

Exhibit 1

Explanation: A Resolution of the Township of Scotch Plains Committing to the New Jersey Department of Community Affairs Fourth Round Affordable Housing Present Need and Prospective Need Numbers As Modified pursuant to P.L. 2024, c. 2 and Fair Housing Act, N.J.S.A. 52:27D-302.

TOWNSHIP OF SCOTCH PLAINS

RESOLUTION NO. 2025-61

WHEREAS, on March 20, 2024, Governor Murphy signed into law Bill A4/S50 (P.L. 2024, c. 2), which legislation amends the Fair Housing Act, N.J.S.A. 52:27D-302 et. seq. (“Amended FHA”) and requires each municipality to provide its fair share of affordable housing obligation under the Mount Laurel Doctrine based on a new process and updated methodology; 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, on October 18, 2024, the DCA calculated the non-binding statewide and regional affordable housing needs and released a non-binding determination of each municipality’s Fourth Round (2025 to 2035) affordable housing obligation as set forth in DCA’s report, entitled “Affordable Housing Obligations for 2025-2035 (Fourth Round) Methodology and Background” (the “DCA Report”); and

WHEREAS, pursuant to the DCA Report the Township of Scotch Plains’ non-binding Present Need or Rehabilitation Obligation is 53 and the Township’s non-binding Prospective Need is 244; 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, pursuant to N.J.S.A. 52:27D-304.3(c)(3), a municipality’s income capacity factor shall be “determined by calculating the average of the following measures: (a) The municipal share of the regional sum of the differences between the median municipal household income, according to the most recent American Community Survey Five-Year Estimates, and an income floor of \$100 below the lowest median household income in the region; and (b) 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”; and

WHEREAS, the DCA calculated the income capacity factor for each municipality in New Jersey using the Census Bureau’s American Community Survey 2018-22 5-Year Estimates, which

was the most recent American Community Survey Five-Year Estimates at the time of the release of the DCA Report; and

WHEREAS, on December 12, 2024, the United States Census Bureau released American Community Survey 2019-23 5-Year Estimates data, therefore establishing the American Community Survey 2019-23 5-Year Estimates as the most recent American Community Survey Five-Year Estimates at the time of this resolution; and

WHEREAS, the Township Affordable Housing Planner, Michael Mistretta of Harbor Consultants (the "Township Planner"), has recommended a re-calculation of the Township's income capacity factor using the American Community Survey 2019-23 5-Year Estimates data in accordance with the methodology established in the Amended FHA; and

WHEREAS, as detailed in the Township Planner's Report, which is attached hereto and incorporated herein as Exhibit A, the Township's income capacity factor is re-calculated as 2.06% rather than 2.29% as provided in the DCA Report; 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 (the "DCA Land Capacity Analysis") containing the Vacant and Developable land information that serves as the basis for calculating the land capacity factor; and

WHEREAS, the DCA Land Capacity Analysis identified 36.492 acres of "developable" land within the Township of Scotch Plains, therefore resulting in a land capacity factor calculation of 0.68% for the Township as detailed in the DCA Report; and

WHEREAS, the Township of Scotch Plains (the "Township") and Township Planner have reviewed the lands identified by the DCA Land Capacity Analysis 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, the Township and Township Planner find that several areas identified as "developable" in the Township by the DCA Land Capacity Analysis are in fact not "developable" and shall be removed from the land capacity factor calculation, which are detailed further within the Township Planner's Report; and

WHEREAS, the Township finds that +/- 31.789 acres of the 36.492 acres of "developable" land identified in the DCA Report are to be removed from the land capacity factor calculation;

resulting in a re-calculation of the land capacity factor as 0.09% based on +/- 4,703 total acres of “developable” land within the Township; and

WHEREAS, based on a review of the DCA Report and findings made by the Township Planner, it is recommended that the Township Council adopt a binding resolution accepting the Present Need obligation of 53 as calculated by the DCA; and

WHEREAS, based on a review of the DCA Report and findings made by the Township Planner, it is recommended that the Township Council adopt a binding resolution determining a reduced municipal Prospective Need obligation of 188 based on a re-calculation of the income capacity factor and land capacity factor as supported by the Township’s Planner’s report and detailed mapping, attached hereto and incorporated herein as Exhibit A; and

WHEREAS, based on the foregoing, the Township relies on the DCA calculations of the Township’s fair share obligations as modified to account for the Township’s review of the American Community Survey Five-Year Estimates data used for the income capacity factor and 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 recommended in the attached report prepared by Township’s affordable housing planner; and

WHEREAS, the Township seeks to commit to provide its fair share of 53 units present need and 188 units of 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 reserves the right to comply with any additional amendments to the FHA that the Legislature may enact; and

WHEREAS, the Township 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, Township 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 Council finds that it is in the best interest of the Township 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 Council 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 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; and

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Scotch Plains, in the County of Union, State of New Jersey, as follows:

1. The foregoing recitals are incorporated herein as if set forth in full; and
2. The Township Council of the Township of Scotch Plains, hereby accepts a Present Need obligation of 53 and a Prospective Need obligation of 188 as its Fourth Round (2025 to 2035) affordable housing obligation pursuant to P.L. 2024, c. 2 and the Fair Housing Act, N.J.S.A. 52:27D-302 et. seq., as explained above and in the attached memo from the Township's affordable housing planner, and subject to all reservations of rights set forth above; and
3. The Township Council hereby directs Hoagland Longo Moran Dunst & Doukas, LLP, its Affordable Housing Attorney, to file a declaratory judgment complaint in Union County within 48 hours after adoption of the within resolution and attaching this resolution as an exhibit with the attached memo; and
4. The Township Council authorizes Hoagland Longo Moran Dunst & Doukas, LLP 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; and
5. This resolution shall take effect immediately, according to law.

