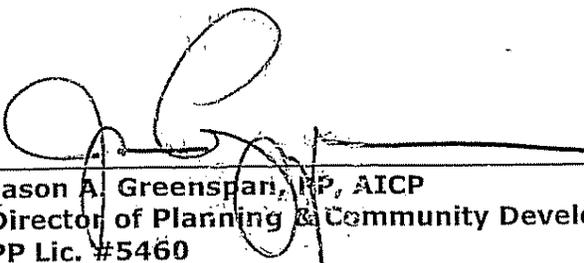


**AMENDED MASTER PLAN HOUSING ELEMENT  
AND FAIR SHARE PLAN**

Township of Middletown  
Monmouth County, New Jersey  
December 1, 2008

**Revised and Adopted December 11, 2008**



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Jason A. Greenspan, PP, AICP  
Director of Planning & Community Development  
PP Lic. #5460

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**Amended Master Plan Housing Element & Fair Share Plan**

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## INTRODUCTION

This is the Housing Element and Fair Share Plan of the Township of Middletown, Monmouth County, New Jersey. This plan follows the requirements of Section 310 of the New Jersey Fair Housing Act (FHA), N.J.S.A. 52:27D-310, and the relevant provisions of the regulations adopted by the New Jersey Council On Affordable Housing (COAH) at N.J.A.C. 5:97-2.3 ("Content of a Housing Element") and N.J.A.C. 5:97-3.2 ("Content of a Fair Share Plan"). In addition to this Introduction, this plan includes:

**Demographic Analysis:** An analysis of Middletown's demographic characteristics, including household size, income level and age;

**Housing Inventory:** An inventory of Middletown's housing stock;

**Employment Analysis:** An analysis of Middletown's existing and probable future employment characteristics;

**Appropriate Lands:** A discussion of land in Middletown most appropriate for construction of low and moderate income housing;

**Housing Projections:** Projections of Middletown's housing stock, including the probable future construction of low and moderate income housing, for the next ten years;

**Fair Share Determination:** A determination of Middletown's present and prospective fair share for low and moderate income housing obligation based upon COAH's new third round methodology; and

**Fair Share Plan:** A description of proposed mechanisms that Middletown will utilize to specifically address the rehabilitation share, prior round obligation, and growth share obligation.

Principal goals of the Housing Element and Fair Share Plan are:

1. To provide affordable housing to meet the Township's fair share obligation by demonstrating that existing zoning and planned changes in zoning provide adequate capacity to accommodate household and employment growth projections; and
2. To provide households with access to affordable housing to meet present and prospective housing needs, with particular attention to low and moderate income housing.

Middletown has demonstrated a long-standing commitment to providing its fair share of affordable housing. A simple review of the demographics and diverse housing types within the Township demonstrates that Middletown clearly has not used its zoning powers to exclude low and moderate income households. An examination of the most reliable information, the 2000 Census, the 2006 American Community Survey (ACS) and data from the New Jersey Construction Reporter, demonstrates Middletown Township's open door zoning policies:

- According to the ACS, thirty one percent (31%), of all households in the Township (or a total of 7,315) earn an income of less than \$60,000 per year, which is considered a moderate-income for a family of three in Region 4 in 2006.
- In 2006, at least seventeen percent (17%) of all households in the Township (or a total of 4,087) earn an income of less than \$37,215 per year, which is considered a low income for a family of three in Region 4.
- Per the 2000 Census, seventy two percent (72%) of all rental units in the Township (or a total of 2,274) had a specified asking rent of under \$900.00 per month. This is well below the 2000 the rent level for a moderate-income two-person

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household (\$1,032 per month). Of those units, the median rent was \$738.00 per month. This figure represents a significantly lower rent than that determined to be affordable to a moderate-income two-person household.

- According to the 2000 Census, twenty one percent (21%) of all owner-occupied housing units in Middletown (or a total of 3,995), had a value of under \$150,000.00. These homes are therefore considered affordable to a moderate-income family of four under COAH standards. This ratio of affordable housing, approximately one out of five, is also significant because it closely mirrors the ratio considered minimally "substantial" by the Supreme Court in Mount Laurel II.
- According to the 2006 ACS, the median family income in Middletown is \$88,873 per year. However, 5,628, or 24 percent, of Township families have an income of under \$45,000.00 per year, and 7,315, or 31 percent, have an income under \$60,000 per year. In 2006, COAH's moderate-income level for a family of three was approximately \$60,000 per year.
- At least 310 new affordable units have been issued certificates of occupancy in Middletown since 2000. This represents 31% of the over 1000 total residential certificates of occupancy issued in Middletown during from 2000 through July 2008. These affordable units come in myriad forms such as for-sale family units, senior, and family rentals and accessory rental apartments. These statistics highlight Middletown's pro-active approach in providing more than the minimum requirement of affordable housing.

These facts demonstrate that the Township has created one of the most diverse and successful affordable housing programs in New Jersey.

Middletown received Cycle I substantive certification from COAH on March 14, 1994. Middletown immediately initiated implementation of that plan and -- as demonstrated by the sheer number of affordable housing units created throughout the Township -- has steadfastly continued to implement its housing programs to create affordable housing for the region.

On March 13, 2000, Middletown timely petitioned COAH for substantive certification of its cumulative Cycle I/II plan, which included a Fair Share Plan for a staggering 1670 affordable units, even though the Township's obligation was determined to be 1655 units. Even though the Fair Housing Act provides that the Township did not need to commence implementation until after COAH certified its plan (see N.J.S.A. 52:27D-314), the Township took many steps to create affordable housing as it awaited COAH's review and approval of its affordable housing plan, as follows:

1. The Township continued to implement its successful Accessory Apartment Program even though it had already created well over 10 units, which was the cap created by COAH's Cycle II regulations. In January of 2002, the Township began offering \$10,000 grants to those property owners proposing to construct accessory. Eleven accessory apartments were added to Middletown's inventory between 2002 and 2005.
2. Even prior to the March 2000 submission, the Township commissioned an architect to complete a feasibility study for the Residential over Commercial (ROC) program, which sought to develop second story residential buildings over commercial establishments. This feasibility study cost Middletown approximately about \$10,000. The Township now provides grants averaging \$20,000.00 per unit for such projects. Zoning is in place at six different sites through out Middletown that can produce at least twenty affordable units.
3. Middletown has also continued to implement its Scattered Sites Housing Program even though it was not required to do so under its certified Cycle I plan. A total of seven

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affordable housing units were constructed on scattered sites between 2000 and 2005 in partnership with non-profit housing developers such as the Affordable Housing Alliance of Monmouth County.

4. Middletown also rehabilitated more than twenty deteriorated units occupied by low and moderate households, even though it was not required to do so under its certified Cycle I plan.
5. In addition, the Planning Board processed and approved the following projects while awaiting COAH' response to the Township's petition:
  - a. The Township purchased a site, and leased a portion to Conifer Realty for the development of 180 affordable senior citizen rental housing units. This has resulted from the settlement of litigation between the Borough of Atlantic Highlands and the Township of Middletown. Even though this was technically a Cycle I project, the litigation that ensued resulted in a radical change to its scope, which was not required under the Cycle I plan and which resulted in a project earmarked to partially address the Township's Cycle II obligation. On, November 25, 2008, Joseph Doria, Commissioner of the New Jersey Department of Community Affairs, participated in the ribbon-cutting ceremony of this development.
  - b. A site on Highway 35 (Block 878, Lot 35), commonly known as the Village at Chapel Hill, was rezoned in 2005 and produced thirty affordable family rentals in 2007.
  - c. A site on Highway 36 (Block 91, Lots 5-7) known as Regency Park was rezoned in the early 2000's and produced sixteen affordable family rental units in 2004.
  - d. A site on Park Ave. in the Port Monmouth neighborhood (Block 135, Lot 6.01) was rezoned in 2004 and produced six affordable family rentals in 2006. This site is owned and managed by the Affordable Housing Alliance of Monmouth County.
  - e. Two sites on Route 36 (Block 729, Lots 6-14 and Block 746, Lots 18, 19, 23-31) now known as Cottage Gate were rezoned allowing the development of affordable units. This project is now being completed; nine of thirteen affordable for sale units have been constructed, and one 5-bedroom group home is pending construction.
  - f. The Planning Board also approved a mixed use, "Residential-Over Commercial," development on Leonard Avenue that included eight new affordable rental units above retail uses. However, after a period of litigation, twelve new units will result instead of eight. This site was merely mentioned in the Cycle I plan. It was not required as a term of Cycle I certification. This project now became part of the Township's Cycle II Residential over Commercial project, and will soon become occupied.

Although COAH petitioned for round I/round II approval on March 13, 2000, COAH never granted, denied or conditioned certification of the Township's plan before COAH announced that it would no longer be reviewing and acting on approvals for round I/round II affordable housing plans.

On December 20, 2005, the Township petitioned for Cycle III substantive certification of a round three plan based upon the first version of COAH's round three regulations. While the Township closely interacted with COAH staff on its review of the Township's initial Cycle III plan, the Appellate Division invalidated portions of COAH's regulations in In re Adoption Of N.J.A.C. 5:94 and 5:95 By New Jersey Council On Affordable Housing, 390 N.J.Super. 1 (App. Div.), certif. denied 192 N.J. 72 (2007). Despite this setback, the Township continued to implement its affordable housing program to create new affordable housing units

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throughout Middletown. More specifically, the following demonstrates the affordable housing created in the Township between December 20, 2005 and the present

1. The Township granted approval for an inclusionary zoning site on Harmony Road (Block 615, Lot 82), which will produce eighteen affordable family rental units in conjunction with new market rate townhomes. Commonly known as Harmony Glen, this site is currently under construction.
2. Twelve affordable units were approved in 2007 for a site on Highway 36 (Block 532, Lots 43 & 44). This will be a 100% affordable housing site with both for-sale units and family rental units owned and operated by the Affordable Housing Alliance of Monmouth County, and construction is pending.
3. In 2007, two affordable for-sale units were approved at the Brown's Fence site on Highway 36 (Block 517, Lots 3-8) in conjunction with new market rate townhomes. Construction is pending.
4. Six accessory apartments were added to Middletown's inventory between 2006 and 2008 showing the program's continuing viability and popularity.

On October 20, 2008, COAH's most recent substantive and procedural regulations became effective. This Housing Element and Fair Share Plan was developed in conformance with those regulations, and the associated policies expressed by COAH in the New Jersey Register and various guidance documents recently released by COAH. In addition, Middletown accepted COAH's invitation to meet with its staff and obtain guidance. This plan embodies the elements of the plan the Township's professionals discussed with COAH staff. Similar to the Township's 2000 Plan, Middletown has once again created a realistic opportunity for a surplus of affordable housing units, despite the fact that the Township's fair share obligations are among the highest in the state.

As demonstrated above, for the past 15 years, Middletown has persistently endeavored to satisfy its fair share housing obligations by utilizing myriad compliance mechanisms. The Township has shown a commitment to providing housing opportunities for low and moderate income households of all ages and backgrounds. Since receiving substantive certification for its First Round Fair Share Plan in 1994, Middletown has:

- Created an inclusionary zoning environment that facilitated the approval of well over 200 non-age restricted affordable housing units, and 240 affordable senior housing units;
- Encouraged a variety of affordable housing types including single-family detached homes, duplexes, condominium flats, townhouses, multifamily buildings, and accessory apartments;
- Fostered creative public-private partnerships to encourage construction of affordable senior housing on Township property;
- Utilized over \$5 million in federal Community Development Block Grant (CDBG) resources to rehabilitate Township housing stock occupied by low and moderate income households
- Donated municipally-owned properties throughout the Township to developers for the construction of affordable housing;
- Created opportunities for the construction of supportive and special needs housing
- Facilitated other creative affordable housing techniques such as a Residential over Commercial program which provides direct cash construction subsidies to the developer.

In sum, the Township has created 1248 affordable housing credits through the successful implementation of these and other affordable housing programs. Of this total, 424 units of

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affordable housing were actually constructed within the Township, and 37 more have already secured development approvals.

Without question, Middletown is a quintessentially inclusionary municipality that stands as a model for all New Jersey towns seeking to comply with their affordable housing obligations. Commissioner Doria recently lauded the Township for its efforts to provide affordable housing. This plan is a continuation of the Township's long-standing compliance efforts which, once certified by COAH, will provide for the Township's fair share of affordable housing for the next decade.

**DEMOGRAPHICS**

**Population**

Middletown's resident population increased from 66,327 people in 2000 to an estimated 69,525 in 2008, representing a 4.8% increase. Table 1 shows the greatest growth rate in Middletown Township over the last 68 years occurred during the post-World War II suburban boom years (1950-1960) when the population increased by 143 percent from 16,203 to 39,375.

In 1990, the Township's population peaked at 68,183. While Middletown's population decreased from this peak to 67,479 in 2000, the 2006 American Community Survey estimates that the Township's population has once again rebounded to a high mark of 69,870 in 2008, representing a 5.3% jump from the 2000 Census.

**TABLE 1: MIDDLETOWN POPULATION, 1940-2008**

Year	Population	% Change
1940	11,018	
1950	16,203	47.1
1960	39,375	143.0
1970	54,623	38.7
1980	62,574	14.6
1990	68,183	9.0
2000	66,327	-2.7
2006*	69,870	5.3

\*American Community Survey Estimate  
 Source: US Census Bureau

**Household Size**

Middletown's average household size has remained relatively stable over the past 18 years, and as of 2006 stands at 2.97. It is estimated that the average household size of renter-occupied units has slightly increased by 1.8% to 2.23.

**TABLE 2: HOUSEHOLD SIZE**

	1990	2000	2006
Average household size	2.95	2.84	2.97
Average household size of owner-occupied unit	3.09	2.96	3.07
Average household size of renter-occupied unit	2.19	2.09	2.23

Source: US Census Bureau

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**Age**

Indicators suggest Middletown Township is a maturing community. The median age in Middletown increased from 38.8 in 2000 to 41 in 2006, surpassing the median age in both Monmouth County (39.8) and the State (38.2). Additionally, there was a 35.2% increase in those aged 55 to 64, and a 21.6% increase in those aged 65 to 84. The percentage of the Township's population over age 65 increased from 12.8% in 2000 to 14.4% in 2006.

**TABLE 3: POPULATION BY AGE**

	2000	2006	% Change
Under 5	4,510	4,080	-9.5%
5 to 14	10,121	9,815	-3.0%
15 to 19	4,185	5,642	34.8%
20 to 34	14,144	14,703	4.0%
35 to 54	22,627	22,473	-0.7%
55 to 64	6,438	8,704	35.2%
65 to 84	7,491	9,112	21.6%
85 years and over	996	983	-1.3%
Median age (years)	38.8	41	5.7%

Source: US Census Bureau

**Income**

Middletown's median household income increased by 18% from \$75,566 in 1999 to \$88,873 in 2006. Between 1999 and 2006, income ranges of \$150,000 to \$199,999, and \$200,000 and more, increased the most, at 67 and 57 percent respectively. In absolute terms, households with an income between \$150,000 and \$199,999 increased the most by 1,141 households (Table 4).

**TABLE 4: HOUSEHOLD INCOME**

	1999	2006	Number Change	% Change
Less than \$10,000	796	953	157	20%
\$10,000 to \$14,999	582	569	-13	-2%
\$15,000 to \$24,999	1,380	1,421	41	3%
\$25,000 to \$34,999	1,679	1,144	-535	-32%
\$35,000 to \$49,999	2,397	1,663	-734	-31%
\$50,000 to \$74,999	4,704	3,842	-862	-18%
\$75,000 to \$99,999	3,880	4,084	204	5%
\$100,000 to \$149,999	4,409	4,186	-223	-5%
\$150,000 to \$199,999	1,703	2,844	1141	67%
\$200,000 or more	1,729	2,707	978	57%
	23,259	23,413		

Source: US Census Bureau

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Middletown's median household income and per capita income figures remain higher than both County and State figures (Table 5). Between 1999 and 2006, Middletown's median household income increased by 17.6%, and per capita income increased by 13.7%. During this same timeframe, the County's median household income increased at a slightly faster rate. Both the County and the State's per capita income are increasing at a faster rate than Middletown's.

**TABLE 5: INCOME COMPARISON, MIDDLETOWN & MONMOUTH COUNTY**

<b>MEDIAN HOUSEHOLD INCOME</b>	<b>1999</b>	<b>2006</b>	<b>% Change</b>
Middletown	\$75,566	\$88,873	17.6%
Monmouth County	\$64,271	\$77,160	20.1%
New Jersey	\$55,146	\$64,470	16.9%
<b>PER CAPITA INCOME</b>	<b>1999</b>	<b>2006</b>	<b>% Change</b>
Middletown	\$34,196	\$38,873	13.7%
Monmouth County	\$31,149	\$36,767	18.0%
New Jersey	\$27,006	\$31,877	18.0%

Source: US Census Bureau

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**HOUSING INVENTORY**

The following section provides detailed summary of the housing stock in Middletown, including occupancy status, tenure, vacancy, year built, type, value, rents, and housing quality indicators.

