

RESOLUTION NO. 2025-072**RESOLUTION OF THE TOWNSHIP OF LITTLE EGG HARBOR, COUNTY OF OCEAN, STATE OF NEW JERSEY, COMMITTING TO DEPARTMENT OF COMMUNITY AFFAIRS' FOURTH ROUND AFFORDABLE HOUSING PRESENT NEED AND PROSPECTIVE NEED NUMBERS AS MODIFIED**

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, the Amended FIIA 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 FIIA; and

WHEREAS, the DCA Report calculates the Township of Little Egg Harbor's Round 4 (2025-2035) obligations as follows: a Present Need or Rehabilitation Obligation of 32 units and a Prospective Need or New Construction Obligation of 184 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 FIIA 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, the Township of Little Egg Harbor 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, the Township of Little Egg Harbor relies on the DCA calculations of Township of Little Egg Harbor's fair share obligations as modified herein to account for the Township of Little Egg Harbor'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 report prepared by the Township of Little Egg Harbor's Affordable Housing Planner, and the Township of Little Egg Harbor seeks to commit to provide its fair share of 32 units present need and 142 units prospective need, 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, the Township of Little Egg Harbor reserves the right to comply with any additional amendments to the FIA that the Legislature may enact; and

WHEREAS, the Township of Little Egg Harbor also reserves the right to adjust its position in the event of any rulings in the *Montvale* case (MER-L-1778-24) or any other such action that alters the deadlines and/or requirements of the Amended FHA; and

WHEREAS, in the event that a third party challenges the calculations provided for in this Resolution, the Township of Little Egg Harbor 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 finds that it is in the best interest of the Township of Little Egg Harbor to commit to the modified present need and prospective need Fourth Round affordable housing fair share numbers set forth herein, 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 Little Egg Harbor finds that, as a municipality seeking a certification of compliance with the FIA, it is in the best interests of the Township of Little Egg Harbor to direct the filing of an action in the form of a Declaratory Judgment Complaint within 48 hours after adoption of the within resolution of fair share obligations, or by February 3, 2025, whichever is sooner.


NOW, THEREFORE, BE IT RESOLVED on this 28th day of **January, 2025** by the Township Committee of the Township of Little Egg Harbor, County of Ocean, State of New Jersey as follows:

1. All of the above "Whereas" clauses are incorporated into the operative clauses of this Resolution.
2. The Township of Little Egg Harbor hereby commits to the DCA's Round 4 Present Need Obligation of 32 units, and a modification of the DCA's Round 4 Prospective Need Obligation of 184 units to 142 units, as explained above and in the attached report from the Township of Little Egg Harbor's Affordable Housing Planner, and subject to all reservations of rights set forth above.

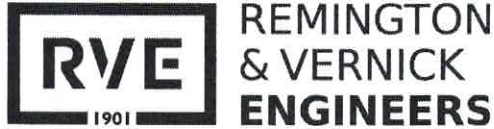
3. The Township of Little Egg Harbor hereby directs its Township Attorney to file a Declaratory Judgment Complaint in Ocean County within 48 hours after adoption of the within resolution and attaching this resolution as an exhibit with the attached memo.
4. The Township of Little Egg Harbor authorizes its Township Attorney 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.
5. This Resolution shall take effect immediately, according to law.

CERTIFICATION

I, **KELLY LETTERA, CMC, RMC**, Municipal Clerk of the Township of Little Egg Harbor do hereby certify that the foregoing resolution was duly adopted by the Township of Little Egg Harbor Township Committee at a meeting held on the **28th** day of **January, 2025**.



KELLY LETTERA, CMC, RMC
Township Clerk
Little Egg Harbor Township



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Toms River, NJ 08753
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MEMORANDUM

TO: Mayor and Committee

DATE: January 27, 2025

FROM: James Oris, PE, PP, CME, CPWM
Ashton Jones, PP, AICP, CFM

SUBJECT: Analysis of DCA's Affordable Housing Obligations for 2025-2035 (Fourth Round) - Land Capacity Factor

This memorandum provides an overview of the methodology used in calculating DCA's Affordable Housing Obligations for 2025-2035 (Fourth Round) and an analysis of the Land Capacity Factor.