Dated: January 21, 2025

RECORD OF VOTE

COUNCILMEMBER	YES	NO	NV	AB	COUNCILMEMBER	YES	NO	NV	AB
ADAMS	X				ZIMMERMAN	X			
STAMLER	X				MAYORLOSARDO	X			
WHITE	X				COMMENT				
MOTION	ADAMS				SECOND	STAMLER			
X- INDICATES VOTE AB- ABSENT NV-NOT VOTING									

Certified copy of a resolution adopted
 at a regular meeting of the Township
 Council of the Township of Scotch Plains,
 Union County, New Jersey on

January 21, 2025

Bozena Lacina

Bozena Lacina, RMC
 Municipal Clerk

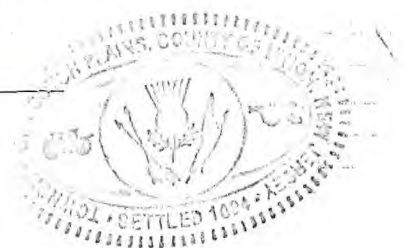


Exhibit A



Date: January 17, 2025

To: Anthony Iacocca, Esq., Township Affordable Housing Attorney

From: Michael Mistretta, PP, LLA, Harbor Consultants, Inc.
Wyatt Grant, Harbor Consultants, Inc.

**Re: **Fourth Round (2025-2035) Affordable Housing Obligation Calculation
Township of Scotch Plains, New Jersey****

This memo has been prepared to outline the municipal requirements for the Township of Scotch Plains to establish its Fourth Round (July, 2025 – July, 2035) present and prospective fair share obligation as mandated by the A4/S50 legislation, as well as detail the process and calculations used to determine the Township’s Fourth Round present need obligation and prospective need obligation, which are to be adopted by binding resolution prior to January 31, 2025.

Background

On March 20, 2024, Governor Murphy signed into law affordable housing bill A4/S50, which established new guidelines for determining and regulating the affordable housing obligations of New Jersey municipalities for the fourth 10-year-round (July, 2025 – July, 2035). Per A4/S50, before a municipality establishes its Fourth Round present and prospective fair share obligation, “the [Department of Community Affairs] shall prepare and submit a report to the Governor, and, pursuant to section 2 of P.L.1991, c.164 (C.52:14- 19.1), to the Legislature providing a report on the calculations of regional need and municipal obligations for each region of the State within the earlier of seven months following the effective date of P.L.2024, c.2 (C.52:27D-304.1 et al.) or December 1, 2024” (N.J. Stat. § 52:27D-304.1). Then, “with consideration of the calculations contained in the relevant report published by the department... for each 10-year round of affordable housing obligations beginning with the fourth round, a municipality shall determine its present and prospective fair share obligation for affordable housing in accordance with the formulas established in sections 6 and 7 of P.L.2024, c.2 (C.52:27D-304.2 and C.52:27D-304.3) by resolution, which shall describe the basis for the municipality's determination and bind the municipality to adopt a housing element and fair share plan” (N.J. Stat. § 52:27D-304.1). For the Fourth Round, the municipal “determination of present and prospective fair share obligation shall be made by binding resolution no later than January 31, 2025” (N.J. Stat. § 52:27D-304.1).

In compliance with the aforementioned requirements, the Department of Community Affairs (DCA) released a report on October 18, 2024, titled “Affordable Housing Obligations for 2025-2035 (Fourth Round) Methodology and Background,” inclusive of a calculation spreadsheet, which detailed the datasets and calculations used to generate the non-binding affordable housing obligation for each municipality within New Jersey for the Fourth Round. This report was amended several days later to include revised language on the methodology for the land capacity factor calculation. Per this report, the Township’s Fourth Round present need was calculated as 53 and the Township’s Fourth Round prospective need was calculated as 244.

The Township has reviewed the DCA report and methodology established in A4/S50, which serve as the basis for the Township's evaluation and determination of its Fourth Round present and prospective fair share obligation. The ensuing sections of this memo provide an analysis of the process used to calculate the Township's Fourth Round present and prospective fair share obligation.

Present Need

Per A4/S50, "A municipality's present need obligation shall be determined by estimating the existing deficient housing units currently occupied by low- and moderate-income households within the municipality, following a methodology comparable to the methodology used to determine third round present need, through the use of datasets made available through the federal decennial census and the American Community Survey, including the Comprehensive Housing Affordability Strategy dataset thereof" (N.J. Stat. § 52:27D-304.2). A4/S50 further defines "deficient housing units" as "housing that: (1) is over fifty years old and overcrowded; (2) lacks complete plumbing; or (3) lacks complete kitchen facilities" (N.J. Stat. § 52:27D-304).

