

HOLMDEL TOWNSHIP

COUNTY OF MONMOUTH

**RESOLUTION COMMITTING TO DCA'S FOURTH ROUND
AFFORDABLE HOUSING PRESENT NEED AND PROSPECTIVE NEED
NUMBERS AS MODIFIED UNDER PROTEST**

WHEREAS, the Township of Holmdel, County of Monmouth, State of New Jersey, (hereinafter, "Township" or "Holmdel") has a demonstrated history of voluntary compliance with its constitutional affordable housing obligations and in fact obtained a Final Third Round Judgment of Compliance and Repose from the Court in the matter captioned In the Matter of the Application of the Township of Holmdel, County of Monmouth, Superior Court of New Jersey, Law Division, Docket No. MON-L-2523-15 thereby immunizing the Township from builder's remedy litigation until July 1, 2025; and

WHEREAS, on March 20, 2024, Governor Murphy signed into law an Amendment to the Fair Housing Act (N.J.S.A. 52:27D-301 *et seq.*) (hereinafter "Amended FHA"); and

WHEREAS, pursuant to the Amended FHA at N.J.S.A. 52:27D-304.1(f)(1), a municipality is required to adopt a binding resolution containing a "determination of present and prospective fair share obligation" and submit to the jurisdiction of the Affordable Housing Dispute Resolution Program, in order to avoid the loss of immunity from exclusionary zoning litigation (also referred to as Builder's Remedy lawsuits) immediately thereafter; and

WHEREAS, the Amended FHA requires the Department of Community Affairs ("DCA") to produce non-binding estimates of fair share obligations on or before October 20, 2024; and

WHEREAS, the DCA issued a report on October 18, 2024 ("DCA Report") wherein it reported its estimate of the obligation for all municipalities based upon its interpretation of the standards in the Amended FHA; and

WHEREAS, the DCA Report calculates Holmdel's Round 4 (2025-2035) obligations as follows: a Present Need or Rehabilitation Obligation of 129 units and a Prospective Need or New Construction Obligation of 133 units; and

WHEREAS, the Amended FHA provides that the DCA Report is non-binding, thereby inviting municipalities to demonstrate that the Amended FHA would support lower calculations of Round 4 affordable housing obligations; and

WHEREAS, pursuant to N.J.S.A. 52:27D-304.3, a municipality's average allocation factor is comprised of the equalized nonresidential factor, income capacity factor and land capacity factor and shall be averaged to yield the municipality's average allocation factor, and

WHEREAS, the Amended FHA further provides that "[a]ll parties shall be entitled to rely upon regulations on municipal credits, adjustments and compliance mechanisms adopted by

COAH unless those regulations are contradicted by statute, including P.L. 2024, c.2, or binding court decisions” (N.J.S.A 52:27D-311(m)); and

WHEREAS, COAH regulations authorize vacant land adjustments as well as durational adjustments; and

WHEREAS, the DCA has released a Geographic Information Systems spatial data representation of the Land Capacity Analysis for P.L. 2024, c.2 containing the Vacant and Developable land information that serves as the basis for calculating the land capacity factor; and

WHEREAS, Holmdel has reviewed the lands identified by the DCA for the land capacity factor with respect to the MOD-IV Property Tax List data, construction permit data, land use board approvals, configuration and accessibility to ascertain whether these identified developable lands may accommodate development; and

WHEREAS, based on the foregoing, Holmdel relies on the DCA calculations of Holmdel’s fair share obligations as modified herein to account for the Township’s review of the lands identified by the DCA for the land capacity factor with respect to the MOD-IV Property Tax List data, construction permit data, land use board approvals, configuration and accessibility to ascertain whether these identified developable lands may accommodate development and as further set forth in detail and explained in the attached memo prepared by Holmdel’s affordable housing planner, Kendra Lelie, P.P. AICP, and Holmdel seeks to commit to provide its fair share of 129 units present need obligation and 98 units prospective need obligation, subject to any vacant land and/or durational adjustments it may seek as part of the Housing Plan Element and Fair Share Plan Element it subsequently submits in accordance with the Amended FHA; and