**Number of Housing Units and Vacancy Rates**

According to Census data shown in Table 6 below, between 1989 and 2006 the number of occupied housing units increased by 3.4% percent. While representing only 5% of Middletown's total housing units, vacant units increased by a noteworthy 41% between 1989 and 2006. Among rental units, the rental vacancy rate in 2006 decreased to 1.3% compared to 2.3% in 2000, which is indicative of a slightly increase number of vacant non-rental housing units.

**TABLE 6: OCCUPIED AND VACANT HOUSING UNITS, 1989, 2000, 2006**

	1989		2000		2006	
	Units	% total	Units	% total	Units	% Total
Occupied	22,637	96%	23,236	97%	23,413	95%
Vacant	858	4%	605	3%	1,214	5%
<b>Total</b>	<b>23,495</b>	<b>100%</b>	<b>23,841</b>	<b>100%</b>	<b>24,627</b>	<b>100%</b>

Source: US Census Bureau

**Number of Units in Structure**

In 2006, there were a total of 24,627 housing units in Middletown Township. The majority of the Township's housing units remain single family detached (79.7%). There was a substantial increase, i.e. 415, in the number of sites housing more than five units.

**TABLE 7: NUMBER OF HOUSING UNITS IN STRUCTURE, 2000 & 2006**

	2000		2006		% change 2000-2006
	Units	% total	Units	% total	
1-unit, detached	19,219	80.6%	19,632	79.7%	2.1%
1-unit, attached	1,471	6.2%	1,878	7.6%	27.7%
2 units	345	1.4%	102	0.4%	-70.4%
3 or 4 units	504	2.1%	342	1.4%	-32.1%
Greater than 5 units	2,258	9.5%	2,673	10.9%	18.4%
Mobile home	33	0.1%	0	0.0%	-100.0%
Boat, RV, van, etc.	11	0.0%	0	0.0%	-100.0%
<b>Total</b>	<b>23,841</b>	<b>100</b>	<b>24,627</b>	<b>100</b>	<b>3.3%</b>

Source: US Census Bureau

**Age of Housing**

As shown in Table 7, the majority of Middletown Township's housing stock was constructed 1950 and 1979, with the most productive years being between 1950 and 1959. This is typical of post-war development trends in the United States, and certainly matches Middletown's population trends. Slightly over 7% of the Township's housing stock has been built since 1990.

**TABLE 7: HOUSING STOCK AGE**

Year Built	Number	% Total
Built 2005 or later <sup>1</sup>	107	0.4%
Built 2000 to 2004	569	2.3%
Built 1990 to 1999	1,169	4.7%
Built 1980 to 1989	4,430	18.0%
Built 1970 to 1979	4,516	18.3%
Built 1960 to 1969	4,236	17.2%
Built 1950 to 1959	5,912	24.0%
Built 1940 to 1949	1,328	5.4%
Built 1939 or earlier	2,360	9.6%
Total	24,627	

Source: US Census Bureau

**Housing Values: Owner Occupancy & Affordability**

The 2006 median housing value in Middletown Township was \$441,200, which is 109% greater than the 2000 median value of \$210,700. This jump far eclipses increases in median household income during this timeframe. The greatest percentage (43.5%) of owner-occupied units by housing value was in the \$300,000 to \$499,999 range, (8,933 units). Housing units valued in the \$150,000 to \$299,999 range are becoming rare; only 16% of 2006 owner-occupied housing inventory were valued in this range, where in 2000 this figure was at 53%. As the chasm has widened between household income and housing values, Middletown has proactively sought to increase the supply of affordable housing.

**TABLE 8: HOUSING VALUES, OWNER-OCCUPIED UNITS, 2000 & 2006**

	2000		2006	
	# Units	% Total	# Units	% Total
Less than \$50,000	52	0.3%	0	0.0%
\$50,000 to \$99,999	630	3.4%	46	0.2%
\$100,000 to \$149,999	3,273	17.5%	559	2.7%
\$150,000 to \$199,999	4,739	25.3%	975	4.8%
\$200,000 to \$299,999	5,276	28.1%	2,306	11.2%
\$300,000 to \$499,999	4,101	21.9%	8,933	43.5%
\$500,000 to \$999,999	570	3%	7,219	35.2%
\$1,000,000 or more	104	0.6%	475	2.3%

Source: US Census Bureau

<sup>1</sup> The Housing Stock Projections Chapter includes data from the New Jersey Construction Reporter showing greater than 105 certificates of occupancy issued for new dwelling units after 2005.

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The total number of owner-occupied households in Middletown increased 4.7% between 1990 and 2000 to a total 20,065 households. In 2000, 19% of total owner households fell within HUD-defined low-income categories, amounting to 3,858 households. This represents a 14% increase in low-income households from 1990, or 470 additional low-income owner-occupied households.

Changes that are most apparent occurred in the number "very low income" and "moderate-income" households. While the amount of "very low income" households dropped 19% (148 households), the number of "moderate-income" households increased by 37% (598 households).

**TABLE 9: INCOME BREAKDOWN OF OWNER OCCUPIED HOUSEHOLDS, 1990-2000**

Income Categories	Total Owner Households 2000	% Total 2000	Total Owner Households 1990	% Total 1990	Change 1990-2000	% change 1990-2000
< 30% MFI	635	3%	783	4%	-148	-19%
> 30%, < 50% MFI	1,027	5%	1,007	5%	20	2%
> 50%, < 80% MFI	2,196	11%	1,598	8%	598	37%
> 80% MFI	16,207	81%	15,769	82%	438	3%
<b>Totals</b>	<b>20,065</b>		<b>19,157</b>			

Source: Comprehensive Affordable Housing Strategy (CHAS) data provided by the US Census Bureau

**Contract Rents & Affordability**

In 2000, the median contract rent for rental units was \$836 with over 50% of renters paying \$750-\$1499 monthly. Slightly more than 20% of renters paid less than \$500 a month on contract rent as shown in Table 9.

**TABLE 10: CONTRACT RENTS, 2000**

	# Rental Units	% Total
Less than \$200	177	5.6%
\$200 to \$299	134	4.3%
\$300 to \$499	334	10.6%
\$500 to \$749	542	17.2%
\$750 to \$999	902	28.7%
\$1,000 to \$1,499	696	22.1%
\$1,500 or more	212	6.7%
No cash rent	151	4.8%
<b>Total Units</b>	<b>3,148</b>	

Source: US Census Bureau

According to Comprehensive Affordable Housing Strategy (CHAS) data provided by the US Census Bureau, the total number of renter-occupied households in Middletown decreased almost 9% between 1990 and 2000 to a total 3,171 households. In 2000, 53% of total renter households fell within HUD-defined low-income categories, amounting to 1,678 households. While this represents a minor 2% increase in total low-income households from 1990, the percentage of total renters that fell within income limits increased 6%.

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Notable changes include a 22% increase in the number of extremely low-income renter households, and a 19% decrease in the number of renter households earning greater than 80% of median family income.

**TABLE 11: INCOME BREAKDOWN OF RENTER OCCUPIED HOUSEHOLDS, 1990-2000**

Income Categories	Total Renter Households 2000	% Total 2000	Total Renter Households 1990	% Total 1990	Change 1990-2000	% change 1990-2000
< 30% MFI	811	26%	663	19%	148	22%
> 30%, < 50% MFI	457	14%	531	15%	-74	-14%
> 50%, < 80% MFI	410	13%	449	13%	-39	-9%
> 80% MFI	1,493	47%	1,837	53%	-344	-19%
<b>Total</b>	<b>3,171</b>		<b>3,480</b>			

Source: Comprehensive Affordable Housing Strategy (CHAS) data provided by the US Census Bureau

The decrease in the number of reported renter-occupied units does not necessarily reflect market demands; rather, it is an expression of a larger national trend towards homeownership.

**Housing Cost Burden**

CHAS data measure the degree of "housing cost burden" for those earning less than 80% of Middletown's median household income, i.e. \$75,566.

"Housing cost burden" is defined as follows:

- Cost burdened (households paying between 30 and 50 percent of their household income on housing); and
- Severe cost burdened (those paying more than 50 percent of their household income on housing).

Of Middletown's total 23,236 households in 2000, 3,664 (16%) experienced some degree of cost-burden, and 2,003 (9%) households experienced severe housing cost burden. Table 12 shows a detail of the cost burden issue by income category and housing type.

**TABLE 12: PERCENT/NUMBER COST BURDENED BY INCOME & HOUSING TYPE**

		Extremely Low Income		Very Low Income		Low Income	
		Cost Burden	Severe Cost Burden	Cost Burden	Severe Cost Burden	Cost Burden	Severe Cost Burden
<b>Renters</b>	<b># of Renter Households</b>	586	455	278	102	201	32
	<b>% Renter Households in Income Category</b>	72%	56%	61%	22%	49%	8%
	<b>% Renter Households in Township</b>	18%	14%	9%	3%	6%	1%
<b>Owners</b>	<b># of Owner Households</b>	573	497	791	420	1235	496
	<b>% Owner Households in Income Category</b>	90%	78%	77%	41%	56%	23%
	<b>% Owner Households in Township</b>	3%	2%	4%	2%	6%	2%

Source: Comprehensive Affordable Housing Strategy (CHAS) data provided by the US Census Bureau

- Overall, 2,599 owner-occupied households earning less than 80% of median household income experience some degree of housing cost burden. This represents 13% of the Township's total owner-occupied households.
- 1,065 renter-occupied households earning less than 80% of median household income experience some degree of housing cost burden. This represents 34% of the Township's total renter households.
- An overwhelming majority (78%) of extremely-low-income owners experience severe cost burden. Similarly, a majority (56%) of extremely-low-income renters experience severe cost burden.
- The total number (2,599) of cost burdened, owner occupied low-income households triggers the need to provide financial assistance, particularly housing rehabilitation activities for extremely-low-income households.
- Based on the number of renter-occupied, cost burdened and severely cost burden households, there remains a continuing need to provide affordable rental units throughout the Township. The Fair Share Plan recognizes this need by providing a range of family rental options to satisfy the Township's Third Round housing obligation.

**Housing Quality and Rehabilitation**

Housing condition relies on functional utility and the suitability for human habitation. Households suitable for habitation are generally considered as standard units. Those not suited for habitation are substandard. According to the Substantive Rules at N.J.A.C. 5:97,

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"Rehabilitation" means the repair, renovation, alteration or reconstruction of any building or structure, pursuant to the Rehabilitation Subcode, N.J.A.C. 5:23-6.

A unit may also be considered substandard if one or more of the following defects are present:

1. No bath facilities or only a half bath.
2. Source of water other than a public water system, a private water company, a drilled or dug individual well.
3. No kitchen facilities.
4. Sewage disposal is other than public sewer, septic tank, or cesspool.
5. Heating equipment is by fireplace, stove, portable room heater or none at all.
6. Lacks complete plumbing
7. Contains 1.01 or more persons per room.
8. No cooking fuel used.
9. No fuel used to heat hot water.
10. Any other violations constituting health and/or safety hazards.

A "Substandard unit which is suitable for rehabilitation" means a unit which is structurally sound and financially feasible for rehabilitation. An improvement is financially feasible when the cost of repair or replacement is off-set by the value added to the property. A substandard unit which is not suitable for rehabilitation means a unit in such condition where it is neither structurally nor financially feasible for rehabilitation.

It is extremely difficult to provide an accurate count of substandard units in Middletown. The 2000 U.S. Census indicates that 40 housing units lack complete plumbing for exclusive use, representing a 37% improvement since 1990. However, 83 units lack complete kitchen facilities, representing a 76% increase since 1990. Combined, these units represent 0.5 percent of the Township's 23,236 occupied housing units in 2000. These indicators obviously encompass only the most severely inadequate housing units.

The U.S. Census cannot be the sole source in estimating substandard units, since all dwellings which contain code violations are not listed. It is Middletown's best estimate that .05 percent of the owner occupied and 2 percent of the rental housing units could be classified as substandard. These estimates are consistent with COAH's Substantive Rules at Appendix B, which assign s the Township a 154 unit rehabilitation obligation.

Technically, every structure in Middletown is capable of being rehabilitated. However, a small portion of the substandard units are not financially feasible to repair. An example of a "non-rehabilitatable" unit would be a household in such poor condition that it would be less expensive to demolish the building and construct a new dwelling of equal utility than it would be to repair the building. In Middletown it is anticipated that this would be the exception rather than the rule. Therefore, it is believed that 95% of the substandard housing units are suitable for rehabilitation.

Given the advancing age of housing units in Middletown and the high percentage of households experiencing housing problems, there remains a need for rehabilitation programs, particularly for low-income families. The Township will continue to earmark resources to rehabilitate substandard owner-occupied units as part of its annual federal Community Development Block Grant (CDBG) entitlement and from Neighborhood Preservation Program (NPP) grant funds, which were made available in 2008.

**TABLE 13: HOUSING STOCK QUALITY INDICATORS**

	# Units	% Total
Built before 1939	2,884	12.1
Overcrowded	277	1.2
Lacking complete plumbing facilities	40	0.2
Lacking complete kitchen facilities	83	0.4
No telephone service	94	0.4
No heating fuel	8	0
Total	23,841	

Source: US Census Bureau

Only 12% of Middletown's housing stock is 65 years or older, and only 1.2% of the Township's housing units can be considered "overcrowded." Less than one percent of the housing units in Middletown lacked complete plumbing, complete kitchen facilities, telephone service or central heating. Thus only a small percentage of the Township's housing stock can be considered "substandard."

"Overcrowding" is a housing unit containing more than one person per room. According to the 2000 Census, Middletown contains 277 overcrowded housing units: 154 overcrowded owner-occupied units, and 123 overcrowded renter-occupied units. It is estimated that between 35-40 low-income renter-occupied units experience some degree of overcrowding. Overcrowding is often a result of families doubling-up for economic or other reasons on an emergency or temporary basis. Due to worsening economic conditions, and an increasing demand for affordable housing, it is likely that the number of families doubling-up has increased since 2000, and further increases will be seen in both in owner-occupied and renter-occupied households.

**EMPLOYMENT CHARACTERISTICS**

**Resident Employment**

Middletown's total labor force increased since 2000, reaching 35,602 persons during the 2006 census compared to 33,789 persons in 2000 (an increase of 1,813 persons.) The number of employed persons in the civilian labor force remained somewhat static, while the unemployment rate increased from 3% to 8%. The increased unemployment rate will clearly place a cost burden on all Township households, and will particularly impact very low, low and moderate income households.

**TABLE 14: EMPLOYMENT STATUS, 2000 & 2006**

	2000	% Total	2006	% Total
<b>Total Population (16 years and over)</b>	50,882	100	54,587	100
In labor force	33,789	66	35,602	65
<i>Civilian labor force</i>	33,728	99	35,555	99
<i>Employed</i>	32,597	97	32,762	92
<i>Unemployed</i>	1,131	3	2,793	8
Armed Forces	61	<1	47	<1
Not in labor force	17,093	34	18,985	35

Source: US Census Bureau

**Occupation**

In 2006, the top four industry groups based on employment in Middletown were: 1) Educational and Healthcare assistance; 2) Finance and Insurance; 3) Professional and Management Services; 4) Retail Trade. (Table 15)

**TABLE 15: 2006 Employed Civilian Labor Force by Industry**

Industry	Number	Percent
Agriculture, forestry, fishing and hunting, and mining	121	0.4%
Construction	2,499	7.6%
Manufacturing	1,947	5.9%
Wholesale trade	1,172	3.6%
Retail trade	3,714	11.3%
Transportation and warehousing, and utilities	1,036	3.2%
Information	1,169	3.6%
Finance and insurance, and real estate and rental and leasing	4,556	13.9%
Professional, scientific, and management, and administrative and waste management services	4,215	12.9%
Educational services, and health care, and social assistance	6,957	21.2%
Arts, entertainment, and recreation, and accommodation, and food services	3,258	9.9%
Other services, except public administration	916	2.8%
Public administration	1,202	3.7%
<b>Total Employed Persons 16 years and over</b>	<b>32,762</b>	<b>100.0%</b>

Source: US Census Bureau

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The census data distribution of occupational positions in Middletown Township generally reflects the same percentages as Monmouth County, with only slight variations.

**TABLE 16: OCCUPATIONAL DISTRIBUTION, MIDDLETOWN & COUNTY, 2006**

<b>Occupation</b>	<b>Middletown Total</b>	<b>% total</b>	<b>Monmouth County Total</b>	<b>% total</b>
Management, Professional and Related Occupations	5,417	17	53,442	17
Service Occupations	12,300	38	123,932	39
Sales and Office Occupations	9,442	29	83,853	27
Farming, Fishing, and Forestry Occupations	121	<1	1,086	<1
Construction, Extraction, and Maintenance Occupation	2,499	8	21,901	7
Production, Transportation, and Material Moving Occupations	2,983	9	31,434	10
<b>Total</b>	<b>32,762</b>		<b>315,648</b>	

### **APPROPRIATE LANDS FOR LOW & MODERATE INCOME HOUSING**

This section includes a discussion of land in Middletown most appropriate for construction of low and moderate income housing.