In the Third Round, municipal present need calculations were based on the number of housing units lacking complete kitchen facilities, the number of units lacking complete plumbing facilities, and the number of overcrowded units. The present need calculations for the Fourth Round conducted by the DCA similarly use datasets measuring these three factors, but as explained in their report, "The US Department of Housing and Urban Development (HUD) and the US Census Bureau publish separate tables on housing age, lack of plumbing facilities, lack of kitchen facilities, and overcrowding. However, there is no data source that reports the number of units that meet any one of those three conditions. Therefore, this number must be estimated using data from existing tables, with measures taken to account for overlap and to narrow the scope to deficient housing units occupied by low- and moderate-income [(LMI)] households." The DCA therefore used a combination of the latest data from HUD's Comprehensive Housing Affordability Strategy (CHAS) LMI dataset corresponding to the latest Census Bureau American Community Survey (ACS) data (which was 2017-2021 5 Year Estimates at the time of the report's release), data from the IPUMS Center for Data Integration, and the ACS Public Data Microdata Sample (PUMS) at the Public Use Microdata Area (PUMA) level to estimate the number of substandard/deficient low- and moderate-income occupied units ("present need") for each municipality in New Jersey.

Per the methodology outlined above and described in further detail in the DCA report, the Fourth Round present need obligation for the Township of Scotch Plains is calculated as 53. The Township has reviewed the datasets and methodology used to calculate the Township's Fourth Round present need as published in the DCA report and spreadsheet, and the Township concurs with the report's Fourth Round present need calculation of 53 for the Township of Scotch Plains.

Prospective Need

As described in A4/S50 and summarized in the DCA report, a municipality's Fourth Round prospective need obligation is calculated by multiplying its average allocation factor to the total prospective need of its corresponding Housing Region.

The average allocation factor is the average of three measures indicative of a municipality's capacity/potential to address the regional prospective need (equalized nonresidential valuation

factor, income capacity factor, and land capacity factor), which are further explained in the subsections below.

The Fourth Round prospective need for each Housing Region is determined by calculating the change in the number of households within each Housing Region between the 2010 Census and 2020 Census. Per A4/S50, “this household change, if positive, shall be divided by 2.5 to estimate the number of low- and moderate-income homes needed to address low- and moderate-income household change in the region and to determine the regional prospective need for a 10-year round of low- and moderate-income housing obligations. If household change is zero or negative, the number of low- and moderate-income homes needed to address low- and moderate-income household change in the region and the regional prospective need shall be zero” (N.J. Stat. § 52:27D-304.2).

The Township of Scotch Plains is in Housing Region 2, which consists of Essex County, Morris County, Union County, and Warren County. Per the DCA report, the regional prospective need for Housing Region 2 is calculated as 20,506, and the Township’s average allocation factor is calculated as 1.19%. The regional need of 20,506 multiplied by the Township’s average allocation factor of 1.19% therefore results in a non-binding Fourth Round prospective need obligation calculation of 244.

The Township has evaluated the accuracy of the methodology and datasets used to calculate each of the three measures (equalized nonresidential valuation factor, income capacity factor, and land capacity factor) used to compute the average allocation factor and resulting Fourth Round prospective need, and based on this analysis, has arrived at a reduced Fourth Round prospective need obligation calculation of 188. The process for the Township’s adjustment to the Fourth Round prospective need obligation published in the DCA report is detailed in the subsections below.

Equalized Nonresidential Valuation Factor

The equalized nonresidential valuation factor is one of the three components of the average allocation factor for each municipality. The equalized nonresidential valuation factor is representative of a municipality’s share of the change in nonresidential property value within its Housing Region.

Per A4/S50, “the changes in nonresidential property valuations in the municipality, since the beginning of the round preceding the round being calculated, shall be calculated using data published by the Division of Local Government Services in the department. For the purposes of this paragraph, the beginning of the round of affordable housing obligations preceding the fourth round shall be the beginning of the gap period in 1999. The change in the municipality’s nonresidential valuations shall be divided by the regional total change in nonresidential valuations to determine the municipality’s share of the regional change as the equalized nonresidential valuation factor” (N.J. Stat. § 52:27D-304.3).

Following this methodology and as described in the DCA report, the equalized nonresidential factor for each municipality is calculated as follows:

1. The valuations of commercial properties and industrial properties in each municipality in 2023, per data from the NJ Division of Local Government Services, is summed and then

divided by the 2023 State Equalization Table Average Ratio corresponding with the municipality to obtain a total equalized nonresidential valuation for 2023.

2. The valuations of commercial properties and industrial properties in each municipality in 1999, per data from the NJ Division of Local Government Services, is summed and then divided by the 1999 State Equalization Table Average Ratio corresponding with the municipality to obtain a total equalized nonresidential valuation for 1999.
3. The difference in total equalized nonresidential valuation from 1999-2023 is calculated for each municipality.
4. The difference in total nonresidential valuation from 1999-2023 is summed for all municipalities (excluding Qualified Urban Aid municipalities) within each Housing Region.
5. The difference in total nonresidential valuation from 1999-2023 for each municipality is divided by the sum of differences in total nonresidential valuation from 1999-2023 for its corresponding Housing Region to compute the municipality's share of the regional nonresidential valuation change from 1999-2023.

