appropriate for its community.

The eastern commercial district was considered, but not included as an overlay due to substantial planning considerations. This area is constructed by small scale historic buildings on small lots, which create practical limitations and compatibility issues.

Within the B-1 Zone, M & M Realty Partners at Fair Haven ("M&M") is the contract purchaser of Block 31 Lot 1 located at 626 River Road. The site is approximately 28,000 square feet in size. In February of 2019, M & M sent the Borough correspondence proposing to construct a three-story 24-unit family rental development of which 4 units would be affordable housing. The Borough had already considered the land for affordable housing in the context of an extended deliberative process throughout 2018 and 2019. The Borough considered the proposal, but concluded that the best use was still a mixed use concept as previously determined. Since the site is over 20,000 square feet in size, it would conform to the proposed minimum lot size within the proposed overlay zone. In terms of stories, it would conform to the Borough proposal of 3 stories. The M&M proposal however, would not be in conformance with the Borough proposal to require commercial use on the ground floor and the maximum density permitted. Since the Business District is the core of the Borough's downtown commercial area, it was deemed important by the Borough to maintain a walkable commercial core. This goal requires the maintenance and enhancement of the area rather than diluting the business district with residential development on the ground level.

The Borough Overlay proposes a maximum density of 20 units per acre with a 20% setback, over 3 times the presumptive minimum density of 6 dwelling units per acre. Using a density of 20 units per acre with a 20% setback, the site under the Borough proposal would generate 13 units of which 3 would be affordable and would generate the commercial component which the Borough has deemed to be a critical component future plan for development of the area.

REHABILITATION OBLIGATION

The Rehabilitation Obligation, which is part of a municipality's Present Need, was previously determined in N.J.A.C. 5:93-1.3 to be the sum of a municipality's indigenous need, the deficient housing units occupied by low- and moderate-income households, and the reallocated present need, which is the portion of a housing region's present need that is redistributed throughout the housing region. Under the Second Round rules, evidence for deficient housing included: year structure was built, persons per room, plumbing facilities, kitchen facilities, heating fuel, sewer service, and water supply.

The Third Round rules reduced the amount of criteria of evidence of deficient housing to three: pre-1960 crowded units, which are units that have more than 1.0 persons per room; incomplete plumbing; and incomplete kitchen facilities. This reduction in the amount of criteria was decided by the Appellate Division to be within the Council's discretion and was upheld in the Supreme Court decision In re N.J.A.C. 5:96 & 97.

The previously discussed Mount Laurel IV decision found that the reallocated present need is no longer a component in the determination of Present Need. Therefore, the Present Need now equates to indigenous need, which means the obligation is based on deficient housing as determined by pre-1960 over-crowded units, incomplete plumbing, and incomplete kitchen facilities.

The March 2018 Econsult Report determined Fair Haven has a Rehabilitation Obligation of 0 units.

VACANT LAND ADJUSTMENT

This Plan seeks a Vacant Land Adjustment per the vacant land analysis procedure provided in N.J.A.C. 5:93-4.2 as the Borough of Fair Haven is a developed community. A Vacant Land Adjustment was prepared in July 2018. (see **Appendix A** for VLA).

Based upon the findings of the VLA, a total of 3.0 acres were identified across 4 sites. Using a density of 6 units per acre and assuming a set-aside of 20%, the 2018 VLA determined Fair Haven to have an RDP of 1 unit.

MECHANISMS FOR ADDRESSING REALISTIC DEVELOPMENT POTENTIAL

Municipalities can request an adjustment to their obligation based on the determination that there is not sufficient vacant or developable land within the municipality. As permitted by N.J.A.C. 5:93-4, a municipality can submit a Vacant Land Adjustment (VLA) that examines parcels available for development. The end result of the vacant land adjustment is the determination of the Borough's Realistic Development Potential (RDP) for new affordable housing units.