WHEREAS, Section 3 of the Amended FHA provides that: “the municipality’s determination of its fair share obligation shall have a presumption of validity, if established in accordance with sections 6 and 7 of the Amended FHA; and

WHEREAS, therefore, the Township’s determination of its Fourth Round Prospective Need (New Construction) Obligation of 98 units is entitled to a “presumption of validity” because it complies with Sections 6 and 7 of the Amended FHA; and

WHEREAS, in addition to the foregoing, the Township specifically reserves the right to adjust its fair share obligations in accordance with applicable Council on Affordable Housing (“COAH”) regulations or other applicable law based on one or more of the foregoing adjustments if applicable: 1) a windshield survey or similar survey which accounts for a higher-resolution estimate of present need; 2) a Vacant Land Adjustment predicated upon a lack of vacant, developable and suitable land; 3) a Durational Adjustment, whether predicated upon lack of sewer or lack of water; and/or 4) an adjustment predicated upon regional planning entity formulas; and

WHEREAS, Holmdel reserves the right to comply with any additional amendments to the FHA that the Legislature may enact; and

WHEREAS, Holmdel is a named plaintiff in that certain litigation captioned as Borough of Montvale v. State of New Jersey, Superior Court of New Jersey, Docket No. MER-L-1778-24 (“Litigation”), which among other things asserts constitutional and legal challenges to numerous provisions of the Amended FHA; and

WHEREAS, the actions contained in this Resolution are taken under protest and are intended to comply with the Amended FHA while Holmdel continues to dispute its validity, such that Holmdel does not waive any legal rights or claims that it possesses relating to the Amended FHA as set forth in the Lawsuit by virtue of the adoption of the instant Resolution and Holmdel further reserves the right to alter its position contained in this Resolution based upon any rulings in the Litigation or in any other similar proceedings by a court of competent jurisdiction; and

WHEREAS, in the event that a third party challenges the calculations provided for in this Resolution, Holmdel reserves the right to take such position as it deems appropriate in response thereto, including that its Round 4 Prospective Need Obligation should be lower than described herein; and

WHEREAS, in light of the above, the Township Committee of the Township of Holmdel finds that it is in the best interest of Holmdel to commit to the present need obligation and modified prospective need Fourth Round affordable housing fair share numbers set forth herein in order to retain immunity from exclusionary zoning litigation, subject to the reservations set forth herein; and

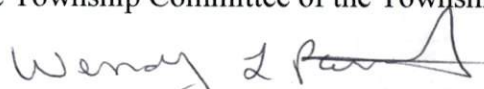
WHEREAS, in accordance with AOC Directive #14-24 dated December 13, 2024, the Township Committee of the Township of Holmdel finds that, as a municipality seeking a certification of compliance with the FHA, it is in the best interests of the Township to direct the submission and/or filing of the within Resolution with attached memo with the Program or any other such entity as may be determined to be appropriate.

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

1. All of the above Whereas Clauses are incorporated into the operative clauses of this Resolution.
2. Holmdel hereby commits to the DCA’s Round 4 Present Need Obligation of 129 units subject to a windshield survey and the DCA’s Round 4 Prospective Need Obligation of 98 units, as explained above and in the attached memo from Holmdel’s affordable housing planner and subject to all reservations of rights set forth above.
3. Holmdel authorizes its Affordable Housing Counsel to submit and/or file the within Resolution with attached memo with the Program or any other such entity as may be determined to be appropriate.
4. This Resolution shall take effect immediately, according to law.

CERTIFICATION

I, Wendy L Patrovich, Township Clerk of the Township of Holmdel do hereby certify this to be a true copy of a Resolution adopted by the Township Committee of the Township of Holmdel at a meeting held on January 30, 2025.