Following this methodology, the Township of Scotch Plains' equalized nonresidential valuation factor of 0.61% is calculated as follows:

1. **\$50,928,200** (2023 commercial valuation) + **\$6,078,000** (2023 industrial valuation) = **\$57,006,200** (2023 total nonresidential valuation). **\$57,006,200** (2023 total nonresidential valuation) / **0.1874** (2023 State Equalization Table Average Ratio) = **\$304,195,304** (2023 total equalized nonresidential valuation).
2. **\$64,931,800** (1999 commercial valuation) + **\$6,276,900** (1999 industrial valuation) = **\$71,208,700** (1999 total nonresidential valuation). **\$71,208,700** (1999 total nonresidential valuation) / **0.4822** (1999 State Equalization Table Average Ratio) = **\$147,674,616** (1999 total equalized nonresidential valuation).
3. **\$304,195,304** (2023 total equalized nonresidential valuation) - **\$147,674,616** (1999 total equalized nonresidential valuation) = **\$156,520,688** (difference in total equalized nonresidential valuation from 1999-2023).
4. **Housing Region 2 sum of differences in total equalized nonresidential valuation from 1999-2023, excluding Qualified Urban Aid municipalities = \$25,808,891,055.**
5. **\$156,520,688** (difference in total equalized nonresidential valuation from 1999-2023) / **\$25,808,891,055** (Housing Region 2 sum of differences in total equalized nonresidential valuation from 1999-2023, excluding Qualified Urban Aid municipalities) = **0.0061** or **0.61%**

The Township has reviewed the datasets and methodology used to calculate the Township's Fourth Round equalized nonresidential valuation factor as published in the DCA report and spreadsheet (see above), and the Township concurs with the report's Fourth Round equalized nonresidential valuation factor calculation of 0.61% for the Township of Scotch Plains.

Income Capacity Factor

The second component of the average allocation factor for each municipality is the income capacity factor. The income capacity factor measures the degree to which a municipality's median household income differs from an income floor of \$100 below the lowest median household income in its Housing Region.

Per A4/S50, a municipality's income capacity factor shall be "determined by calculating the average of the following measures:

- (a) The municipal share of the regional sum of the differences between the median municipal household income, according to the most recent American Community Survey Five-Year Estimates, and an income floor of \$100 below the lowest median household income in the region; and
- (b) 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" (N.J. Stat. § 52:27D-304.3).

At the time of the release of the DCA report on October 18, 2024, the most recent American Community Survey Five-Year Estimates data for median household income and number of households were found in Table S1903 of the Census Bureau's American Community Survey 2018-22 5-Year Estimates.

Using the American Community Survey 2018-22 5-Year Estimates data, and following the methodology in A4/S50 outlined above, the Township of Scotch Plains' income capacity factor of 2.29% was calculated in the DCA report as follows:

1. **\$179,241** (Median household income in the past 12 months in Scotch Plains per 2022 ACS) - **\$46,360** (\$100 below the lowest median household income in Housing Region 2 of \$46,460 belonging to the City of Newark) = **\$132,881** (Municipal difference in median household income from Housing Region 2 income floor). **\$132,881** (Municipal difference in median household income from Housing Region 2 income floor) / **\$8,307,878** (Housing Region 2 sum of differences from income floor, excluding Qualified Urban Aid municipalities) = **0.0160 or 1.60%** (Scotch Plains' share of the sum of the differences from the income floor in Housing Region 2, excluding Qualified Urban Aid municipalities).
2. **\$132,881** (Municipal difference in median household income from Housing Region 2 income floor) x **8,836** (Number of households in Scotch Plains) = **\$1,174,136,516** (Municipal difference in median household income from Housing Region 2 income floor, excluding Qualified Urban Aid municipalities, weighted by households). **\$1,174,136,516** (Municipal difference in median household income from Housing Region 2 income floor, excluding Qualified Urban Aid municipalities, weighted by households) / **\$39,453,600,987** (Housing Region 2 sum of differences from income floor, excluding Qualified Urban Aid municipalities, weighted by households) = **0.0298 or 2.98%** (Scotch Plains' share of the differences from the income floor in Housing Region 2, excluding Qualified Urban Aid municipalities, weighted by households).
3. **Average of 1.60%** (Scotch Plains' share of the sum of the differences from the income floor in Housing Region 2, excluding Qualified Urban Aid municipalities) **and 2.98%** (Scotch Plains' share of the sum of the differences from the income floor in Housing Region 2, excluding Qualified Urban Aid municipalities, weighted by households) = **0.0229 or 2.29%**

While the Township agrees with the Township's income capacity factor calculation of 2.29% at the time of the DCA report, A4/S50 states that the income capacity factor shall be calculated

“according to the most recent American Community Survey Five-Year Estimates.” On December 12, 2024, the United States Census Bureau released American Community Survey 2019-23 5-Year Estimates data. The Township therefore seeks to adjust its income capacity factor calculation based on the American Community Survey 2019-23 5-Year Estimates data for the municipalities in Housing Region 2, which can be found in Table S1903. The adjusted calculation of the Township’s income capacity factor using the American Community Survey 2019-23 5-Year Estimates data is detailed below:

1. **\$173,564** (Median household income in the past 12 months in Scotch Plains per 2023 ACS) - **\$48,316** (\$100 below the lowest median household income in Housing Region 2 of \$48,416 belonging to the City of Newark) = **\$125,248** (Municipal difference in median household income from Housing Region 2 income floor). **\$125,418** (Municipal difference in median household income from Housing Region 2 income floor) / **\$8,646,298** (Housing Region 2 sum of differences from income floor, excluding Qualified Urban Aid municipalities) = **0.0145 or 1.45%** (**Scotch Plains’ share of the sum of the differences from the income floor in Housing Region 2, excluding Qualified Urban Aid municipalities**).
2. **\$125,248** (Municipal difference in median household income from Housing Region 2 income floor) x **8,751** (Number of households in Scotch Plains) = **\$1,096,045,248** (Municipal difference in median household income from Housing Region 2 income floor, excluding Qualified Urban Aid municipalities, weighted by households). **\$1,096,045,248** (Municipal difference in median household income from Housing Region 2 income floor, excluding Qualified Urban Aid municipalities, weighted by households) / **\$41,118,073,874** (Housing Region 2 sum of differences from income floor, excluding Qualified Urban Aid municipalities, weighted by households) = **0.0267 or 2.67%** (**Scotch Plains’ share of the sum of the differences from the income floor in Housing Region 2, excluding Qualified Urban Aid municipalities, weighted by households**).
3. **Average of 1.45%** (Scotch Plains’ share of the sum of the differences from the income floor in Housing Region 2, excluding Qualified Urban Aid municipalities) **and 2.67%** (Scotch Plains’ share of the sum of the differences from the income floor in Housing Region 2, excluding Qualified Urban Aid municipalities, weighted by households) = **0.0206 or 2.06%**

Based on the re-calculation of the Township’s income capacity factor based on the most recent American Community Survey Five-Year Estimates, the Township derives an income capacity factor calculation of 2.06% rather than 2.29% as calculated in the DCA report.

Land Capacity Factor

The third component of the average allocation factor for each municipality is the land capacity factor. The land capacity factor indicates the percentage share of total “developable” land in a Housing Region accounted for by each municipality within that Region, excluding land area corresponding to Qualified Urban Aid municipalities.

A4/S50 states that the land capacity factor “shall be determined by estimating the area of developable land in the municipality’s boundaries, and regional boundaries, that may accommodate development through the use of the ‘land use / land cover data’ most recently published by the Department of Environmental Protection, data from the American Community Survey and Comprehensive Housing Affordability Strategy dataset thereof, MOD-IV Property Tax List data from the Division of Taxation in the Department of the Treasury, and construction

permit data from the Department of Community Affairs and weighing such land based on the planning area type in which such land is located. After the weighing factors are applied, the sum of the total developable land area that may accommodate development in the municipality and in the region shall be determined. The municipality's share of its region's developable land shall be its land capacity factor" (N.J. Stat. § 52:27D-304.3).

Following this methodology, the DCA conducted a GIS analysis to identify the "developable" land within the state using several publicly-available datasets, including but not limited to 2020 land use/land cover (LULC) data, New Jersey State Plan Planning Areas weighted by area type, statewide parcel data, open space and preserved farmland, category 1 waterways and wetlands, steep slopes, and open waters.

The steps below provide a summary of the analysis conducted by DCA to identify the "developable" land in the state and calculate each municipality's land capacity factor, which is further expanded upon in the their report.

1. Weights were applied to all New Jersey State Plan Planning Areas as specified in A4/S50.
2. The layer of weighted Planning Areas was merged with land use/land cover (LULC) data for the entire state sourced from 2020 aerial imagery. 18 different types of LULC, such as cropland and pastureland, deciduous forest, and coniferous forest, were identified and extracted as "vacant, developable land" from this merged dataset.
3. Of these areas identified as "developable" from the merged dataset, areas without underlying parcel data and areas with MOD-IV Property Tax data with property class codes for residential, commercial, industrial, apartment, railroad, and school uses were removed to prevent rights-of-way, tree-covered rear yards on residential properties and buffer areas on non-residential development from being included in the "developable" land calculation.
4. Municipally-reported construction permit data was used to remove properties otherwise identified as vacant through the LULC analysis.
5. Areas mapped as open space, preserved farmland, category 1 waterways and wetlands (and associated buffers based on special resource area restrictions) were removed from the "developable" land dataset.
6. Using 10 foot digital elevation LiDAR data, steep slope areas exceeding 15% and steep slope areas consisting of 5,000 square feet or less were removed from the "developable" land dataset.
7. DCA reviewed an unspecified 22,000 vacant parcels to further remove homeowner association common areas, detention basins, and road and utility rights of way.
8. After the removal of all the aforementioned layers from the "developable" land dataset, remaining "slivers" of land with an area of 2,500 square feet or less were also removed due to their inability to support development.
9. The remaining land was identified as "developable" land and was summed based on the limits of each Housing Region and its corresponding municipalities.
10. The municipality's percentage of total identified "developable" land within its Housing Region constitutes its land capacity factor.

Through this analysis, the DCA reported 36.492 acres of “developable” land in the Township of Scotch Plains and 5,358.483 acres of “developable” land in Housing Region 2, therefore computing a land capacity factor of 0.68% for the Township.