Pursuant to N.J.A.C. 5:93-1.3, sites that are designated to produce affordable housing to address the RDP shall be available, approvable, developable, and suitable according to the following criteria:

- "Available site" means a site with clear title, free of encumbrances which preclude development for low and moderate income housing. N.J.A.C. 5:93-1.3.
- "Approvable site" means a site that may be developed for low- and moderate-income housing in a manner consistent with the rules or regulations of agencies with jurisdiction over the site. A site may be approvable although not currently zoned for low- and moderate-income housing. Ibid.
- "Developable site" means a site that has access to appropriate water and sewer infrastructure, and is consistent with the applicable area wide water quality management

plan (including the wastewater plan) or is included in an amendment to the area wide water quality management plan submitted to and under review by the DEP. Ibid.

- "Suitable site" means a site that is adjacent to compatible land uses, has access to appropriate streets and is consistent with the environmental policies delineated in N.J.A.C. 5:93-4. Ibid.

The Borough proposes to address its RDP of 1 unit through the following:

Municipally Owned DPW Lot

The DPW Lot (Block 44, Lot 2) is approximately 2.2 acres in size and is bound by Third Street, Maple Avenue and Allen Street (See site map). The site currently contains the Borough DPW operations. As noted on the aerial, the facility contains a building and parking for trucks and cars. A portion of the site is undeveloped. The site is surrounded by small lot single family residences which are consistent with the zoning of the area as R-5 and R-10. The site, however, is zoned PB Public Use which is consistent with its use as the Borough DPW facility.

The Borough proposes to construct a new DPW facility on approximately 1.1 acres of the site with the new DPW building fronting on Third Street and creating between 9 and 11 lots on the remaining 1.1 acres. The lots would be developed for single family homes. Two lots would be set aside and deeded to a nonprofit at no cost for the construction of a 3-bedroom very low income affordable housing unit on each lot. One affordable family rental would count towards satisfaction of the Borough's RDP of one. The second unit would be counted towards the Borough's unmet need.

The site is appropriate for single family affordable housing:

- The site is available, approvable, developable and suitable.
- There are no known encumbrances which would prohibit or otherwise impact the development of the property in general.
- In accordance with the 2012 New Jersey Department of Environmental Protection's Land Use Land Cover (LULC), there are no wetlands or surface water resources on the property or within 50 feet.
- The site is not located within a FEMA 100-year flood plain and the site does not have steep slopes.
- The site is surrounded by compatible uses including residential dwellings and has access to appropriate rights-of-way (Third Street, Allen Street and Maple Avenue)
- The site is served by both public water and public sewer.



MECHANISMS FOR ADDRESSING UNMET NEED

The Borough is proposing to meet its 370 “unmet need” obligation through the following mechanisms: DPW Site (the surplus of 1), Business District Overlay, Borough-wide Mandatory Set Aside Ordinance, establishing an Affordable Housing Trust Fund, Methodist Church Overlay, and Accessory Apartments.

The Borough has a combined Prior Round (1987-1999) and Gap + Prospective Need (1999-2025) Realistic Development Potential (RDP) of one which it will satisfy with the following affordable housing project:

Business District Overlay

The Borough proposes to partially address its unmet need by creating an Overlay zone over a portion of the Business District. As shown on the aerial, the Overlay would run from Locust Avenue, along River Road, along Smith Street and Forman Street and Fisk Street. The area to the north side of River Road with lots fronting on Navesink Ave would also be included. The proposed Overlay Business zone contains approximately 17.1 acres with lots ranging in size from 1,950 square feet to 191,000 square feet. The lots are generally developed with one and two story commercial and/or residential uses. The Overlay would permit mixed use development on a minimum lot size of 20,000 square feet. Ground floor commercial would be required with a maximum building height of 3 stories and 38 feet. A 10- to 12-foot step back would also be required at the third floor. Lots would be required to have at least 150 feet of frontage along River Road or Navesink Avenue.

A maximum residential density of 20 units to the acre would be permitted with a 20% set-aside. A maximum building coverage of 30% would apply. Sites in excess of one acre would be permitted a maximum building height of 2.5 stories/35 feet and a maximum density of 15 dwelling units/per acre with a 20% set-aside. All the affordable units would be subject to the regulations of the Uniform Housing Affordability Controls N.J.A.C. 5:80-26.1 et seq. (“UHAC”). However, as noted in the Additional Requirements section, the Borough will ensure that 13% of all affordable units will be affordable to very low income households.