When considering lands most appropriate, substantial weight is given to reducing cost burdens shouldered by low and moderate income households. Rising fuel costs and increased commute times continue to deplete resources of those most in need of affordable housing. Accordingly, sites that exhibit the following characteristics rank high in terms of lands most appropriate:

- Adjacent to or within one mile of major shopping and services
- Location that promotes walking to places of employment and the use of modes of transportation other than vehicles (mass transit, bicycling)
- Proximity to highways and major arterial roadways to reduce length of daily vehicular trips
- Component of a mixed-use development promoting sustainability
- Location within the Metropolitan Planning Area (PA-1), which is the area considered by the Substantive Rules and the State Development and Redevelopment Plan as most suitable for growth and residential infill.

Another important consideration for selecting appropriate affordable housing sites is the ability to take a pro-active approach to "redeveloping" existing improved non-residential sites that are dilapidated, outmoded or are pending vacancy or demolition. A measurable aesthetic improvement can result. Often, the amount of peak hour vehicular trips is reduced from pre-development conditions based on the changed use, thus reducing strain on heavily taxed roadway infrastructure. The reduction in overall costs to developers (and thereby future residents) by utilizing established infrastructure such as existing water and sewer lines and capacity can be significant. An added benefit is the potential for the Township to receive future credit for jobs lost associated with any commercial building demolition.

Unique approaches to site design that promote preservation of significant resources are favored during site selection. These approaches would include:

- Dedication of substantial open space, particularly if said open space is adjacent to existing parkland
- Opportunities to preserve scenic corridors and historic roadways identified in the Township's Master Plan
- Preservation of architecturally and historically significant structures

As pointed out in the Demographics section of this Plan, Comprehensive Affordable Housing Strategy (CHAS) data provided by the US Census Bureau, there is a need to provide affordable rental units throughout Middletown based on the number of renter-occupied, cost burdened and severely cost burden households. Accordingly, landowners who have expressed a eagerness to provide affordable rental units as part of an inclusionary development have been given priority consideration.

All sites included in Middletown's Fair Share Plan exhibit several of the foregoing traits, rendering them most appropriate for construction of low and moderate income housing.

There are sites that have been considered for affordable housing that do not satisfy many of the criteria discussed above. While this does not necessarily render them "unsuitable" for

affordable housing, each site has limitations that do not bring them to the forefront at this time. A brief synopsis of these less-appropriate sites follows:

- Murray Construction – This 40 acre site is located on Red Hill Road at Exit 114 of the Garden State Parkway, and contains a massive vacant office building. Strangely, this site is situated outside the sanitary sewer service area even though it is fully developed and contains a sewer pump station. This situation could place regulatory hurdles to developing the property.
- Bamm Hollow – This sprawling 278 tract houses a golf course and is located at the western fringe of the Township along Sunnyside Road. While developable land is available here, the site is certainly remote from existing shopping, services, jobs and transportation as compared to other more suitable properties. Increased traffic through local roadways and increased trip length would result due to the site's remote location. This could have a deleterious impact on scenic and historic roadways such as Sunnyside Road and Middletown Lincroft Road. A major concern is the potential negative traffic safety impact on the Middletown Lincroft Road/Sunnyside Road intersection. It is important to recall that the Bamm Hollow tract was rezoned over five years ago in 2003 from 3 acre minimum to 5 acre minimum to reduce potential development impacts on this rural section of Middletown. Moreover, the Middletown Sewerage Authority (TOMSA) has opined that existing sewer infrastructure is insufficient to accommodate additional growth at this property, as nearby pump stations are effectively at capacity.
- DeFelice – This farmed, 11 acre site is situated on the east side of Dwight Road south of the realigned Red Hill Road intersection. All potential residents at this site would be entirely dependent on personal vehicles due to the site's remote location from transportation. Development at this site would involve the elimination of productive farmland, which has become scarce in Middletown and Northern Monmouth County. Accessibility to the site from Malus Lane and/or Holland Road provides challenges in mitigating impacts on adjacent residences.
- Stavola – This remote 17.5 acre tract is located along the Navesink River near its confluence with the Swimming River. While upland portions of the site (which are limited) can support residential development, access to these areas is severely limited by wetland transition areas and potential foraging habitats for endangered species. The ability to improve the access road to this site is questionable.
- Schlidge property (aka Tanglewood Farm) – This is a +/- 56-acre tract located along Kings Highway East at the Normandy Road intersection. Discussions with the property owner indicate that a total of 72 units would be needed in order to yield 16 affordable units, i.e. a 22% setaside. This is not a substantial affordable unit yield, and it is unclear if the Township can reasonably rely upon this site to produce 32 credits towards our housing obligation (16 units + 16 rental bonuses). Moreover, the Recreation and Open Space Element of the 2004 Master Plan identifies this property as an ideal site for active recreation. Including this site in the Fair Share Plan at this time is not recommended.
- Magnolia Lane – This is a +/- 4-acre tract west of Highway 35 comprising three lots that are not under common ownership. Magnolia Lane is a narrow, minimally improved roadway that would require a substantial capital investment in order to provide safe and efficient access to 32 for-sale residential units (24 market, 8 affordable). This is not a substantial affordable unit yield considering the potential impacts on the surrounding residential neighborhood. Including this site in the Fair Share Plan at this time is not recommended.

In terms of housing in need of rehabilitation, Middletown's aging housing stock lends itself to a continuing program of systematic upgrades to eliminate code violations. There is a

preponderance of older housing in need of rehabilitation in Bayshore neighborhoods such as North Middletown, Port Monmouth, Leonardo and Belford. North Middletown contains that highest concentration of low and moderate income households, many of whom need financial assistance to maintain a suitable living environment. Numerous "shotgun bungalow" style homes originally built for seasonal occupancy have been converted to year-round living quarters, which presents an ongoing need for weatherization and energy efficiency improvements.

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**HOUSING PROJECTIONS**

Following is an examination of past and anticipated residential and nonresidential development patterns for the years 1998 to 2018.

**ANTICIPATED RESIDENTIAL DEVELOPMENT: 2008 - 2018**

<b>Development</b>	<b>Status</b>	<b>Housing Type</b>	<b>Total</b>
Mountain Hill*	Anticipated	Multifamily	400
Taylor Lane*	Anticipated	Multifamily	340
Avaya*	Anticipated	Multifamily	375
Conifer Realty*	Approved	Multifamily	180
Steiner & Frustacci*	Anticipated	Attached & Detached	140
Municipally Sponsored Affordable*	Anticipated	Attached & Detached	122
Harmony Road Assoc.*	Approved	Multifamily	90
Gate Cottage*	Approved	Attached & Detached	60
Bamm Hollow	Anticipated	Detached	60
Atlantic Pier*	Anticipated	Attached & Detached	45
Village @ Chapel Hill*	Approved	Multifamily	40
199 Laurel Ave*	Anticipated	Multifamily	37
Misc. Minor Subdivisions	Anticipated	Detached	37
Meadowview*	Anticipated	Multifamily	35
Browns Fence*	Approved	Multifamily	24
Accessory Apartments*	Anticipated	Detached	23
Residential Over Commercial*	Anticipated	Multifamily	22
Stavola (Chapel Hill Rd)*	Approved	Duplex	19
Supportive & Special Needs Housing*	Pending	Multifamily	18
Minor Subdivisions	Pending	Detached	15
Scattered Sites Municipal Construction*	Anticipated	Attached & Detached	15
Port Monmouth Partners*	Approved	Multifamily	13
Emad Elgohail (Leonardo)*	Approved	Multifamily	12
Wallace*	Approved	Multifamily	12
Reid	Anticipated	Detached	12
DeFelice Farm	Anticipated	Detached	11
Mixed Use	Anticipated	Multifamily	10
Tretter	Anticipated	Detached	8
Weinberg	Approved	Detached	7
Conway	Approved	Detached	6
St. Catherines Church	Approved	Detached	6
Cuozzo	Pending	Detached	6
Navesink Ridge	Approved	Detached	5
Ideal Beach*	Approved	Attached	4
Bulmer	Approved	Detached	4
EZ Quick	Approved	Multifamily	3
Stavola (Monmouth Ave)	Approved	Detached	3
Mason & Jennings (Sleepy Hollow)	Approved	Detached	3
Martelli	Approved	Detached	3
Garvin	Approved	Detached	3
Accessory Apartments*	Approved	Detached	2
<b>Total</b>			<b>2,230</b>

\* Includes Affordable Housing Units

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As shown in the table above, it is anticipated that a total of 2,230 additional housing units will be completed and ready for occupancy by 2018. The overwhelming majority of anticipated and approved housing development will include housing units that are affordable to low and moderate income households. This projection has been made without specific knowledge of future housing market demand.

Annual housing unit demolitions typically represent approximately 20% of total Certificates of Occupancy (CO's) over a ten year period in Middletown. Application of this 20% demolition rate would result in a net increase of 1,784 housing units by 2018.

**10-YEAR TREND OF CERTIFICATES OF OCCUPANCY AND DEMOLITION PERMITS**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Thru 7/08	Total
CO's Issued	144	77	56	56	103	156	82	153	127	160	109	1,223
Demolitions	0	9	16	22	27	31	17	30	42	37	25	256
Net	144	68	40	34	76	125	65	123	85	123	84	967

Source: New Jersey Construction Reporter

As can be seen in the table above, a total of 1,223 certificates of occupancy for new housing units were issued between 1998 and July 2008. After deducting housing demolitions, the net increase in housing units authorized by CO is 967.

**ANTICIPATED NON-RESIDENTIAL DEVELOPMENT: 2008 - 2018**

Development	Type	New Non-residential SF	Status
Detwiller	Office	302	Approved
Mercurio	Office	700	Approved
St. Catherine's Church	Institutional	2,012	Approved
Kimber Petroleum Corp.	Retail	2,400	Approved
Marcolus	Office	3,000	Approved
Lincroft Presbyterian Church	Institutional	3,300	Approved
McCabe	Office	3,928	Approved
Crown Tire	Warehouse	4,510	Approved
EZ Quick	Retail	4,592	Approved
Wawa, Inc.	Retail	5,601	Approved
All American Chevrolet	Retail	5,800	Approved
OakHill Academy	Educational	8,600	Approved
Bayshore Community Health Services	Office	10,000	Approved
Navesink Country Club	Institutional	15,896	Approved
Bowen Development	Retail	24,307	Approved
AT&T	Office	1,000,000	Approved
Chase Bank	Retail	3,820	Pending
Autobacs Strauss	Retail	8,180	Pending
180 Turning Lives Around	Institutional	13,457	Pending
SFT Atlantic Highlands	Institutional	53,284	Pending
Brookdale Community College	Educational	100,000	Pending
Mountain Hill	Mixed Use	850,000	Pending
Ibrahim	Office	5,862	Construction
Medical Health Center	Office	8,000	Construction
Chinese Christian Church	Institutional	34,180	Construction

As shown in the table above, it is anticipated that a total of 2,171,731 in additional non-residential square footage will be completed by 2018. Historic and anticipated non-residential demolitions have not been considered in detail to determine the net non-residential increase in floor area. However, it is anticipated that the demolition of the Avaya office complex in Lincroft will reduce total non-residential floor area by +/- 300,000 square feet. Moreover, while AT&T has received approval for 1,000,000 additional square feet of office space, the likelihood of an expansion at their research facility within the next ten years is difficult to ascertain.

Additional non-residential development generates an associated housing need. Middletown has developed a Fair Share Plan that will ensure affordable housing opportunities are provided to low and moderate income households employed by anticipated non-residential development.

**FAIR SHARE DETERMINATION**

Middletown’s present and prospective fair share for low and moderate income housing obligation is included in the Substantive Rules (N.J.A.C. 5:97 et seq.), and is the sum of the following three components:

1. **Rehabilitation Share** - Middletown will address the calculated rehabilitation share for affordable housing, which is the number of existing housing units as of April 1, 2000 that are both deficient and occupied by households of low or moderate income.
2. **Prior Round Obligation** - Middletown will address the prior round obligation, which is the cumulative 1987-1999 fair share obligation, i.e. Rounds 1 and 2.
3. **Growth Share** - The third round rules and associated methodologies represent a substantial shift in municipal fair share housing allocation than in the prior two rounds. These rules and methodologies use a “growth share” approach which base Middletown’s affordable housing obligations on projected market-rate residential and non-residential growth. A growth share ratio has been established of one affordable housing unit among five market-rate units, and one affordable housing unit for every sixteen jobs created between 2004 and 2018. Household and employment growth projections for the Township are included in Appendix F of the Substantive Rules.

**Rehabilitation Share**

The Rehabilitation Share is provided by COAH for Middletown at Appendix B of the Substantive Rules. This calculation uses Census indicators including overcrowding (more than 1 person per room), lack of complete plumbing, and lack of complete kitchen facilities.

Middletown’s Rehabilitation Share is 154 housing units. COAH has identified 23 rehabilitated units that are creditworthy under a prior round submission, with the potential for an additional 5 units to be considered creditworthy. Included in these credits are units rehabilitated through December 20, 2004 by the Township’s CDBG Housing Improvement Program (HIP). All rehabilitated housing units have appropriate affordability controls in place and are occupied by income-qualifying households.

<b>Rehabilitation Share</b>	<b>154</b>
<b>Credits</b>	<b>-28</b>
<b>Remaining Rehabilitation Share</b>	<b>126</b>

**Prior Round Obligation**

The Prior Round Obligation is provided by COAH for Middletown at Appendix C of the Substantive Rules. It represents the cumulative 1987-1999 fair share obligation.

Middletown’s Prior Round Obligation is 1561 housing units. The Township is eligible for credits towards this obligation based on Prior Cycle Credits, Post-1986 Credits (e.g. completed inclusionary housing, accessory apartments, scattered site construction), and completed Regional Contribution Agreements.

The majority of the supporting documentation for credits sought was provided to COAH when the Township petitioned for substantive certification in March 2000 and December 2005. Additional supporting documentation will be provided as determined necessary by COAH following the Township’s anticipated petition for substantive certification, which will occur prior to December 31, 2008. A description of credits sought follows:

Prior Cycle Credits

Middletown claims a total of **133 Prior Cycle Credits** as follows:

1. Credits Without Controls – Middletown conducted a survey of units constructed between April 1, 1980 and December 15, 1986, in accordance with COAH rules. Based upon the information collected by Middletown and submitted to COAH in March 2000, Middletown sought approval of 130 credits. In 2003 COAH reviewed the material submitted by Middletown and conducted an analysis that resulted in a determination that 101 creditworthy had been identified. As a result a letter was issued by COAH verifying this and thus Middletown is entitled to **101 prior cycle credits.**
2. Municipal Scattered Site Construction – Middletown began construction of affordable housing in 1986. COAH informed Middletown, in a letter dated July 17, 1991, that July 7, 1987 is considered the date of petition for substantive certification. Therefore, prior to this date, all affordable housing activities are considered to be credits or prior cycle credits. The two projects below were completed prior to this date and information verifying this was provided to COAH with Middletown's March 2000 submittal. All projects after that date are included as part of the Compliance Plan. As a result Middletown is entitled to **2 Prior cycle credits.**

<u>Date Sold</u>	<u>Unit Size</u>	<u>Sales Price</u>
October 30, 1985	3 Bedroom	\$45,000
January 23, 1987	3 Bedroom	\$45,000

3. Section 8 Certificates - As part of the continual effort to provide affordable housing in Middletown, HUD Section 8 Certificates have made available in Middletown. A Section 8 New Construction subsidy is attached to 26 units at the King's Row senior Citizen Development, located at 1800 Highway 35 and Cherry Tree Lane. The building was first occupied in October 1983. The subsidy allows low-income households to reduce their housing costs to 30 percent of monthly income. There are 26 units at Kings Row, which offer this income supplement to eligible low-income seniors. Affordability controls are in place on the units for 20 years. Information verifying the credit-worthiness of these units was provided to COAH with Middletown's March 2000 submittal. Section 8 certificates, which are tied to the unit such as this, are eligible for COAH credit, thus Middletown is entitled to **26 prior cycle credits.**
4. Supportive/Special Needs Housing - Middletown has identified a four bedroom Group Home at 141 Cherry Tree Farm Rd (Block 576, Lot 69). This facility has permanent affordability controls and was established and first occupied in May 1985. Middletown is entitled to **4 prior cycle credits.**

Post-1986 Credits

Middletown claims a total of **928 Post-1986 Credits** as follows

1. Scattered Sites – Middletown has completed and will take credit for scattered sites projects built after July 1987 (Middletown's First Petition date). Constructed units are both single-family detached and duplex style, and were built by a variety of non-profit groups including the Affordable Housing Alliance of Monmouth County, Habitat for Humanity, and the Middletown Housing Corporation. Additionally, the Township

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has designed and will construct a fourplex unit at Middletown claims **23 post-1986 credits for scattered site construction.**

**SCATTERED SITE HOUSING CONSTRUCTION (POST 1986)**

Property	Block	Lot	Affordability Controls	Sales Price
223 First Ave	694	15	Nov-87	\$54,645
8 Powell Avenue	705	5	Mar-88	\$54,600
9 Latham Avenue	840.03	54	Mar-90	\$57,700
14 Dutchess Avenue	216	8	Feb-91	\$57,700
26 Main Street	134	5	Mar-91	\$62,700
108 Chestnut Avenue	699	12	Oct-91	\$68,500
15 Wilson Avenue	30	34.01	May-93	\$57,500
221 Main Street	716	11	Mar-97	\$76,000
162 Leonardville Road	655	2	Aug-97	\$92,000
501 Atlantic Avenue	716	11	Aug-98	\$75,000
427 Seventh Avenue	716	11	Feb-99	\$75,000
61 Bayside Parkway	6	6.02	Jul-01	\$83,000
59 Bayside Parkway	6	6.01	Jul-02	\$83,000
228 Bay Avenue	333	2.01	Oct-02	\$110,000
82 Valley Dr (Leonardville Rd)	734	6.02	Jan-03	\$160,000
88 Valley Drive	734	6.01	Dec-04	\$149,000
30 Middletown Avenue	717	16	Feb-05	\$169,000
80 Valley Drive	734	6.03	May-05	\$149,900
49 Bayside Ave (4 units)	6	3	30 years (following sale)	TBD
Market St	973	5	30 years (following sale)	TBD

- Supportive/Special Needs Housing - Middletown has identified three existing and two proposed Group Home facilities totaling 25 units/beds. The facilities are identified below.