On November 27, 2024, the DCA released the output geospatial data (titled “Land Capacity Analysis for P.L. 2024, c.2”) generated from the GIS analysis used to compute the land capacity factor as described in the October 18, 2024 report. However, the DCA indicates in the description of this dataset that, “The land areas identified in this dataset are based on the best available data using publicly available data enumerated in N.J.S.A. 52:27D-304.3c.(4) to estimate the area of developable land, within municipal and regional boundaries, that may accommodate development. It is important to note that the identified areas could be over or under inclusive depending on various conditions and that municipalities are permitted to provide more detailed mappings as part of their participation in the Affordable Housing Dispute Resolution Program.”

The Township has therefore reviewed and mapped this dataset to evaluate the accuracy of the 36.492 acres of “developable” land identified in the Township used to calculate the Township’s land capacity factor of 0.68% in the DCA report. Under further analysis, the Township finds that several areas identified as “developable” in the Township by the DCA’s geoprocessing model are in fact not “developable.”

As part of this analysis, the Township has prepared the following:

1. A map of the “developable” lands within the Township as identified in the DCA report (see Exhibit A).
2. A redlined spreadsheet of the “developable” lands within the Township as identified in the DCA report (see Exhibit B), which was prepared by merging the “vacant and developable” land spatial data features in the “Land Capacity Analysis for P.L. 2024, c.2” dataset released by the DCA with current parcel MOD-IV data for the Township as provided by the Union County Board of Taxation. The spreadsheet details the “developable” land areas to be removed from the land capacity factor calculation, which are outlined in red, as well as a description of the reason for removal.

Based on this analysis, the Township finds that +/- 31.789 acres of the 36.492 acres of “developable” land identified in the DCA report are to be removed from the land capacity factor calculation, resulting in a recalculation of the land capacity factor based on +/- 4.703 total acres of “developable” land within the Township. The adjustment to the “developable” land within the Township consequently reduces the total “developable” land within Housing Region 2 from 5,358.483 acres to 5,326.694 acres.

The land capacity factor is therefore re-calculated as follows:

4.703 acres of “developable” land in the Township of Scotch Plains / 5,326.694 acres of “developable” land in Housing Region 2 = 0.0009 or 0.09%.

Summary

Based on the adjustments to the income capacity factor and land capacity factor as described above, the Township’s average allocation factor is reduced from 1.192% to 0.917%, which when

applied to the regional perspective need of 20,506 for Housing Region 2, lowers the Township’s prospective need obligation from 244 to 188.

The table below summarizes the Township’s Fourth Round present need obligation and prospective need obligation compared to the Township’s Fourth Round obligations as calculated in the DCA report. Cells shaded **red** indicate an adjustment to a calculation provided in the DCA report.