Wendy L Patrovich, RMC/CMR
Township Clerk





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To: Holmdel Township Committee Members

From: Kendra Lelie, PP, AICP, LLA

Re: Holmdel Township Fourth Round Prospective Need

Date: January 27, 2025

The methodology used by the Department of Community Affairs (DCA) yields a Fourth-Round present need obligation of 129 units and a prospective need obligation of 133 units. The DCA released additional data related to the Land Capacity Factor component that is one of three metrics used to determine a municipal Fourth-Round prospective obligation in accordance with the 2024 Fair Housing Act (FHA). The Land Capacity Factor data was released on November 27, 2024, which was a month after the FHA deadline for the issuance of the non-binding obligation.

Kyle + McManus Associates recalculated the Land Capacity Factor (LCF) as indicated below and determined that there is a modification of the Township's Fourth Round Prospective Need to 98 units. Our office reviewed the DCA parcel data for the Township which includes land areas identified as developable. The DCA recognized in the release of the LCF information that the identified areas could be over or under inclusive depending on various conditions and a municipality may provide more detailed analysis and mapping to support a different LCF value. Based on our analysis the DCA LCF data was overinclusive.

Broadly speaking, there are 6 steps to determine the obligation for each municipality. Each step and commentary regarding the potential for alteration of the data input follows:

1. Identify the housing region. Holmdel Township has been and continues to be, as per the FHA, in Region 4. This region includes Monmouth, Mercer and Ocean Counties.
2. Determine the regional (affordable housing) need. The FHA sets forth that the regional need for the 10-year round (2025-2035) shall be based on the household change experienced in the region between the most recent federal decennial census, and the second-most recent federal decennial census. The resulting change in households is divided by 2.5. The affordable housing need in Region 4 is determined to be 13,822 dwelling units.
3. Determine the regional and each municipal equalized nonresidential valuation factor. This step requires that the changes in nonresidential property valuations in the municipality, since the beginning of the round preceding the round being calculated, shall be divided by the regional total change in nonresidential



valuation. The FHA states the data input shall be that which is published by the Division of Local Government Services. The division annually publishes a summary of municipal tax data, including a *Non-Residential Summary of Non-Residential Value*. This data addresses the value of all commercial, industrial, and apartment properties in the municipality. However, the value of the apartment properties are not included in the nonresidential valuation factor.

4. Determine the municipal and regional income capacity factor. This step is an average of 1) the municipal share of the regional sum of the differences between the median municipal household income and an income floor of \$100 below the lowest median household income in the region and 2) the municipal share of the regional sum of the differences between the median municipal household incomes and an income floor of \$100 below the lowest median household income in the region, weighted by the number of the households in the municipality. The FHA states the data input shall be American Community Survey (“ACS”) five-year estimates. The ACS publishes municipal median household incomes as part of its five-year estimates.
5. Determine the municipality’s land capacity factor. Estimate municipal developable land using the most recent land use land cover data and weighing such land based on the planning area type in which such land is located. The FHA sets forth one of three weighting factors for a variety of planning areas across the state. Developed areas of the State, such as Planning Areas 1 and 2, Centers, etc. have a weight of 1.0. Rural and environmentally sensitive planning areas have a weight of zero; the remaining areas have a weight of 0.5.

The parcels identified as developable in the DCA’s calculation of the LCF for Holmdel is overinclusive.

Accordingly, I believe the developable land should be adjusted from 86 acres to 1.23 acres. The following criteria were utilized to exclude parcels as developable:

- Areas or portions of areas <25’ wide (because DCA’s methodology report states that a 25’ by 100’ area was their minimum threshold for developability).
- Areas within the regulatory floodway.
- Open space/parkland properties with deed restrictions and/or on ROSI.
- Properties that are actively under preservation talks with Township, County and State officials.
- Properties under construction or recently developed.
- Sites with site plan approvals for development and/or permits issued for development.
- Public utility parcels, NJDOT/NJ Turnpike Authority parcels, DRPA parcels, railroad properties, rights-of-way, stormwater management, etc.
- Properties with easements restricting development within developable area.
- Properties that are within PA4 or PA5.