**SUPPORTIVE/SPECIAL NEEDS HOUSING**

Address	Block	Lot	# Beds	Affordability Controls	Status	CO Date
3 Division Street	150	4	4	Permanent	Occupied	2/19/1998
645 Brookside Drive	654	27	4	Permanent	Occupied	7/9/2001
30 Collins Avenue	279	15	4	Permanent	Occupied	1/9/2003
Green Lake Drive	972	13	8	Per 5:97-6.10	Pending	TBD
Cottage Gate	729	7	5	Per 5:97-6.10	Pending	TBD

Each facility meets (or will meet) the affordability requirements of COAH. Documentation was provided to COAH with Middletown's March 2000 and December 2003 submittal for existing facilities. Middletown claims **50 credits (25 bedroom credits and 25 rental bonus credits) for Supportive/Special Needs Housing.**

- Accessory Apartments - Middletown has one of the most effective and successful accessory apartment programs in New Jersey. To date 29 accessory apartments have been completed. All were affirmatively marketed and developed in accordance with COAH criteria. Middletown provided \$10,000.00 grants to 15 units, where the other units were established prior to the Township's adoption of an ordinance. Middletown claims **29 credits for completed accessory apartments.**

**MIDDLETOWN TOWNSHIP**  
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4. Inclusionary Family Rentals - Middletown has aggressively sought to provide a variety of affordable housing opportunities and types including family rental housing.

Site	Total Units	Affordable Units	% Setaside	Rental Bonus	Status
Beacon Place	140	28	20%	28	Complete
Chapel Hill	150	30	20%	30	Complete
Park Ferry/Affordable Housing Alliance	30	6	20%	6	Complete
Regency Park	110	16	14.5%	16	Complete
Harmony Glen	90	18	20%	18	Complete
Avaya	375	75	20%	75	Proposed Site
Mountain Hill	400	80	20%	80	Proposed Site
<b>Total</b>	<b>1295</b>	<b>253</b>		<b>253</b>	

The Township is seeking a waiver from the required bedroom mix at the Park Ferry site, since this 6 unit rental development contains only two bedroom units. The Township's 18 existing scattered site homes have at least three bedrooms, and many accessory apartments have one bedrooms. These other housing types can provide balance for the overall bedroom mix Township-wide for family units.

Middletown claims **506 credits for Inclusionary Family Rental units.**

5. Senior Rentals – Middletown has facilitated construction of 240 affordable senior rental units since 1986. Of the 240 units, 60 are built and occupied at the Luftman Pavilion site in Lincroft. The remaining 180 units are known as Conifer Village, which was recently completed by using a variety of funding tools and following prolonged litigation. Joseph Doria, Commissioner of the Department of Community Affairs, recently attended the grand opening ribbon-cutting ceremony for this development and commended the Township for its pro-active approach toward affordable housing construction. With 240 senior rental units (22.8%), Middletown is well below the proscribed 25% senior cap of 264 for the prior rounds. The cap is calculated as follows:

**MIDDLETOWN TOWNSHIP**  
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**Calculation of Prior Round Senior Cap**

Prior Round Obligation	1,561
+ Rehab Share	154
<i>Subtotal</i>	<i>1,715</i>
- Prior Cycle Credits	133
<i>Subtotal</i>	<i>1,582</i>
- Rehab Credits (thru 12/04)	28
<i>Subtotal</i>	<i>1,554</i>
- Impact of 20 percent cap	0
<i>Subtotal</i>	<i>1,554</i>
- Impact of the 1,000-unit limitation	0
<i>Subtotal</i>	<i>1,554</i>
- RCA's	500
<i>Final Subtotal</i>	<i>1,054</i>
Senior Cap (Final Subtotal x .25)	264

Middletown claims **240 credits for senior rental units.**

6. Residential over Commercial - Middletown has initiated a unique program called Residential over Commercial Development. The Township has identified certain properties where single-story commercial uses exist and where the development or redevelopment of second story residential uses is feasible. Middletown offers grants towards such projects of \$16,000.00 per moderate income unit and \$24,000.00 per low income unit. One project has received approval for 12 all affordable units. Litigation held the project up for more than two years, but it has now been settled. Construction is almost complete. Middletown claims **24 credits (12 rental units and 12 rental bonus credits) for Residential over Commercial apartments.**
  
7. Inclusionary Family For Sale Projects – Middletown has created for sale affordable housing at inclusionary sites as follows:

Site	Total Units	Affordable Units	% Setaside	Status
Laurel Greene	124	24	19.4%	Complete
Cottage Gate*	105	13	12.3%	Under Construction
Browns Landing	24	2	8.3%	Under Construction

\*Does not include 5 bedroom group home referred to elsewhere in this section

Middletown claims **39 credits for Inclusionary Family for Sale units.**

8. 100 Percent Affordable Development - Twelve affordable units were approved in 2007 at site on Highway 36 (Block 532, Lots 43 & 44). This will be a 100% affordable housing site with 7 for-sale units and 5 family rental units. The property will be owned and managed by the Affordable Housing Alliance of Monmouth County. The Alliance is actively seeking Neighborhood Preservation Balanced Housing Funds from NJHMFA for construction financing, and will enter into a PILOT agreement with the Township. The Township is seeking a waiver from the required bedroom mix at this site, since the developer will construct 6 one bedroom and 6 two bedroom units and no three bedroom units. The Township's 18 existing scattered site homes have

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at least three bedrooms, and can provide balance for the overall bedroom mix Township-wide for family units. Middletown claims **17 credits (7 for sale units, 5 rental units, and 5 rental bonus credits) for this 100% affordable development.**

Regional Contribution Agreements (RCA)

Middletown claims a total of **500 credits for completed Regional Contribution Agreements**. Middletown has completed 500 RCA units with five municipalities: Asbury Park, Red Bank, Highlands, Long Branch and Union Beach. In the case of the Union beach and Long Branch, Middletown also provided project administration.

On October 1, 2003, COAH adopted a resolution approving an RCA between Keansburg and Middletown for 149 units. This RCA was negotiated with Keansburg and approved by COAH at \$20,000.00 per unit. With the recent enacting of A-500, new RCA's have been eliminated as a mechanism to meet fair share housing obligations. Nevertheless, Middletown contends that the 149 unit RCA with existing Keansburg remains valid. While the Township reserves the right to proceed with the Keansburg RCA at \$20,000.00 per unit at a future date, **there is no reliance on these 149 RCA units for credits or as a compliance mechanism at this time.**

Prior Round Rental Obligation

Middletown has a prior round minimum rental obligation as follows:

**Calculation of Prior Round Rental Obligation**

Prior Round Obligation	1,561
– Prior Cycle Credits	133
<i>Subtotal</i>	<i>1,428</i>
– Impact of 20% cap	0
<i>Subtotal</i>	<i>1,428</i>
– Impact of the 1,000-unit limitation	0
<i>Final Subtotal</i>	<i><u>1,428</u></i>
Rental Obligation (Final Subtotal x .25)	357

Middletown will satisfy and exceed this obligation by providing 564 rental units as follows:

**RENTAL UNITS BY DEVELOPMENT**

Family Rentals		Supportive/ Special Needs Housing		Senior Rentals	
Beacon Place	28	645 Brookside Drive	4	Conifer	180
Regency Park	16	30 Collins Avenue	4	Luftman	60
Chapel Hill	30	3 Division Street	4	Total	240
Park Ave	6	Cottage Gate Group Home	5		
Harmony Glen	18	Housing & United Services	8		
Avaya	75	Total	25		
Mountain Hill	80				
Accessory Apts.	29				
Elgohail	12				
Wallace	5				
Total	299				

**MIDDLETOWN TOWNSHIP**  
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**PRIOR ROUND RENTAL UNITS TOTALS**

	<b>Actual Rental Units</b>	<b>Bonus Credits</b>	<b>Total Credits</b>
Family	324	295	619
Seniors	240	0	240
Round 2 Rental Units	564	295	

**Growth Share**

Middletown's 2004-2018 projected growth share obligation is computed by applying a growth share ratio of one affordable housing unit among five market-rate units, and one affordable housing unit for every sixteen jobs created between 2004 and 2018. Middletown accepts the growth projections included in Appendix F of the Substantive Rules. The growth share computation is as follows:

Household Growth Projection:      1,149 / 5      =      229.8 affordable housing units  
 Employment Growth Projection:    3,731 / 16     =      233.2 affordable housing units

**Middletown's 2004-2018 growth share obligation is 463 affordable housing units**

**Exclusions**

In determining the projected residential growth share obligation, Middletown may exclude the following from its household projection so as not to "double count" affordable and market rate units per N.J.A.C. 5:97-2.4 a:

1. Creditworthy affordable housing units which have been or are projected to be constructed after January 1, 2004; and
2. Market-rate units in an inclusionary or mixed-use development which have been or are projected to be constructed after January 1, 2004, provided these sites are zoned to produce affordable housing units at certain minimum setbacks.

COAH has developed a calculator tool that may be used to determine projected growth share obligations based on a methodology permitted in the Substantive Rules. "Workbook A," which is COAH's calculator tool, has been completed for Middletown sites and is included as an Appendix to this Plan. Workbook A exhibits the manner in which Middletown may exclude certain growth to determine both the residential and non-residential growth share obligation. These exclusions are summarized below.

**PRIOR ROUND UNITS EXCLUDED FROM  
GROWTH PROJECTIONS (CO'S ISSUED AFTER 1/1/04)**

	Affordable Units Excluded	Market Units Excluded	Total Exclusions
Supportive/Special Needs	5	0	5
Accessory Apartments	37	0	37
Municipally Sponsored	6	0	6
Inclusionary Development	381	720	1,101
		<b>Total</b>	<b>1,149</b>

**Since 1,149 units may be excluded from household growth projections, the only remaining growth share obligation is 233 affordable units.**

Growth Share Rental Obligation Calculation

Middletown's rental requirement for the third round equals 25 percent of the growth share obligation. Middletown therefore has rental obligation ( $233 \times .25 = 58.25$ ) of a 59 units. A total of 174 rental units are provided, and 59 bonus credits are claimed. The Township has not claimed rental bonus credits until the rental obligation is satisfied.

**GROWTH SHARE RENTAL UNITS**

	<b>Actual Rental Units</b>	<b>Bonus Credits</b>	<b>Total Credits</b>
Family	174	59	233
Seniors	0	0	0
Total Round 2 Rental Units	174	59	

## **FAIR SHARE PLAN**

The Fair Share Plan presents a plan to address the remaining rehabilitation and growth share components following the calculated fair share allocation determined in the previous section. The Fair Share Plan will explain specific mechanisms Middletown will employ, identify potential funding sources, and set forth an implementation schedule.

### **Rehabilitation Share – Adjusted to 126 units**

1. As a CDBG entitlement community that receives an annual formula grant directly from HUD, Middletown will continue to administer its Home Improvement Program (HIP) by rehabilitating between 10-15 substandard owner-occupied housing units per year. The Township's annual entitlement ranges between \$285,000 to \$330,000. This grant will facilitate the rehabilitation of a minimum 100 units.
2. The Township was recently awarded a Neighborhood Preservation Program (NPP) grant from the Department of Community Affairs. This grant will provide up to \$525,000 over a five year period with the principal goal of rehabilitating substandard housing stock in the North Middletown neighborhood. The NPP Program will provide funds to rehabilitate renter-occupied units as well as owner-occupied housing units. This grant will facilitate the rehabilitation of between 40 -50 units between 2008 and 2012.

### **Prior Round Obligation – 1561 units**

As specified in the previous section, Middletown has already employed a variety of mechanisms to satisfy its prior round obligation of 1,561 affordable housing units. Three new sites have been added to the Plan in order to satisfy a prior round gap.

1. Mountain Hill – This 100+ acre site is located on the Route 35 corridor between Kanen Lane and Kings Highway East. Adjustments to the Township's Zoning Ordinance will be necessary to facilitate construction of 400 housing units at the Mountain Hill "Town Center" property. These adjustments will include:
  - a. Requiring a minimum 20% setback to produce 80 affordable housing units;
  - b. Permitting residential units in the Light Industrial, "M-1" Zone portion of the tract;
  - c. Permitting an increase to the 20% cap on residential development;

Moreover, a Developer's Agreement will be secured to ensure all units are maintained as family rentals, and to address other site related concerns. This will entitle the Township for 1:1 rental bonus, **for a total of 160 credits towards the prior round obligation.**

2. Avaya – This 68 acre site located within the Lincroft neighborhood contains a +/- 300,000 square foot office building and expansive parking areas. The owners of the property have advised the Township that the current tenant, Avaya, will not be renewing their lease after it terminates in 2009. Considering the glut of office and research space in the immediate vicinity (e.g. 1,000,000+ s.f. of vacant office space at the former Bell Labs in Holmdel, 300,000+ s.f. of vacant office space at the Murray Office Building at Exit 114 of the Garden State Parkway), this is a prime opportunity to proactively redevelop site in order to minimize impacts on the Township.

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As with the Mountain Hill site, adjustments to the Township's Zoning Ordinance will be required to facilitate construction of 375 housing units at this site, with a minimum 20% setaside to produce 75 affordable housing units. A Developer's Agreement will be secured to ensure all affordable units are maintained as family rentals, and to address other site related concerns. This will entitle the Township for 1:1 rental bonus, **for a total of 150 credits towards the prior round obligation.**

3. Housing and United Services – Middletown will partner with Housing and United Services, a nonprofit providing support and housing for blind adults, to facilitate construction of at least 8 supportive shared living housing units. A Township-owned site has been selected along Green Lake Drive. This will provide the Township with **16 credits (8 credits per bedroom and 8 rental bonus credits) towards the prior round obligation.**

**Growth Share – 408 Credits**

Techniques will be employed to create the opportunity for 408 affordable housing credits towards the Township's growth share obligation, a figure which sufficiently exceeds the 233 unit obligation. "Housing Compliance Mechanism Checklists" with specific information about individual sites and compliance techniques will be submitted with the Township's Application Petition for Substantive Certification. Mechanisms will include the following:

**Zoning for Inclusionary Development**

The table below depicts properties to be zoned for inclusionary development **resulting in 196 credits.** Developer Agreements will be secured for rental sites since presumed densities are below 8 d/u per acre as required for Planning Area 1 (PA-1) sites, and to ensure rental bonuses. All non-rental sites will be zoned at the minimum presumed PA-1 density of 8 d/u per acre. The Stavola site has approvals for 2 affordable units.

Site	Location	Acres	Total Units	Affordable Units	Rental Bonus	Total Credits
Schwartz Property	Taylor Lane at Highway 35	30	340	96	37	133
Steiner & Frustacci	Laurel Ave	17	139	35	0	35
Meadowview	Main Street, Belford at Ferry	2	35	9	0	9
199 Laurel Assoc. (Steiner)	Corner of Laurel Ave. and Holland	5	37	9	0	9
Atlantic Pier	Highway 36 near Valley Dr.	6	45	8	0	8
Stavola (Chapel Hill Rd.)	Chapel Hill Rd. and Kings Hwy	NA	2	2	0	2
<b>Totals</b>			<b>598</b>	<b>159</b>	<b>37</b>	<b>196</b>

The Schwartz property, which is currently zoned R-3 for Active Adults, will be rezoned to accommodate a higher density. Any development of this site will necessitate the realignment of Taylor Lane consistent with Circulation Element of the Master Plan.