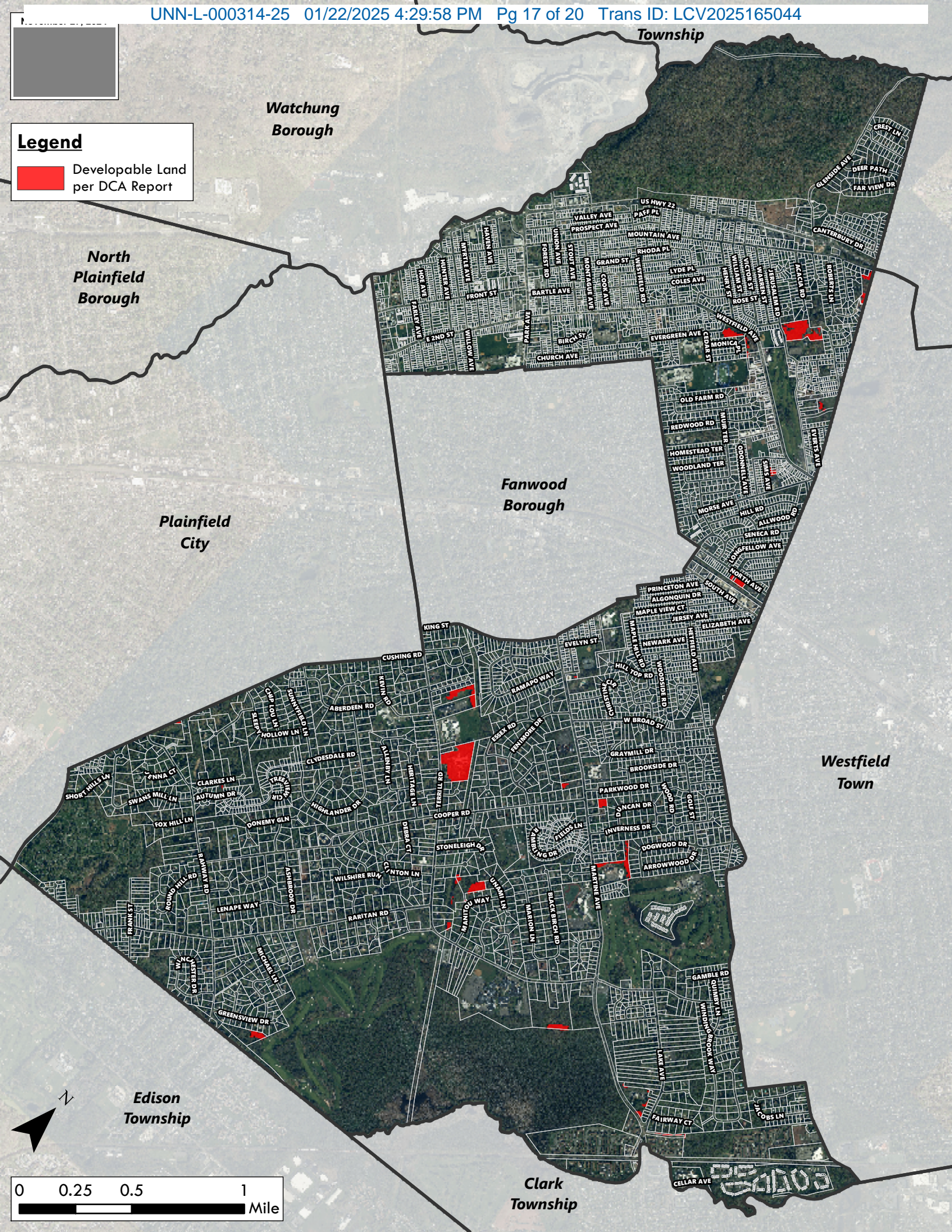
SCOTCH PLAINS FOURTH ROUND OBLIGATION SUMMARY TABLE							
PRESENT NEED OBLIGATION							
DCA Calculation	Township Calculation						
53	53 <i>(Township accepts DCA calculation)</i>						
PROSPECTIVE NEED OBLIGATION							
DCA Calculation							
Equalized Nonresidential Valuation Factor	Income Capacity Factor	Land Capacity Factor			Average Allocation Factor	Regional Perspective Need	Scotch Plains Prospective Need Obligation
		Housing Region 2 “Developable” Land (acres)	Township “Developable” Land (acres)	Land Capacity Factor Calculation			
0.61%	2.29%	5,358.483	36.492	0.68%	1.192%	20,506	244
Township Calculation							
Equalized Nonresidential Valuation Factor	Income Capacity Factor	Land Capacity Factor			Average Allocation Factor	Regional Perspective Need	Scotch Plains Prospective Need Obligation
		Housing Region 2 “Developable” Land (acres)	Township “Developable” Land (acres)	Land Capacity Factor Calculation			
0.61% <i>(Township accepts DCA calculation)</i>	2.06%	5,326.694	4.703	0.09%	0.917%	20,506 <i>(Township accepts DCA calculation)</i>	188

EXHIBIT A

“Map of the ‘Developable’ Lands within the Township of Scotch Plains per the DCA Report”

Legend

- Developable Land per DCA Report



Watchung Borough

North Plainfield Borough

Plainfield City

Fanwood Borough

Westfield Town

Edison Township

Clark Township

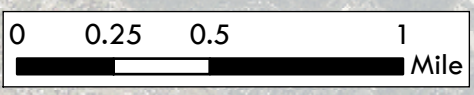


EXHIBIT B

“Redlined Spreadsheet of the ‘Developable’ Lands within the Township of Scotch Plains per the DCA Report”

Table with columns: BLOCK, LOT, ADDITIONAL LOTS (MOR-V), PROPERTY CLASS, ADDRESS, OWNER NAME, OWNER ADDRESS, OWNER ADDRESS CITY, STATE, OWNER ADDRESS ZIP, BUILDING DISCR (MOR-V), LAND DISCR (MOR-V), CALCULATION OF AREA (MOR-V), FACILITY NAME (MOR-V), PARCEL AREA - ST (STATE PLANNING), PARCEL AREA - AC (STATE PLANNING), REDEVELOPABLE LAND AREA - ST (STATE PLANNING), PARCEL AREA - AC (STATE PLANNING), REDEVELOPABLE LAND AREA - AC (STATE PLANNING), DIRECTABLE LAND AREA - AC (STATE PLANNING), REASON FOR REMOVAL / COMMENTS.



HARBOR CONSULTANTS
 ENGINEERS, SURVEYORS, ARCHITECTS & PLANNERS
 2000 MARINE AVENUE
 SCOTCH PLAINS, NJ 07076
 TEL (908) 298-2753 FAX (908) 709-1139