There is a dire need for a new municipal facility; therefore, the Borough reserves the right to amend the Plan, if necessary, to facilitate this public need.



United Methodist Church Overlay

The existing five-acre Methodist Church site (Block 77, Lot 107) at the end of McCarter Avenue is proposed to be rezoned in order to create an overlay on the property. The site is currently zoned R-40 Single Family Resident which permits single family housing on 40,000 square foot lots. The Overlay will permit the property to be "redeveloped" for inclusionary age restricted housing with a 20% affordable age restricted set aside. A minimum lot size of three acres would be required with a maximum density of 10 dwelling units per acre. The height would be limited to three stories and 38 feet. It is projected that a total of 30 age restricted units could be developed on the site of which 20 % or a maximum of 6 units would be deed restricted affordable units subject to UHAC regulations and the Additional Requirements section of this Plan.

The site is appropriate for age restricted housing:

- The site is available, approvable, developable and suitable.
- There are no known encumbrances which would prohibit or otherwise impact the development of the property in general.
- According to the 2012 New Jersey Department of Environmental Protection's Land Use Land Cover (LULC) data, there are no surface water resources on the property or within 50 feet. The property is somewhat constrained by approximately 1.3 acres wetlands along its eastern and western borders.
- The site is not located within a FEMA 100-year flood plain and the site does not have steep slopes.
- The south eastern corner of the site (approximately 6,000 sq. ft.) is developed with a cell tower.
- The site is surrounded by compatible land uses. As shown on the aerial map, the site is surrounded on three sides by publicly owned land which is partially developed for active recreational uses including tennis courts and ballfields. The site is accessed by McCarter Avenue, an improved municipal street which is developed with single family homes. The McCarter Avenue lots are zoned R-10 Single Family Resident which permits single family homes on 10,000 square foot lots
- The site is served by both public water and public sewer.