**MIDDLETOWN TOWNSHIP**  
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Municipally Sponsored and 100 Percent Affordable Developments

Middletown will identify properties within the Township that are suitable for municipally sponsored affordable housing development. This will include the development of scattered site lots, Residential over Commercial units and 100% affordable developments. The Township will provide a construction schedule in accordance with an implementation schedule pursuant to N.J.A.C. 5:97-3.2(a)4. **A total of 144 credits will be achieved through municipally sponsored and 100 percent affordable developments, including 7 rental bonuses for the Residential over Commercial program.**

Accessory Apartments

The Township will continue to operate its successful accessory apartment program. Financial incentives will be increased to property owners; a minimum of \$20,000 per unit will be provided to subsidize the creation of each moderate-income accessory apartment, and \$25,000 will be provided to subsidize the creation of each low-income accessory apartment. No more than 10% of the Township's adjusted growth share obligation will be satisfied by new accessory apartments. **A total of 23 credits will be achieved through the accessory apartment program.**

Market to Affordable Program

Middletown will establish a "market to affordable" program where the Township will pay down the cost of market-rate units anywhere in the Township and offer them in sound condition, for sale or rent, at affordable prices to low- and moderate-income households. The current real estate market provides the Township with a significant opportunity to create affordable units without adding to the Township's housing stock. **A total of 10 credits will be achieved through the market to affordable program.**

Supportive and Special Needs Housing

A 10 bedroom Supportive and Special Needs Housing facility will be constructed at the Coe property, which is located on the west side of Sleepy Hollow Lane north of Chapel Hill Road. The Township is in negotiations to preserve the balance of the site for open space purposes. **A total of 13 credits (including 2.5 bonus credits rounded up to 3) will be achieved through supportive and special needs housing.**

Other Innovative Approaches

The Township will continue its innovative Residential over Commercial program, which provides financial incentives to establish affordable housing units above commercial units at appropriate locations. Encouraging mixed commercial and residential development promotes sustainability, reduces dependency on vehicles, provides aesthetic improvements and creates a vibrant community. **A total of 22 credits will be achieved through the Residential over Commercial program, with sites to include:**

**PROPOSED RESIDENTIAL OVER COMMERCIAL**

Site	Location	# Affordable Units
Mogas (Elgohail)	880-882 Highway 36, Leonardo	12
Whirl	190 Main Street, Port Monmouth	2
Rosen Investments	18 Leonardville Rd., New Monmouth	8

**APPENDICES**

- A. SUMMARY TABLE OF ROUNDS 1, 2 AND 3 COMPLIANCE**
- B. "WORKBOOK A" COAH EXCLUSION WORKSHEETS**
- C. SITE MAPS**
- D. PLANNING BOARD RESOLUTION**
- E. TOWNSHIP COMMITTEE RESOLUTIONS**
- F. MEMO TO PLANNING BOARD AND TOWNSHIP COMMITTEE 12/11/08**
- G. AFFIDAVIT OF PUBLICATION**
- H. PETITION APPLICATION**

**APPENDIX A**  
**SUMMARY TABLE OF ROUNDS 1, 2 AND 3 COMPLIANCE**

**MIDDLETOWN TOWNSHIP**  
**Amended Master Plan Housing Element & Fair Share Plan**

Rounds 1 & 2  
1561  
Round 3  
408  
Total R 1, 2 & 3  
1969

**SUMMARY TABLE OF ROUNDS 1, 2 & 3 COMPLIANCE**

	UNITS		BONUSES		Total
	Rounds 1 & 2	Round 3	Round 2	Round 3	
	Units	Units	Bonus Units	Bonus Units	
<b>Inclusionary Family Rentals</b>					
Beacon Place	28	0	28	0	56
Regency Park	16	0	16	0	32
Chapel Hill	30	0	30	0	60
Park Ferry/Affordable Housing Alliance	6	0	6	0	12
Harmony Glen	18	0	18	0	36
Schwartz/Taylor Lane	0	96	0	37	133
Avaya	75	0	75	0	150
Mountain Hill	80	0	80	0	160
<b>Total</b>	<b>253</b>	<b>96</b>	<b>253</b>	<b>37</b>	<b>639</b>
<b>Senior Rentals</b>					
Conifer	180	0	0	0	180
Luftman	60	0	0	0	60
<b>Total</b>	<b>240</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>240</b>
<b>Supportive &amp; Special Needs Housing</b>					
645 Brookside Drive	4	0	4	0	8
30 Collins Avenue	4	0	4	0	8
3 Division Street	4	0	4	0	8
Cottage Gate Group Home	5	0	5	0	10
Coe	0	10	0	3	13
Housing & United Services	8	0	8	0	16
<b>Total</b>	<b>25</b>	<b>10</b>	<b>25</b>	<b>3</b>	<b>63</b>
<b>Other Rentals</b>					
Accessory Apartments	29	23	0	0	52
Eigohail (Res Over Com)	12	0	12	0	24
Mogas (Res Over Com)	0	12	0	0	12
Whirl (Res Over Com)	0	2	0	0	2
Rosen (Res Over Com)	0	8	0	0	8
Other Res Over Com (Municipally Sponsored)	0	7	0	7	14
Wallace	5	0	5	0	10
<b>Total</b>	<b>46</b>	<b>52</b>	<b>17</b>	<b>7</b>	<b>122</b>
<b>Inclusionary For Sale</b>					
Laurel Greene	24	0	0	0	24
Browns Landing	2	0	0	0	2
Meadowview	0	9	0	0	9
Steiner & Frustacci	0	35	0	0	35
199 Laurel Assoc. (Steiner)	0	9	0	0	9
Allantic Pier	0	8	0	0	8
Cottage Gate	13	0	0	0	13
Stavola Chapel Hill	0	2	0	0	2
<b>Total</b>	<b>39</b>	<b>63</b>	<b>0</b>	<b>0</b>	<b>102</b>
<b>Other For Sale</b>					
Scattered Sites	19	15	0	0	34
Ideal Beach (49 Bayside Ave)	4	0	0	0	4
Municipally Sponsored Other	0	115	0	0	115
Market to Affordable	0	10	0	0	10
Wallace	7	0	0	0	7
<b>Total</b>	<b>30</b>	<b>140</b>	<b>0</b>	<b>0</b>	<b>170</b>
<b>Prior Cycle Credits</b>					
Credits Without Controls	101	0	0	0	101
Scattered Sites (prior to 7/7/87)	2	0	0	0	2
Section 8 Certificates	26	0	0	0	26
Supportive Housing	4	0	0	0	4
<b>Total</b>	<b>133</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>133</b>
<b>Regional Contribution Agreements</b>					
Asbury Park (completed)	180	0	0	0	180
Long Branch (completed)	150	0	0	0	150
Union Beach (completed)	75	0	0	0	75
Highlands (completed)	50	0	0	0	50
Red Bank (completed)	45	0	0	0	45
<b>Total</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500</b>

**APPENDIX B**  
**WORKBOOK A" COAH EXCLUSION WORKSHEETS**

**Workbook A: Growth Share Determination Using Published Data**  
 (Using Appendix F(2), *Allocating Growth To Municipalities*)

**COAH Growth Projections**  
 Must be used in all submissions

Municipality Name: Middletown Township

Enter the COAH generated growth projections from Appendix F(2) found at the back of N.J.A.C. 5:97-1 et seq on Line 1 of this worksheet. Use the Tab at the bottom of this page to toggle to the exclusions portion of this worksheet. After entering all relevant exclusions, toggle back to this page to view the growth share obligation that has been calculated. Use these figures in the Application for Substantive Certification.

	Residential	Non-Residential
1 Enter Growth Projections From Appendix F(2) *	1,149	3,731
2 Subtract the following Residential Exclusions pursuant to 5:97-2.4(a) from "Exclusions" tab	<a href="#">Click Here to enter Prior Round Exclusions</a>	
built or projected to be built post 1/1/04		
Inclusionary Development	381	
Supportive/Special Needs Housing	5	
Accessory Apartments	37	
Municipally Sponsored or 100% Affordable	6	
Assisted Living	0	
Other	0	
Market Units in Prior Round Inclusionary development built post 1/1/04	720	
3 Subtract the following Non-Residential Exclusions (5:97-2.4(b))		
Affordable units	0	
Associated Jobs		0
4 Net Growth Projection	0	3,731
5 Projected Growth Share (Conversion to Affordable Units Dividing Households by 5 and Jobs by 16)	0.00 Affordable Units	233.19 Affordable Units
6 Total Projected Growth Share Obligation		233 Affordable Units

\* For residential growth, see Appendix F(2), Figure A.1, Housing Units by Municipality. For non-residential growth, see Appendix F(2), Figure A.2, Employment by Municipality.

## Affordable and Market-Rate Units Excluded from Growth

Municipality Name: **Middletown Township**

Prior Round Affordable Units NOT included in Inclusionary Developments Built post 1/1/04

Development Type	Number of COs Issued and/or Projected
Supportive/Special Needs Housing	5
Accessory Apartments	37
Municipally Sponsored and 100% Affordable	6
Assisted Living	0
Other	0
<b>Total</b>	<b>48</b>

### Market and Affordable Units in Prior Round Inclusionary Development Built post 1/1/04

N.J.A.C. 5:97-2.4(a)

(Enter Y for yes in Rental column if rental units resulted from N.J.A.C. 5:93-5.15(c)5 incentives)

Development Name	Rentals? (Y/N)	Total Units	Market Units	Affordable Units	Market Units Excluded
Chapel Hill	Y	150	120	30	120
Gate Cottage	N	104	91	13	52
Regency Park	N	110	94	16	64
Harmony	Y	90	72	18	72
Park Ferry & MHA	Y	30	24	6	24
Conifer	Y	180	0	180	0
Browns Fence	Y	24	22	2	11
Wallace	Y	12	0	12	0
Elgohail	Y	12	0	12	0
Atlantic Pier	Y	45	37	8	37
Mountain Hill	Y	400	320	80	320
Avaya	Y	24	20	4	20
<b>Total</b>		<b>1,181</b>	<b>800</b>	<b>381</b>	<b>720</b>

### Jobs and Affordable Units Built as a result of post 1/1/04 Non-Residential Development

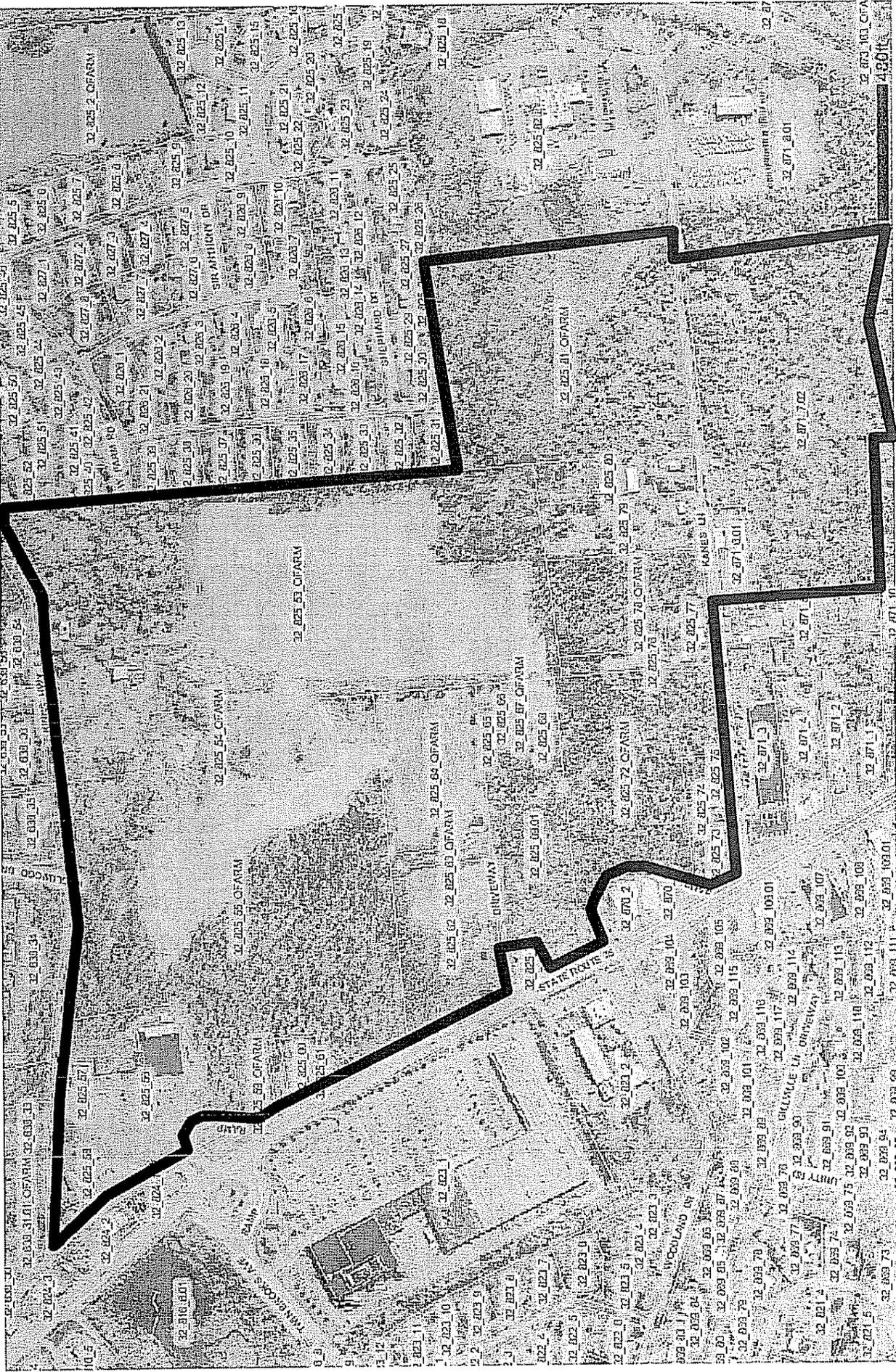
N.J.A.C. 5:97-2.4(b)

Development Name	Affordable Units Provided	Permitted Jobs Exclusion
		0
		0
		0
		0
<b>Total</b>	<b>0</b>	<b>0</b>

[Return To Workbook A Summary](#)