The developable land analysis table for Holmdel that supports the revised LCF value is provided below.



Block	Lot	Property Location	Property Class	Developable Acreage	PA Weight	PA Weight Acres	Not Developable Criteria
18	1	LINE RD	3B	0.07	0.5	0.04	No real use of property as wetlands traverse the middle of the property
18	1	LINE RD	3B	0.09	0.5	0.05	No real use of property as wetlands traverse the middle of the property
18	12	LINE RD	3B	0.03	0.5	0.02	Not accessible
18	12	LINE RD	3B	0.06	0.5	0.03	Not accessible
18	12	LINE RD	3B	0.12	0.5	0.06	Not accessible
18	12	LINE RD	3B	3.73	0.5	1.87	Not accessible
18	20	STATE HWY 34	3B	0.03	0.5	0.01	County Owned - park
18	20	STATE HWY 34	3B	0.05	0.5	0.02	County Owned - park
18	20	STATE HWY 34	3B	0.26	0.5	0.13	County Owned - park
18	20	STATE HWY 34	3B	0.33	0.5	0.17	County Owned - park
18	20	STATE HWY 34	3B	1.74	0.5	0.87	County Owned - park
27.01	10	GSP MILEPOST 115.8	15C	0.27	1	0.27	Developed - PNC Bank Art Center - PA5
27.01	10	GSP MILEPOST 115.8	15C	0.81	1	0.81	Developed - PNC Bank



Block	Lot	Property Location	Property Class	Developable Acreage	PA Weight	PA Weight Acres	Not Developable Criteria
							Art Center - PA5
27.01	10	GSP MILEPOST 115.8	15C	1.60	1	1.60	Developed - PNC Bank Art Center - PA5
27.01	10	GSP MILEPOST 115.8	15C	1.48	1	1.48	Developed - PNC Bank Art Center - PA5
27.01	10	GSP MILEPOST 115.8	15C	2.00	1	2.00	Developed - PNC Bank Art Center - PA5
28	22	38 LINE RD	3B	1.14	0.5	0.57	PA5
29	4	16 S BEERS ST	3B	1.52	0.5	0.76	PA5
29	27.01	HOLMDEL ROAD	1	0.04	0.5	0.02	Side Yard for Lot 26. In use.
29	27.01	HOLMDEL ROAD	1	0.12	0.5	0.06	Side Yard for Lot 26. In use.
30.09	6.01	165 BETHANY ROAD	15D	0.04	0.5	0.02	Developed - church
30.09	6.01	165 BETHANY ROAD	15D	0.08	0.5	0.04	Developed - church
30.09	6.01	165 BETHANY ROAD	15D	0.50	0.5	0.25	Developed - church
30.09	9	HILLCREST ROAD	1	0.19	0.5	0.09	No Access
30.09	13.05	S BEERS STREET	1	2.80	0.5	1.40	Developed - church
30.09	15.02	33 S BEERS ST	3B	1.95	0.5	0.98	developable
31	1.03	26 HILLCREST ROAD	1	0.13	0.5	0.06	developable
31	1.03	26 HILLCREST ROAD	1	0.16	0.5	0.08	developable
31	2.03	HILLCREST ROAD	15C	0.10	0.5	0.05	Garden State Parkway
32	1	20 HILLCREST ROAD	15D	0.05	0.5	0.03	Developed - church
35	8	678 N BEERS ST	15D	0.42	1	0.42	Developed-health center