BLK	LOT	ADDITIONAL LOTS (MO/PL)	PROPERTY CLASS	ADDRESS	OWNER NAME	OWNER ADDRESS	OWNER ADDRESS CITY STATE	OWNER ADDRESS ZIP CODE	BUILDING DISCR (MO/PL)	LAND DISCR (MO/PL)	CALCULATING OF AREA AC (MO/PL)	FACILITY NAME (MO/PL)	PARCEL AREA - SF (STATE PLANE PROJ.)	PARCEL AREA - AC (STATE PLANE PROJ.)	DEVELOPABLE LAND AREA - AC (STATE PLANE PROJ.)	DEVELOPABLE LAND AREA - AC (STATE PLANE PROJ.)	REASON FOR REMOVAL / COMMENTS
13901	3		15C	1865 BARRAN ROAD	UNION COUNTY DEPT OF PARKS & RECREATION	PO BOX 275	ELIZABETH, NJ	07207		13 ACRES	13	PARK	62,4279,9425	14,34,303	48,569,034	1,669	ROSI property - Ash Brook Reservation
14101	1		15C	2201 MARINE AVENUE	UNION COUNTY DEPT OF PARKS & RECREATION	PO BOX 275	ELIZABETH, NJ	07207		265.35 ACRES	268.35	BIRD SANCTUARY	1,097,933,332	251,91,888	973,792	0,022	ROSI property - Ash Brook Reservation
14201	1		15C	1210 BARRAN RD	UNION COUNTY DEPT OF PARKS & RECREATION	FACUITES MGT 2 BRDWAY ST	ELIZABETH, NJ	07207			0	GOLF COURSE	13,543,028,26	310,0119	2,569,924	0,059	ROSI property - Ash Brook Reservation
14401	34		15C	1781 BARRAN ROAD	TOWNSHIP OF SCOTCH PLAINS	480 BARRAN AVE	SCOTCH PLAINS, NJ	07076	DETENTION BASIN	57.26 ACRES	57.26	W/CLAM LAND	33,679,0413	5,41,004	43,003,102	0,087	Used as a detention basin, based restricted (1918, Page 507)
14901	43		15F	1461 COOPER ROAD	KOJURY, NICHOLAS & DAVIDS, KATHLEEN	1461 COOPER ROAD	SCOTCH PLAINS, NJ	07076	1.55 F.T.UG	000.892 AC	0.892	D/5(AS)ED VETERAN	38,616,47741	0,84,619	276,177	0,006	Single Family residence
15001	44		2	1471 COOPER ROAD	ALTMAN, DONALD & BROWN, NANCY	1471 COOPER ROAD	SCOTCH PLAINS, NJ	07076		000.344 AC	0.344		42,074,3078	0,96,792	87,357	0,002	Single Family residence
15101	45		1	300 AUTUMN DRIVE	BERNICE CHASE RESISTENCE & ASSOCIATES, DENNIS & TARA MICHELLE	300 AUTUMN DRIVE	SCOTCH PLAINS, NJ	07076		1.306 ACRES	1.306		52,726,4413	1,33,532	6,641,789	0,153	Single Family residence
15201	46		2	9 AUTUMN DRIVE	BERNICE CHASE RESISTENCE & ASSOCIATES, DENNIS & TARA MICHELLE	9 AUTUMN DRIVE	SCOTCH PLAINS, NJ	07076		2.86 ACRES	0.286		86,023,3402	0,22,041	11,428	0,000	Single Family residence
15305	1		1	AUTUMN DRIVE	BERNICE CHASE RESISTENCE & ASSOCIATES, DENNIS & TARA MICHELLE	8900 BIRTTAV DR	WANNIC, NJ	07470	ROADWAY	1.02 AC	1.02		1,06,074,9035	2,43,515	133,807	0,004	Parcel is a roadway, configuration unsuitable for development.
15501	7		2	1201 BANAWAY ROAD	TONG, WENDONER, III, MICHAEL W	1201 BANAWAY ROAD	SCOTCH PLAINS, NJ	07076		001,769 AC	476		202,480,1813	4,64,832	344,480	0,008	Single Family residence
15601	9		1	1612 PROSPECT AVE	MONROU CARL AND LUSIE	1612 PROSPECT AVE	PLAINFIELD, NJ	07060		600.275	0.3788		15,099,63843	0,34,664	8,440,387	0,154	

Prepared on 1/16/2025 by:

Note: This spreadsheet was not prepared or officially released by the DCA, the DCA only provided spatial data of the land area identified as "vacant and developable" as part of the land capacity factor calculation. Our office prepared this spreadsheet of properties containing "vacant and developable" land as identified by the DCA by merging the spatial data for the "Land Capacity Analysis for P.L. 2024, C-2" released by the DCA here <https://pda.maps.arcgis.com/home/webmapviewer.html?appid=112ad6e03c5d468290859747a1910000&appid=112ad6e03c5d468290859747a1910000> for the Township as provided by the Union County Board of Taxation (see <https://tax.ecosys-4.com/pda/fig/procedure.htm>, User=cd32d3passive; data of Type=0446=2800,C_Type=2&data=032020).

FOURTH ROUND ONE GANTON CALCULATION	
Existing Region 2 Developable Land per DCA	5,326,483
Existing Region 2 Developable Land (Acres) per DCA	5,326,484
Proposed Developable Land (Acres) per DCA	0.68%
Proposed Land Capacity Factor	0.09%
Equalized Netwrs. Valuation Factor per DCA	0.61%
Income Capacity Factor per DCA	2.29%
Average Allocation Factor per DCA	1.197%
Regional Prep. Need	201,595
Existing Obligation	244
Proposed Obligation	188

TOTAL DEVELOPABLE LAND WITHIN PARCEL LINES	38,407
TOTAL DEVELOPABLE LAND OUTSIDE PARCEL LINES	0,085
TOTAL DEVELOPABLE A/R/A PER DCA REPORT	38,492
TOTAL DEVELOPABLE LAND TO BE REMOVED	31,789
TOTAL DEVELOPABLE LAND REMOVING REDUNDANT PARCELS	4,703