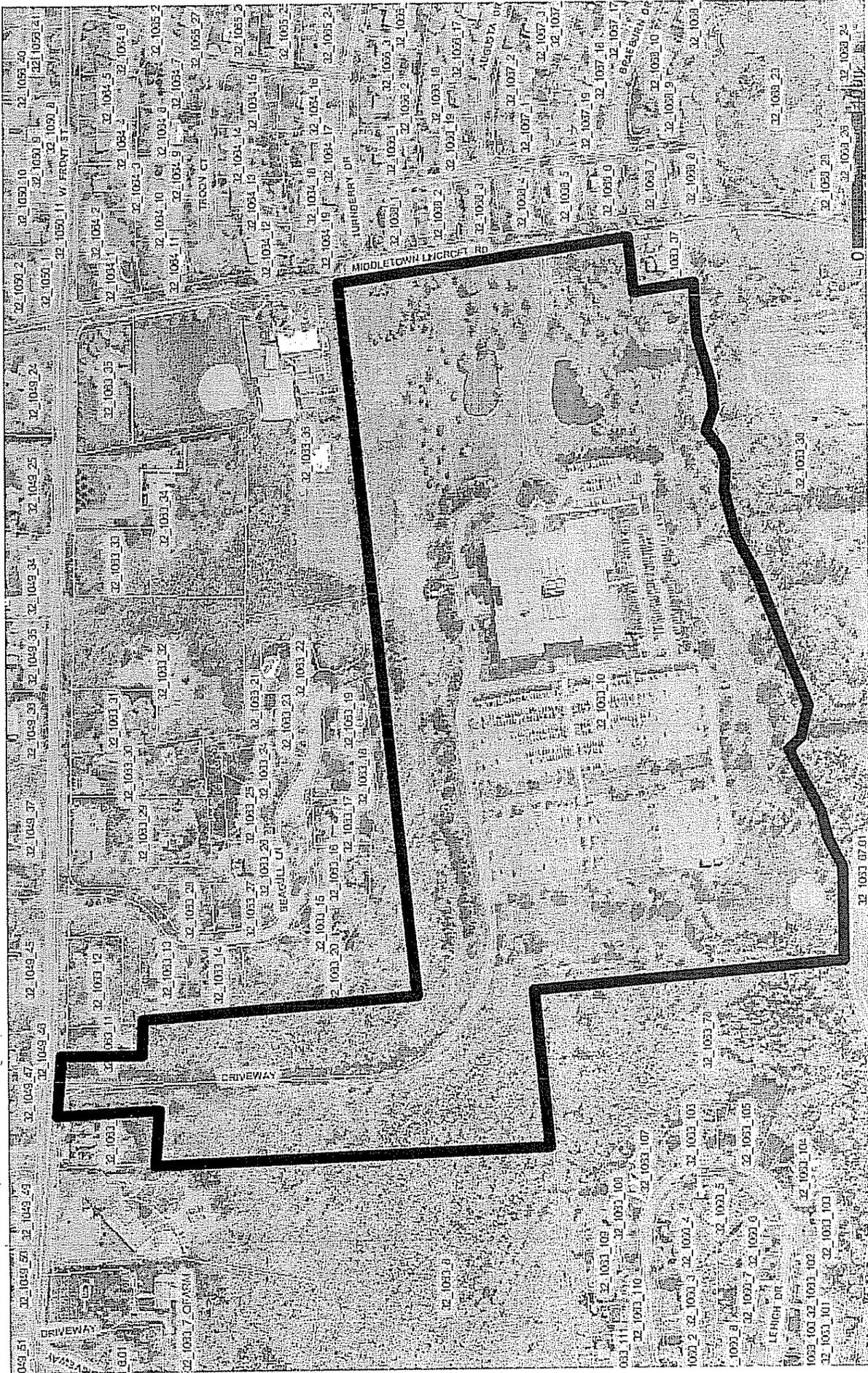
**APPENDIX C**  
**SITE MAPS**

MOUNTAIN HILL  
Block 825, Lots 53-69.01 & 72-81; Block 871, Lot 7.02



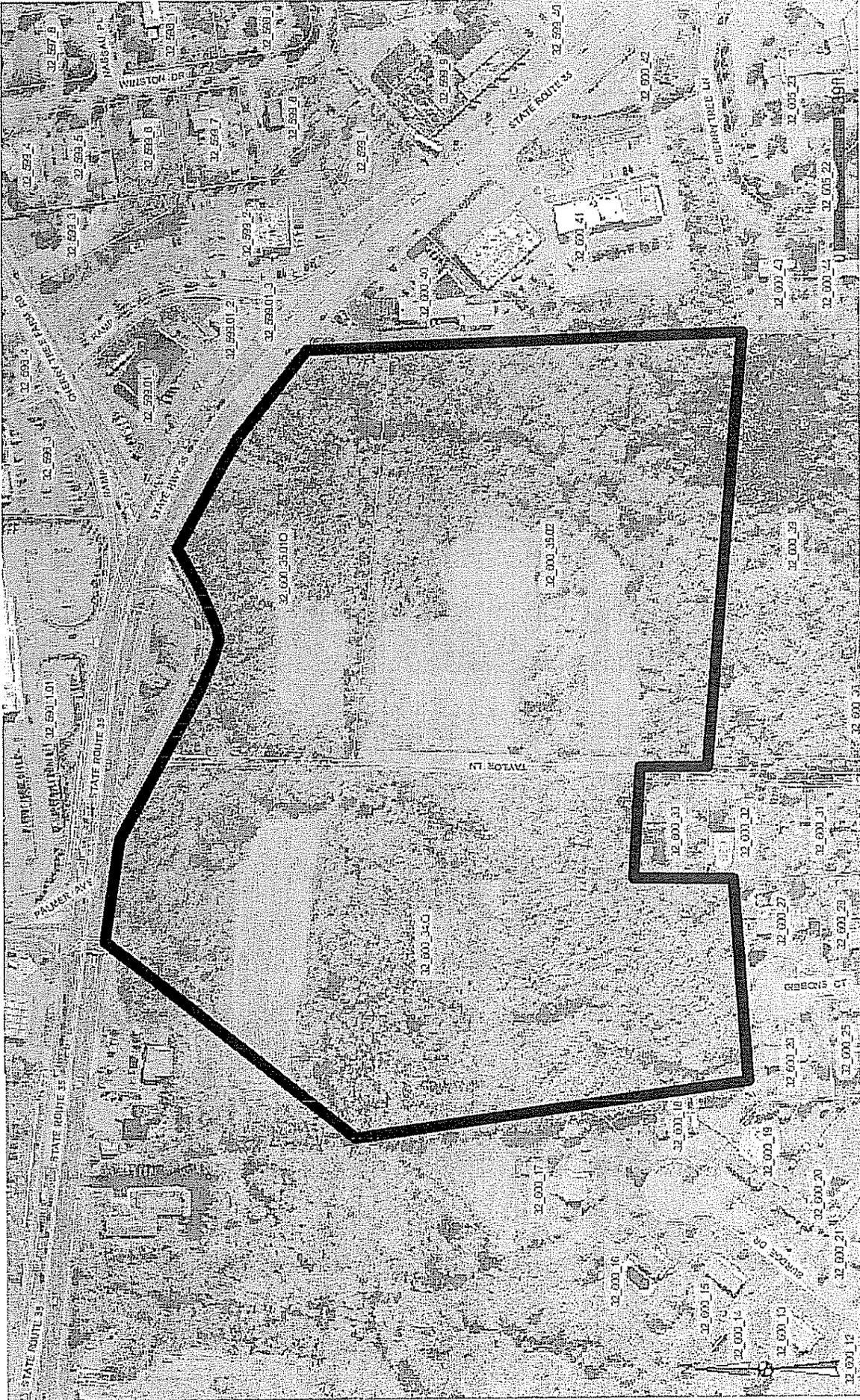
+/- 130 Acres

AVAYA  
Block 1063, Lot 10



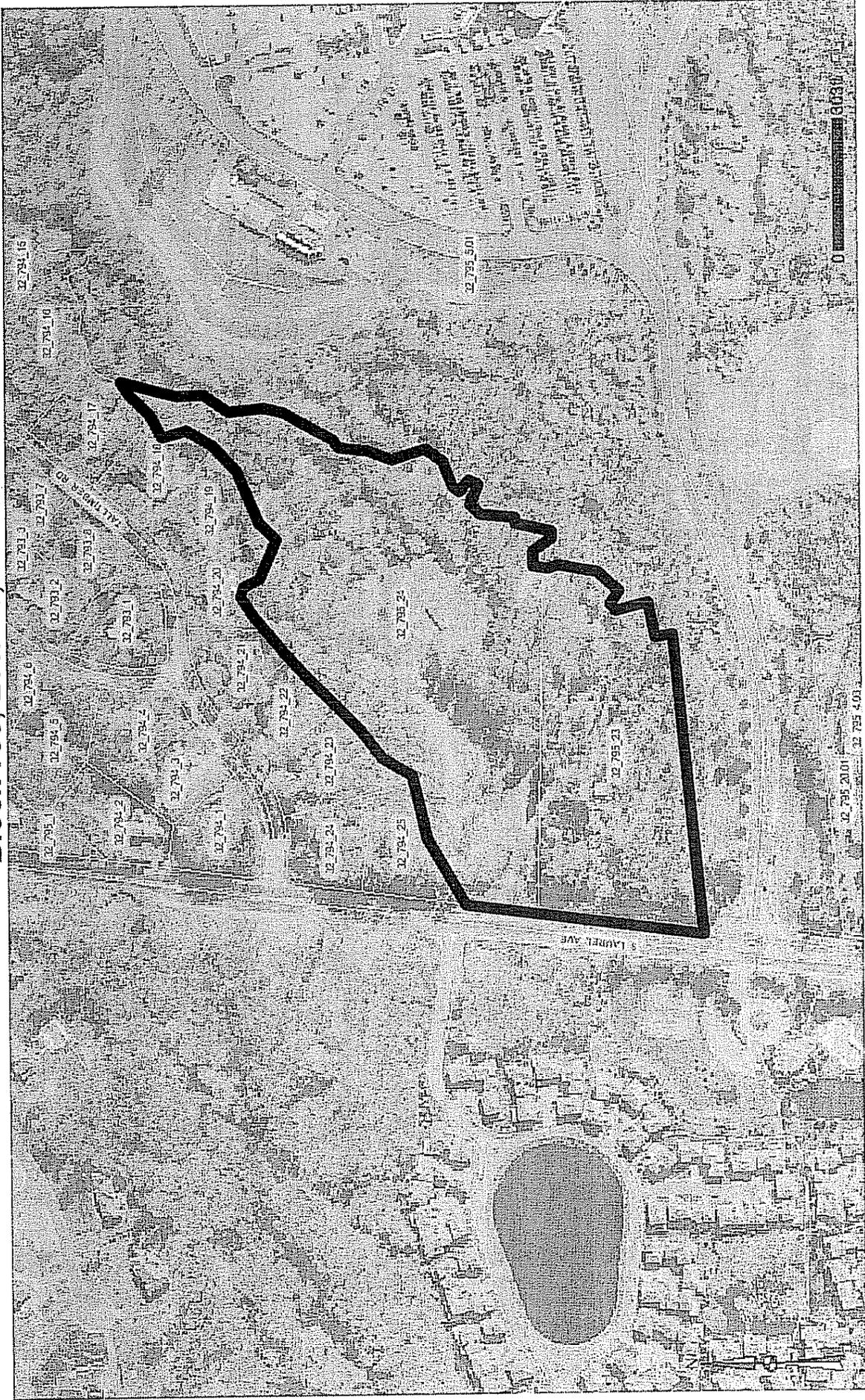
+/- 68 Acres

**SCHWARTZ-TAYLOR LANE  
Block 600, Lots 34, 35.01 & 35.02**



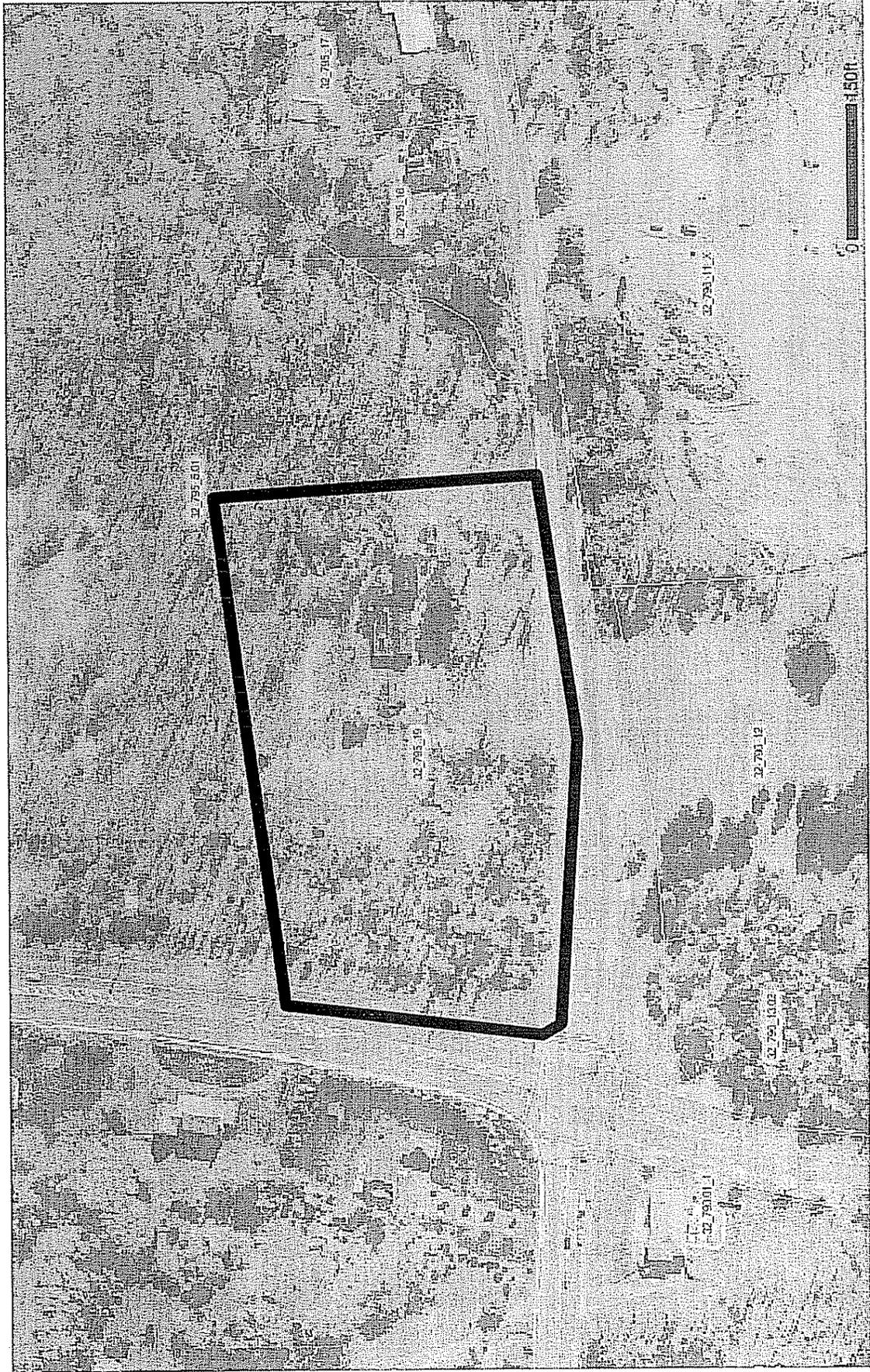
**+/- 30 Acres**

**STEINER & FRUSTACCI  
Block 795, Lots 23, 24**



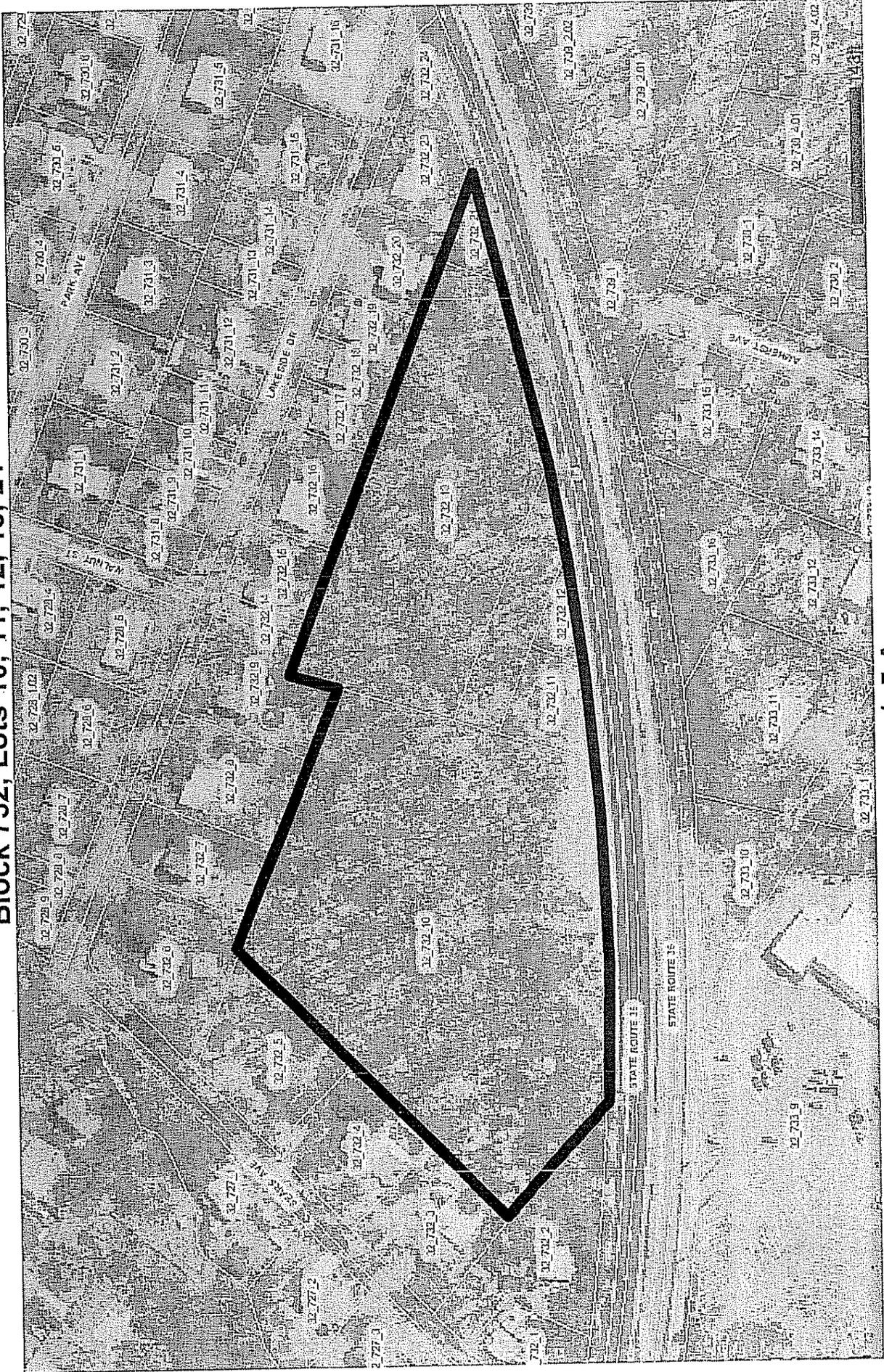
**+/- 17 acres**

199 LAUREL ASSOCIATES  
Block 795, Lot 19



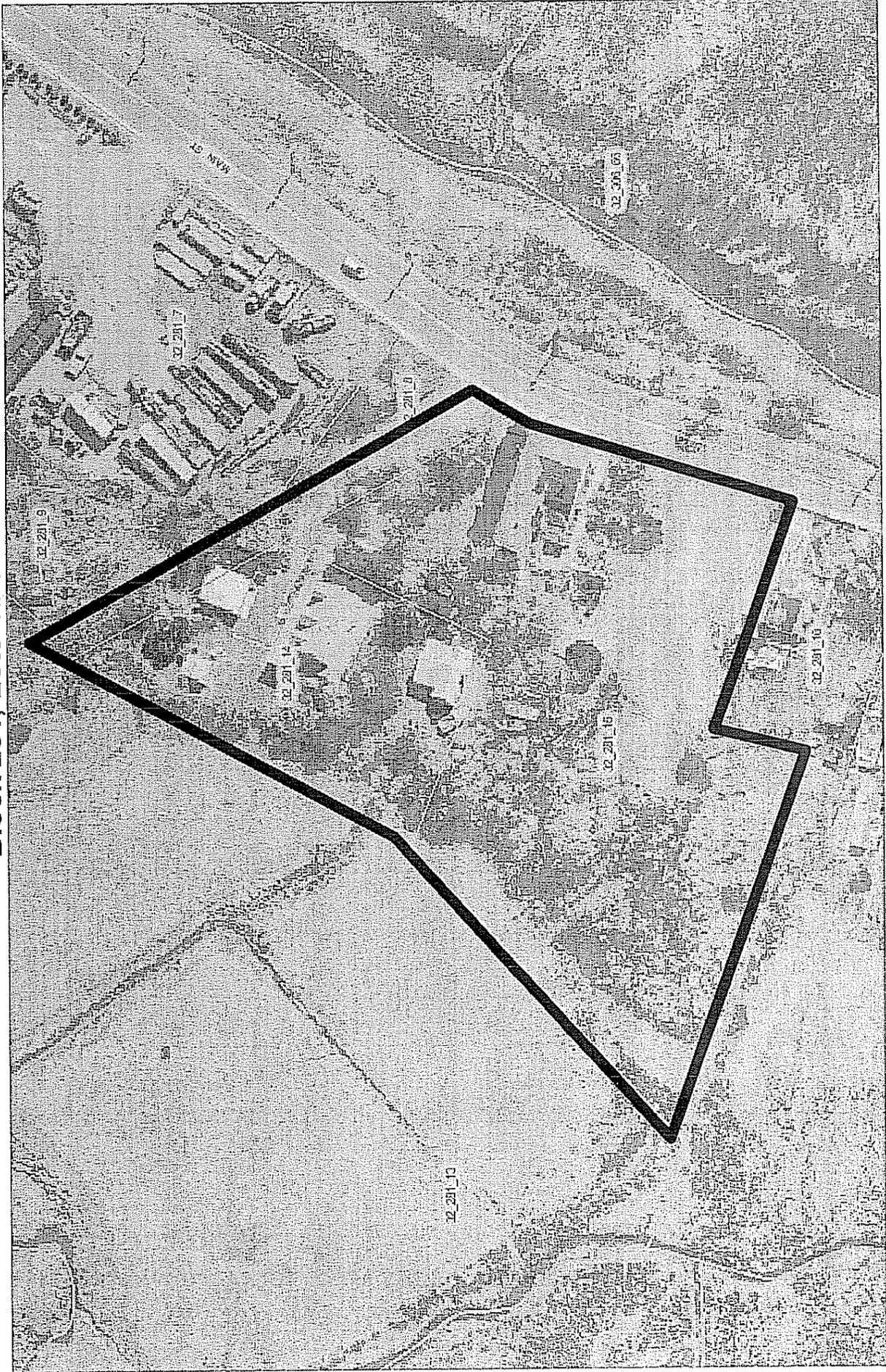
+/- 5 Acres

**ATLANTIC PIER**  
**Block 732, Lots 10, 11, 12, 13, 21**



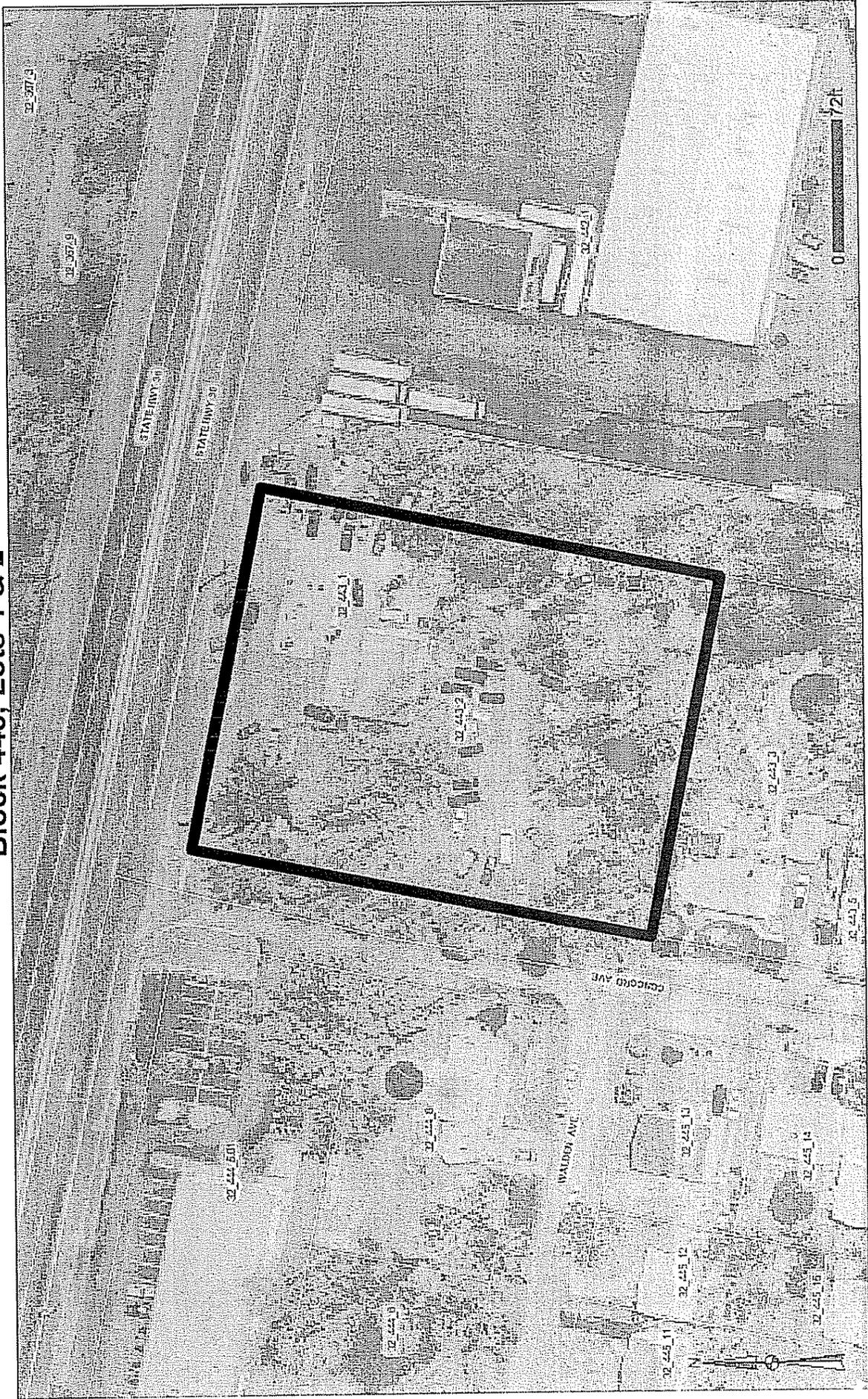
**+/- 5 Acres**

**MEADOWVIEW SITE  
Block 281, Lots 14 & 15**



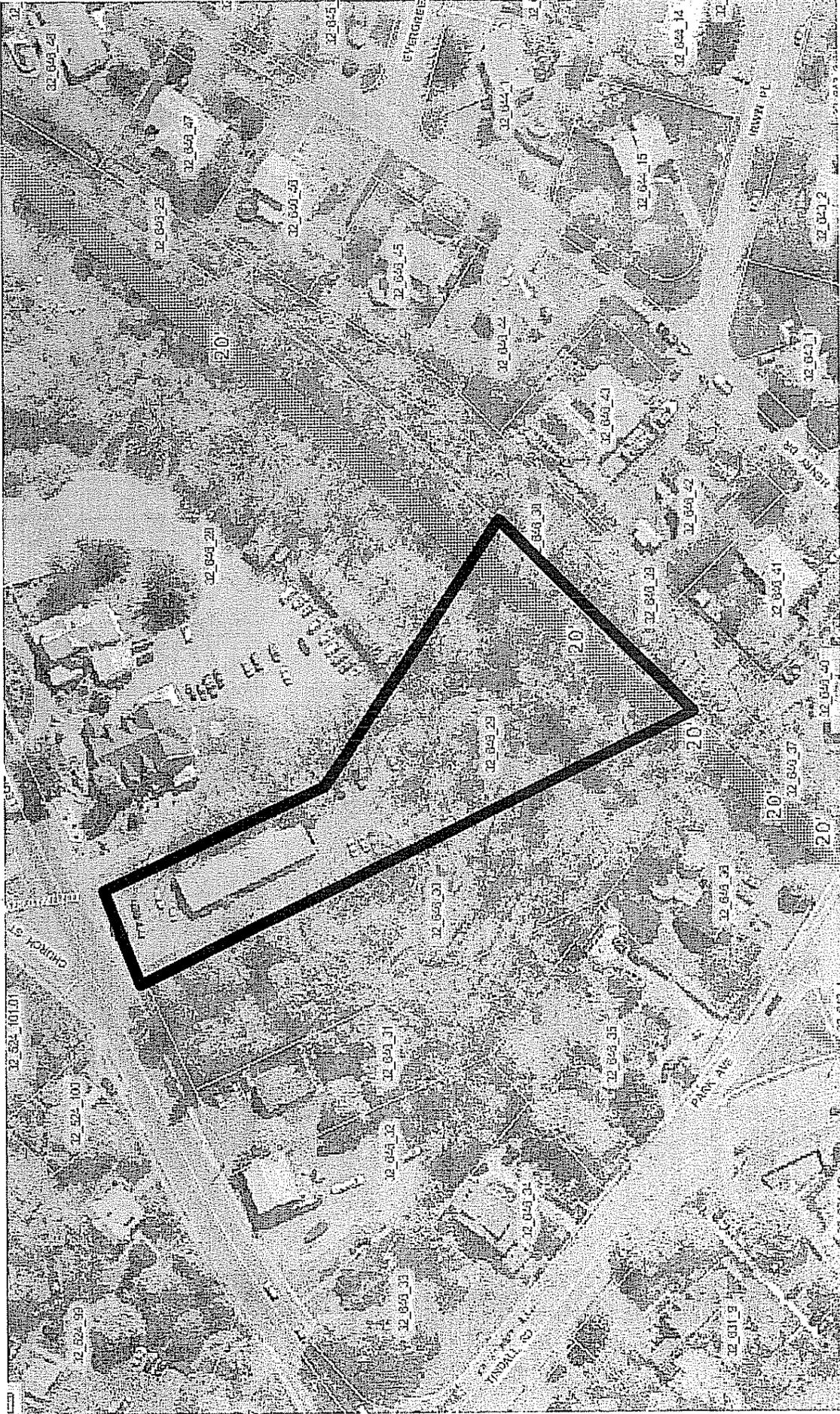
**+/- 2 Acres**

**ELGOHAIL**  
**Block 443, Lots 1 & 2**



**Residential Over Commercial**

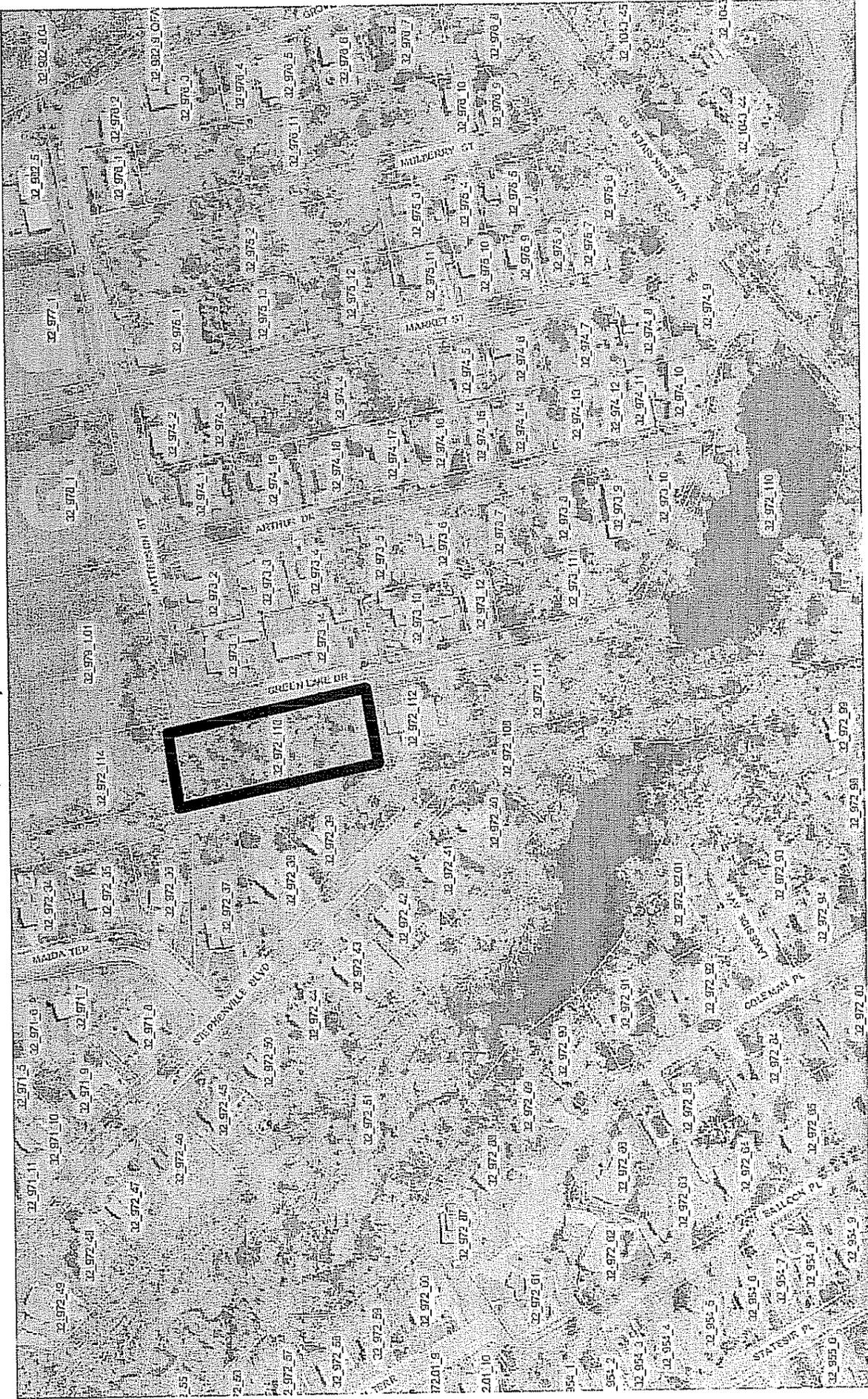
**ROSEN INVESTMENTS**  
**Block 646, Lot 29**



**Residential Over Commercial**



**HOUSING & UNITED SERVICES W/MIDDLETOWN TOWNSHIP**  
**Block 972, Lot 113**



**Supportive Housing (8 bedrooms)**



**APPENDIX D**  
**PLANNING BOARD RESOLUTION**

**RESOLUTION OF THE PLANNING BOARD OF  
THE TOWNSHIP OF MIDDLETOWN  
ADOPTING AN AMENDED HOUSING ELEMENT  
AND FAIR SHARE PLAN**

**WHEREAS**, the Planning Board of the Township of Middletown, County of Monmouth, State of New Jersey, adopted its current Housing Element and Fair Share Plan pursuant to N.J.S.A. 40:55D-28 on December 8, 2005; and

**WHEREAS**, the Middletown Township Council endorsed the Housing Element and Fair Share Plan on December 19, 2005; and

**WHEREAS**, the Governing Body petitioned the Council on Affordable Housing for substantive certification on December 20, 2005; and

**WHEREAS**, the Township of Middletown has not yet received substantive certification from the Council on Affordable Housing; and

**WHEREAS**, the Planning Board has determined to adopt an amended Housing Element and Fair Share Plan to comply with COAH's most recent set of procedural and substantive regulations; and

**WHEREAS**, upon notice duly provided pursuant to N.J.S.A. 40:55D-13, the Planning Board held a public hearing on the amended Housing Element and Fair Share Plan on December 11, 2008; and

**WHEREAS**, the Planning Board has determined that the amended Housing Element and Fair Share Plan is consistent with the goals and objectives of the Township of Middletown's current Master Plan and that adoption and implementation of the amended Housing Element and Fair Share Plan are in the public interest and protect public health and safety and promote the general welfare.