Block	Lot	Property Location	Property Class	Developable Acreage	PA Weight	PA Weight Acres	Not Developable Criteria
35	15	696 N BEERS ST	3B	0.46	1	0.46	Not accessible
36	24	727 N BEERS ST	15D	1.93	1	1.93	Developed-hospital
36	38.01	713/715 N BEERS ST	15D	0.06	1	0.06	Developed-nursing home
36	38.02	BEERS STREET	1	1.85	1	1.85	Developed - nursing home
46	64.41	REAR OF BAILY LANE	15C	0.89	1	0.89	Conservation Area
50	56	EMPRESS DRIVE	15C	1.84	1	1.84	No access
50.08	76	THISTLE LANE	1	0.11	1	0.11	Developable
50.13	1	739 LAUREL AVENUE	1	2.57	1	2.57	Developed – SF home
50.15	7.01	HOLLAND RD	15C	0.09	1	0.09	Access only through PA5
50.15	8	HOLLAND ROAD	15C	0.10	1	0.10	Twp Owned – conservation easements
50.15	43	FIELD POINT DRIVE	15C	0.64	1	0.64	No Access
50.19	37.29	SAGE STREET	15C	0.06	1	0.06	Retention Pond
50.19	47.03	REAR-STONEY BROOK ROAD	15C	0.11	1	0.11	Open Space
50.19	47.03	REAR-STONEY BROOK ROAD	15C	0.17	1	0.17	Open Space
50.19	47.03	REAR-STONEY BROOK ROAD	15C	0.21	1	0.21	Open Space
50.22	45	REDBERRY ROAD	15C	14.29	1	14.29	Twp owned – open space
50.27	48	CENTERVILLE ROAD	15C	0.30	1	0.30	Twp owned – Depalma Farm
50.27	51	CENTERVILLE ROAD	15C	0.11	1	0.11	Twp owned – Depalma Farm



Block	Lot	Property Location	Property Class	Developable Acreage	PA Weight	PA Weight Acres	Not Developable Criteria
50.27	51	CENTERVILLE ROAD	15C	0.33	1	0.33	Twp owned – Depalma Farm
50.31	76.01	2182 STATE HWY 35 SO	3B	0.20	1	0.20	No access
50.31	76.01	2182 STATE HWY 35 SO	3B	11.86	1	11.86	No access
50.32	119	REAR OF MILLER AVE.	1	0.17	1	0.17	Developed - mobile home park
50.32	126	MILLER AVE	15C	0.06	1	0.06	No access
51	15	STATE HWY 35	15C	1.22	1	1.22	Utility
52	18	PALMER AVE.	1	0.42	1	0.42	Inclusionary Development approval
57	2	461 MIDDLE RD	15C	3.71	1	3.71	Prior Round site
58	8	PLUM LANE	15C	2.48	1	2.48	Twp Open Space
58	29	STATE HWY 35	3B	12.02	1	12.02	Under Construction - residential
58	52	452 MIDDLE ROAD	1	1.29	1	1.29	Developed with a SF house
58.02	36	BAYBERRY DRIVE	15C	0.60	1	0.60	Open Space
59	4	STATE HWY 35	1	3.98	1	3.98	No access
59	6.01	2149 STATE HWY 35	1	0.09	1	0.09	Not developable – wetlands constraints
Developable Acreage						1.23	



6. Determine the municipal obligation. The three factors (nonresidential value, income, and land capacity) are averaged and then applied to the regional need to determine how the need shall be allocated to each municipality.

As indicated below in the Methodology Summary table, the reduction in the developable acres for the LCF leads to a Fourth Round prospective need number of 98.

**Fourth Round Obligation
Methodology Summary**

	DCA	KMA
Household Change (Region 4)	34,544	34,544
Low & Mod Home Estimate (Region 4)	13,822	13,822
Nonresidential Valuation Factor	0.18%	0.18%
Regional Income Capacity Factor	1.94%	1.94%
Land Capacity Factor*	0.76%	0.01%
Average Factor	0.96%	0.71%
<i>Gross Prospective Need</i>	133	98