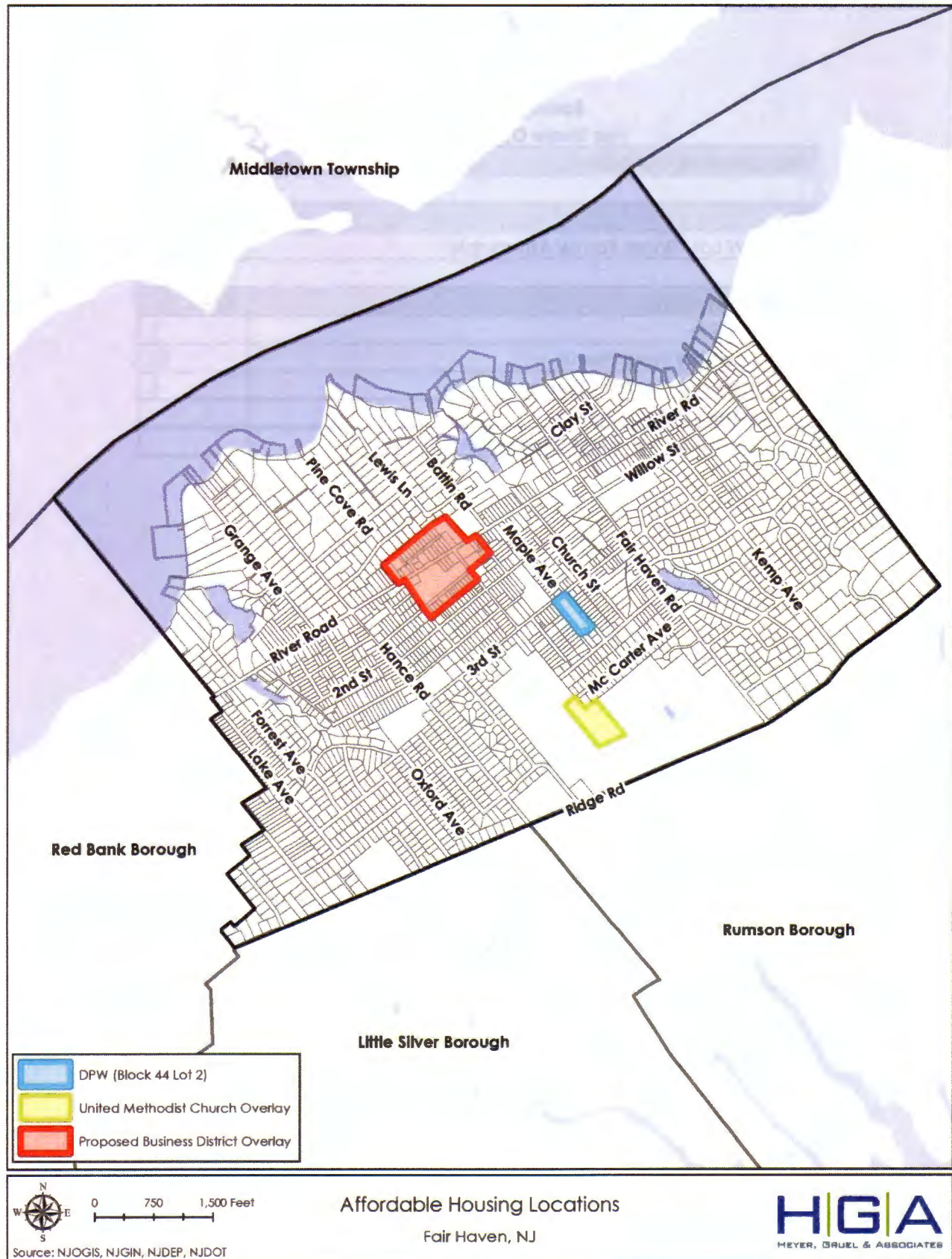
Accessory Apartments

The Borough will adopt an Accessory Apartment Ordinance which will require the standard 10-year deed restriction as per N.J.A.C. 5:93-5.9(e), allow for units to be produced in no particular order as to whether the unit is very low, low or moderate income, not require any particular bedroom mix as per N.J.A.C. 5:93-5.9(b) and will not require minimum unit sizes. The Accessory Apartment Program will apply to a maximum of 10 units and will offer subsidies of up to \$25,000 a unit.

Borough-Wide Mandatory Set-Aside Ordinance

The Borough will adopt a Borough-wide Mandatory Set-Aside Ordinance (MSO) which will require that any site that benefits from a rezoning, variance or redevelopment plan approved by the Borough or one of its boards that results in a multi-family residential development of five (5) or more units will require an affordable housing set-aside 20%.

The adoption of the MSO will not give any developer the right to any such rezoning, variance, redevelopment designation or other relief, or establish any obligation on the part of Fair Haven to grant such rezoning, variance, redevelopment designation or other relief.



SUMMARY OF FAIR SHARE COMPLIANCE

Borough of Fair Haven Fair Share Obligation Summary

Rehabilitation Obligation	0
RDP	1
DPW Lot- Single-Family Affordable	1
Total Unmet Need	370
DPW Site	1
Accessory Apartments	10
Methodist Church Overlay	6
Business District Overlay	
Mandatory Set-Aside Ordinance	

ADDITIONAL REQUIREMENTS

Very Low-Income Requirement: The Borough will ensure that 13% of all of the affordable units, with the exception of units constructed as of July 1, 2008 and units subject to preliminary or final site plan approval, will be affordable to very low-income households. Half of the very low-income units will be made available to families.

Rental Bonus Credits: All rental bonus credits claimed in this plan have been applied in accordance with N.J.A.C. 5:93-5.15(d).

Low/Moderate Income Split: At least half of the units addressing the Borough's obligation shall be affordable to very-low income and low-income households, and the remaining will be affordable to moderate-income households.

Round 3 Family Requirement: At least half of the units addressing the Borough's obligation will be available to families.

Age Restricted Cap: The Borough agrees to comply with COAH's Round 2 age-restricted cap of 25%. The Borough is not requesting a waiver to exceed the age-restricted cap.

Affirmative Marketing: The individual developers will be responsible to ensure that proper affirmative marketing of all of the affordable units is properly implemented.