**NOW THEREFORE BE IT RESOLVED** by the Planning Board of the Township of Middletown, County of Monmouth, State of New Jersey, that the Planning Board hereby adopts the amended Housing Element and Fair Share Plan.

**AYES:** Brightbill, Deus, Izzo, McManus, Raisch, Rathjen

**NAYS:**

**ABSTAIN:**

**ABSENT:** Coleman, Fiore, Prewett, Strong

  
\_\_\_\_\_  
Debra Yuro, Planning Board Secretary

I, Debra Yuro, Secretary to the Township of Middletown Planning Board do hereby certify that the foregoing is a true copy of a Resolution adopted by the Planning Board on this 11<sup>th</sup> day of December, 2008.

  
\_\_\_\_\_  
Debra Yuro, Planning Board Secretary

**APPENDIX E**  
**TOWNSHIP COMMITTEE RESOLUTIONS**

RESOLUTION NO. 08-272

RESOLUTION OF THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF MIDDLETOWN, MONMOUTH COUNTY, NEW JERSEY, ENDORSING THE TOWNSHIP'S AMENDED HOUSING ELEMENT AND FAIR SHARE PLAN, AND PETITIONING THE NEW JERSEY COUNCIL ON AFFORDABLE HOUSING FOR SUBSTANTIVE CERTIFICATION

WHEREAS, the Planning Board of the Township of Middletown adopted an amended Housing Element and Fair Share Plan on December 11, 2008; and

WHEREAS, a true copy of the Resolution of the Planning Board adopting the amended Housing Element and Fair Share Plan is attached pursuant to N.J.A.C. 5:95-2.2(a)2.

NOW THEREFORE BE IT RESOLVED that the Township Committee of Township of Middletown, County of Monmouth, State of New Jersey, hereby endorses the amended Housing Element and Fair Share Plan as adopted by the Middletown Planning Board; and

BE IT FURTHER RESOLVED that the Township Committee of the Township of Middletown, pursuant to the provisions of N.J.S.A. 52:27D-301 et seq. and N.J.A.C. 5:96-3.2(a), submits this Petition for Substantive Certification of the amended Housing Element and Fair Share Plan to the Council on Affordable Housing for review and certification; and

BE IT FURTHER RESOLVED that a list of names and addresses for all owners of sites in the Housing Element and Fair Share Plan has been included with the Petition; and

BE IT FURTHER RESOLVED that Notice of this Petition for Substantive Certification shall be published in a newspaper of countywide circulation pursuant to N.J.A.C. 5:96-3.5 within seven days of issuance of the notification letter from the Council on Affordable Housing's Executive Director indicating that the submission is complete and that a copy of this Resolution, the adopted amended Housing Element and Fair Share Plan and all supporting documentation shall be made available for public inspection at the Middletown Municipal Clerk's office located at 1 King's Highway, Middletown, New Jersey, during regular business hours for a period of 45 days following the date of publication of the legal notice pursuant to N.J.A.C. 5:96-3.5.

MIDDLETOWN TOWNSHIP COMMITTEE

Committee Member	Approved	Opposed	Abstain	Absent
P. Brightbill	X			
S. Byrnes	X			
T. Wilkens	X			
P. Short	X			
Mayor Scharfenberger	X			

CERTIFICATION

I, Heidi Abs, Clerk of the Township of Middletown hereby certify the foregoing to be a true copy of a resolution adopted by the Middletown Township Committee at their public organization meeting held on December 11, 2008

WITNESS, my hand and the seal of the Township of Middletown this 11th day of December, 2008.



HEIDI ABS, Township Clerk

RESOLUTION NO: 08-273

TOWNSHIP OF MIDDLETOWN  
COUNTY OF MONMOUTH

RESOLUTION OF INTENT TO FUND SPENDING PLAN SHORTFALL FOR  
AFFORDABLE HOUSING PROGRAMS IN THE TOWNSHIP'S FAIR SHARE PLAN

WHEREAS, pursuant to the substantive regulations of the New Jersey Council On Affordable Housing (COAH), certain portions of the Township's amended Housing Plan Element and Fair Share Plan as adopted by the Middletown Township Planning Board on December 11, 2008 and endorsed by the Township Committee of the Township of Middletown on December 11, 2008 may require a financial commitment by the Township; and

WHEREAS, pursuant to N.J.A.C. 5:97-6.7(d)6, COAH requires a municipality to resolve to address any shortfall in the funding of its affordable housing programs as set forth in the Spending Plan and the Fair Share Plan, including its willingness to incur bonded indebtedness, if necessary, to provide the funds required for the timely implementation of the Fair Share Plan;

NOW THEREFORE BE IT RESOLVED, by the Township Committee of the Township of Middletown, in the County of Monmouth, New Jersey, as follows:

1. To the degree that the funds required for the implementation of the Township's Fair Share Plan, as will be more particularly set forth in the Township's approved Spending Plan, are not available at the time they are needed from all available affordable housing funding sources, the Township will provide the funding needed to cover any shortfall through appropriations in the Township's annual budget, bonding, or any other legal means, with the understanding that any future affordable housing funding which becomes available may be used to reimburse the Township for the costs incurred; and

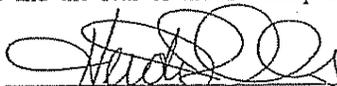
MIDDLETOWN TOWNSHIP COMMITTEE

Committee Member	Approved	Opposed	Abstain	Absent
P. Brightbill	X			
S. Byrnes	X			
T. Wilkens	X			
P. Short	X			
Mayor Scharfenberger	X			

CERTIFICATION

I, Heidi Abs, Clerk of the Township of Middletown hereby certify the foregoing to be a true copy of a resolution adopted by the Middletown Township Committee at their public organization meeting held on December 11, 2008.

WITNESS, my hand and the seal of the Township of Middletown this 11th day of December, 2008.



HEIDI ABS, Township Clerk

RESOLUTION NO. 08-274

RESOLUTION OF THE TOWNSHIP COMMITTEE OF THE TOWNSHIP  
OF MIDDLETOWN REQUESTING COAH TO REVIEW AND APPROVE  
THE TOWNSHIP'S DRAFT SPENDING PLAN

WHEREAS, the Township Committee of the Township of Middletown, County of Monmouth petitioned the Council on Affordable Housing (COAH) for substantive certification on March 13, 2000 and December 20, 2005; and

WHEREAS, the Township of Middletown received approval from COAH on January 11, 1995 of its Development Fee Ordinance; and

WHEREAS, the Development Fee Ordinance establishes an Affordable Housing Trust Fund that may include funds collected from development fees, payments from developers in lieu of constructing affordable units on-site, barrier free escrow funds, rental income, repayments from affordable housing program loans, recapture funds, proceeds from the sale of affordable units, and/or other funds collected in connection with the Township's affordable housing program];

WHEREAS, N.J.A.C. 5:97-8.1(d) requires a municipality with an Affordable Housing Trust Fund to receive approval of a spending plan from COAH prior to spending any of the funds in its housing trust fund; and

WHEREAS, N.J.A.C. 5:97-8.10 requires a spending plan to include the following:

1. A projection of revenues anticipated from imposing fees on development, based on pending, approved and anticipated developments and historic development activity;
2. A projection of revenues anticipated from other sources, including payments in lieu of constructing affordable units on sites zoned for affordable housing, funds from the sale of units with extinguished controls, proceeds from the sale of affordable units, rental income, repayments from affordable housing program loans, and interest earned;
3. A description of the administrative mechanism that the municipality will use to collect and distribute revenues;
4. A description of the anticipated use of all affordable housing trust funds pursuant to N.J.A.C. 5:97-8.7, 8.8, and 8.9;
5. A schedule for the expenditure of all affordable housing trust funds;
6. If applicable, a schedule for the creation or rehabilitation of housing units;
7. A pro-forma statement of the anticipated costs and revenues associated with the development if the municipality envisions supporting or sponsoring public sector or non-profit construction of housing; and

8. A plan to spend the trust fund balance as of July 17, 2008 within four years of the Council's approval of the spending plan, or in accordance with an implementation schedule approved by the Council;

9. A plan to spend and/or contractually commit all development fees and any payments in lieu of construction within three years of the end of the calendar year in which funds are collected, but no later than the end of third round substantive certification period;

10. The manner through which the municipality will address any expected or unexpected shortfall if the anticipated revenues from development fees are not sufficient to implement the plan; and

11. A description of the anticipated use of excess affordable housing trust funds, in the event more funds than anticipated are collected, or projected funds exceed the amount necessary for satisfying the municipal affordable housing obligation.

WHEREAS, the Township of Middletown has prepared a spending plan consistent with N.J.A.C. 5:97-8.10 and P.L. 2008, c.46.

NOW THEREFORE BE IT RESOLVED that the Township Committee of the Township of Middletown, County of Monmouth requests that COAH review and approve Middletown's draft spending plan.

**MIDDLETOWN TOWNSHIP COMMITTEE**

Committee Member	Approved	Opposed	Abstain	Absent
P. Brightbill	X			
S. Byrnes	X			
T. Wilkens	X			
P. Short	X			
Mayor Scharfenberger	X			

**CERTIFICATION**

I, Heidi Abs, Clerk of the Township of Middletown hereby certify the foregoing to be a true copy of a resolution adopted by the Middletown Township Committee at their public organization meeting held on December 11, 2008.

WITNESS, my hand and the seal of the Township of Middletown this 11th day of December, 2008.

  
\_\_\_\_\_  
HEIDI ABS, Township Clerk

RESOLUTION NO. 08-275

RESOLUTION OF THE COMMITTEE OF THE TOWNSHIP OF  
MIDDLETOWN REQUESTING COAH TO REVIEW AND APPROVE  
THE TOWNSHIP'S DRAFT DEVELOPMENT FEE ORDINANCE

WHEREAS, the Governing Body of the Township of Middletown, County of Monmouth petitioned the Council on Affordable Housing (COAH) for substantive certification on March 13, 2000 and December 20, 2005; and

WHEREAS, P.L.2008, c.46 section 8 (C. 52:27D-329.2) and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7), permits municipalities that are under the jurisdiction of COAH and that have a COAH-approved spending plan to impose and retain fees on residential and non-residential development; and

WHEREAS, subject to P.L.2008, c.46 section 8 (C. 52:27D-329.2) and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7), N.J.A.C. 5:97-8.3 permits a municipality to prepare and submit a development fee ordinance for review and approval by the COAH that is accompanied by and includes the following:

1. A description of the types of developments that will be subject to fees per N.J.A.C. 5:97-8.3(c) and (d);
2. A description of the types of developments that are exempted per N.J.A.C. 5:97-8.3(e);
3. A description of the amount and nature of the fees imposed per N.J.A.C. 5:97-8.3(c) and (d);
4. A description of collection procedures per N.J.A.C. 5:97-8.3(f);
5. A description of development fee appeals per N.J.A.C. 5:97-8.3(g); and
6. A provision authorizing COAH to direct trust funds in case of non-compliance per N.J.A.C. 5:97-8.3(h).

WHEREAS, the Township of Middletown has prepared a draft development fee ordinance that establishes standards for the collection, maintenance, and expenditure of development fees consistent with COAH's regulations at N.J.A.C. 5:97-8 and in accordance with P.L.2008, c.46, Sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7).

NOW THEREFORE BE IT RESOLVED that the Township Committee of the Township of Middletown, County of Monmouth requests that COAH review and approve Middletown's development fee ordinance.

MIDDLETOWN TOWNSHIP COMMITTEE

Committee Member	Approved	Opposed	Abstain	Absent
P. Brightbill	X			
S. Byrnes	X			
T. Wilkens	X			
P. Short	X			
Mayor Scharfenberger	X			

CERTIFICATION

I, Heidi Abs, Clerk of the Township of Middletown hereby certify the foregoing to be a true copy of a resolution adopted by the Middletown Township Committee at their public organization meeting held on December 11, 2008.

WITNESS, my hand and the seal of the Township of Middletown this 11th day of December, 2008

  
HEIDI ABS, Township Clerk

**APPENDIX F**  
**MEMO TO PLANNING BOARD**  
**& TOWNSHIP COMMITTEE 12/11/08**

# TOWNSHIP OF MIDDLETOWN

Department of Planning and Community Development

Johnson-Gill Annex, One King's Highway

Middletown, NJ 07748-2594

Tel: (732) 615-2098 or (732) 615-2102

Fax: (732) 615-2103

E-mail: [planning@middletownnj.org](mailto:planning@middletownnj.org)

Organized December 14, 1667  
"Pride in Middletown"



JASON A. GREENSPAN, P.P., A.I.C.P.  
Director of Planning and Community Development

## MEMORANDUM

TO: Planning Board  
Township Committee

FROM: Jason Greenspan, PP, AICP   
Director of Planning & Community Development

DATE: December 11, 2008

SUBJECT: Housing Element and Fair Share Plan

As you know, the Planning Board will be conducting a public hearing this evening regarding the Township's Master Plan Housing Element and Fair Share Plan (HEFSP). I suggest that the following amendments be made to the HEFSP prior to the Planning Board's adoption and Township Committee's endorsement:

1. **Elimination of Two "Growth Share" Round 3 Inclusionary Sites** – The HEFSP includes compliance tools that not only satisfy the prior-round obligation of 1,561 units, but also provides a surplus of approximately 200 affordable units for the "growth share" obligation through the year 2018. This surplus allows for the elimination of two proposed inclusionary zoning sites from the plan:
  - Schlidge property (aka Tanglewood Farm) – This is a +/- 56-acre tract located along Kings Highway East at the Normandy Road intersection. Discussions with the property owner indicate that a total of 72 units would be needed in order to yield 16 affordable units, i.e. a 22% setaside. This is not a substantial affordable unit yield, and it is unclear if the Township can reasonably rely upon this site to produce 32 credits towards our housing obligation (16 units + 16 rental bonuses). Moreover, the Recreation and Open Space Element of the 2004 Master Plan identifies this property as an ideal site for active recreation. Including this site in the Fair Share Plan at this time is not recommended.
  - Magnolia Lane – This is a +/- 4-acre tract west of Highway 35 comprising three lots that are not under common ownership. Magnolia Lane is a narrow, minimally improved roadway that would require a substantial capital investment in order to provide safe and efficient access to 32 for-sale residential units (24 market, 8 affordable). This is not a substantial affordable unit yield considering the potential impacts on the surrounding residential neighborhood. Including this site in the Fair Share Plan at this time is not recommended.

*Save a Life, Save a Neighborhood, Save Taxes – Volunteer!*

Eliminating these two sites from the HEFSP will provide the Township with 408 projected affordable credits towards the "Growth Share" housing obligation. This provides a reasonably secure surplus of 175 credits above our adjusted 233 unit obligation.

2. **General Corrections** – In addition to the foregoing matter, the following general corrections to the HEFSP are necessary:

- The "Browns Fence" inclusionary development, which is pending construction near Highway 36 and Church Street in Belford, is described as an inclusionary rental site that will provide 4 credits towards our prior round obligation. This is incorrect – Brown's Fence is a for-sale property that will provide 2 credits towards our obligation.
- A full 2:1 prior round rental bonus will be taken for the anticipated Housing & United Services supportive housing development to be located at Green Lake Drive.
- Three bonus credits will be credited towards the growth share for the anticipated supportive housing development to be located at the Coe property along Sleepy Hollow Road.
- One additional to-be-determined scattered site unit will be assigned to the prior round for a total of 19 units.
- Corrections will be made to housing projection tables to show a total 2,218 anticipated residences by 2018.
- Corrections will be made to tables showing compliance with rental unit requirements for prior rounds and for the Growth Share.
- The "Exclusions Tables" in the HEFSP Appendix will be adjusted to show correct calculations for Supportive/Special Needs Housing as 5 CO's issued instead of 13, which will allow an increase in the unit exclusions for the Avaya site.
- The "Summary Table of Rounds 1, 2 and 3 Compliance" in the HEFSP Appendix will be adjusted to reflect all of the above

c: Tony Mercantante, Township Administrator

**APPENDIX G**  
**AFFIDAVIT OF PUBLICATION**



ing. The amended Housing Element and Fair Share Plan formally establishes a plan for the provision of affordable housing in Middletown Township for the first, second, and third housing cycles as those concepts are set forth in the regulations of New Jersey

Oil on Affordable  
ing. See  
N.J.A.C. 5:96-1.1 et  
seq. and N.J.A.C.  
5:97-1.1 et seq. and  
is the result of an  
ongoing effort.

A copy of the proposed amended Housing Element and Fair Share Plan of the Master Plan is on file for public inspection at the Township Offices in the Middletown Township Municipal Building, 1 Kings Highway, Middletown, New Jersey during normal business hours. Any party interested in commenting on the amended Housing Element and Fair Share Plan may do so at the public hearing or may submit written comments to the Planning Board prior to the public hearing date.

Debra Yuro,  
Secretary  
Middletown Planning  
Board  
(609) 865717