Background

In March 2024, Governor Murphy signed P.L.2024, c.2 into law, establishing a framework for calculating municipalities' affordable housing obligations for the 2025–2035 Fourth Round. The DCA was tasked with developing these calculations and published its results in October 18, 2024.

The DCA's methodology involved determining present and prospective affordable housing needs using a data-driven approach. The methodology is outlined as follows:

- a. Present Need Calculation – “Present Need” represents the number of substandard housing units currently occupied by low- and moderate-income households.
 - Data Sources: U.S. Census Bureau and American Community Survey (ACS) data on housing conditions (e.g., overcrowding, age, and availability of kitchen and plumbing facilities) and Comprehensive Housing Affordability Strategy (CHAS) dataset for low- and moderate-income household data.
 - Methodology: DCA used municipality-level data to calculate deficient housing units, focusing on overcrowded units built before 1980, those lacking kitchen or plumbing facilities, and units occupied by low- and moderate-income households.
- b. Prospective Need Calculation – “Prospective Need” represents the projected growth in low- and moderate-income households over the 10-year planning period.

- Data Sources: Household growth trends based on the 2010 and 2020 U.S. Census data; and regional adjustments, such as income capacity, nonresidential property valuations, and land capacity.
- Methodology: Household change was divided by 2.5 to estimate the required number of affordable housing units per region. Municipal obligations were determined based on three (3) factors:
 - Land Capacity Factor: Total developable land as a percentage of the region's developable land.
 - Income Capacity Factor: The municipality's income level relative to its region.
 - Equalized Nonresidential Valuation Factor: Changes in nonresidential property valuations from 1999 to 2023.

The final obligations were calculated by averaging these three factors, applying regional adjustments to ensure municipal obligations align with regional totals.

Land Capacity Analysis

Having reviewed the background information and methodology provided by the DCA, the following section details the land capacity analysis used to identify and exclude infeasible or unsuitable lands for affordable housing development. The intent of this review was to refine the DCA's land capacity analysis for accuracy, which has resulted in a reduction of the Township's affordable housing obligation, as depicted in the attached spreadsheet and map.

The DCA's methodology for determining land capacity for affordable housing obligation uses GIS-based analysis in ArcGIS Pro, relying on the following datasets:

- Land Use/Land Cover (LULC): Geographic data from the NJ Department of Environmental Protection (DEP), based on aerial imagery from 2020.
- MOD-IV Property Tax List: Data from the Division of Taxation, 2024.
- Construction Permit Data: Records from the DCA, as reported by municipalities.

Developable land was identified using specific LULC classifications, such as cropland, forests, shrublands, and barren lands, while applying exclusions for undevelopable land (e.g., preserved open space, steep slopes, and wetlands). Planning area weights, as defined by the Affordable Housing Law, were then applied to refine developable land areas based on the location and type of planning area. The final land capacity for each municipality was calculated as a percentage of the total developable land in its housing region, excluding land in Qualified Urban Aid municipalities.

Review and Adjustments

Based on our intimate understanding of municipal approvals, a review of aerial imagery, and an analysis of DCA's Land Capacity Factor, our office identified several inaccuracies:

1. Developed Lands: Certain parcels identified as developable have already been approved for residential, commercial, or other uses.
2. Utility and Stormwater Areas: Certain utility parcels or stormwater management facilities (e.g., detention basins) were incorrectly included.

Based on our review and a manual adjustment of land capacity (acreage), as indicated in the DCA provided Fourth Round Calculation Workbook (Excel spreadsheet), Little Egg Harbor's Prospective Need obligation is lowered to 142. The attached map illustrates the parcels we determined to be not developable, while the attached spreadsheet details specific reasons for removal.