

# TOWN OF WESTFIELD MASTER PLAN

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## *2013 Housing Plan Element & Fair Share Plan*

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A signed and sealed copy of this Master Plan element is on file with the Planning Board Secretary and Town Clerk.

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## *2013 Housing Plan Element & Fair Share Plan*

### Table of Contents

	Page
INTRODUCTION	1
Goals & Objectives	1
HISTORICAL OVERVIEW OF WESTFIELD'S AFFORDABLE HOUSING OBLIGATION	1
Westfield's First Round Obligation & Court-approved Compliance Plan	1
Second Round Obligation	2
Events after the Second Round	3
Executive Summary of Westfield's 2013 Affordable Housing Compliance Plan	4
PART 1: HOUSING PLAN ELEMENT	6
Inventory of Housing Stock	6
Demographic Characteristics	8
Characteristics of Existing & Outlook for Future Employment in Westfield	10
Projection of Present & Prospective Need for Affordable Housing	11
Consideration of Land Appropriate for the Construction of Affordable Housing	11
PART 2: FAIR SHARE PLAN	13
A. Prior Round Obligation	15
B. The Rehabilitation Obligation	19
C. Future Affordable Housing Obligation	21
D. Spending Plan	29
E. Compliance Plan Implementation	32
F. Documents in Support of Westfield's 2013 Affordable Housing Compliance Plan	33
APPENDIX Maps (Inclusionary Housing Sites)	Following page 35

## INTRODUCTION

The Municipal Land Use Law (MLUL), N.J.S.A. 40:55D-62a, requires every municipality with a zoning ordinance to have adopted a master plan containing at least a land use plan element and a housing plan element. The Fair Housing Act, N.J.S.A. 52:27D-310, requires that the housing plan element contain certain sub-elements, and regulations adopted in accordance with the Fair Housing Act, N.J.A.C. 5:94-2.1 et seq. and N.J.A.C. 5:97-2.3 et seq., further details those sub-elements, including a fair share plan.

The Town of Westfield Planning Board first adopted a Housing Plan Element & Fair Share Plan in 1990 with subsequent updates. A new Plan was adopted in 2009 and amended in February 2013. This plan represents a comprehensive revision of the amended 2009 Plan pursuant to a settlement of Mount Laurel litigation captioned Sunnyside Senior Housing v. Westfield, Docket No. Docket N. UNN-L-135-09 (the "Sunnyside Settlement"), and takes into account the current status of state rules governing the provision of affordable housing.

This plan is presented in two parts. Part 1, the Housing Plan Element, contains information on the Town's housing stock, demographics, employment characteristics, and a determination of the Town's affordable housing obligation, as required by the MLUL. Part 2, the Fair Share Plan, describes how the Town provides a realistic opportunity for the rehabilitation and construction of affordable housing consistent with the Fair Housing Act, state regulations, and sound planning principles.

### Goals & Objectives

The goal of this plan is to comply with the Mount Laurel constitutional affordable housing mandate consistent with the Town's limited ability to accommodate growth. The following objectives are intended to fulfill this important goal.

1. Obtain credit for affordable housing already established within the community in satisfaction of the Town's prior affordable housing obligation.
2. Provide a realistic opportunity for property owners to rehabilitate deficient housing located within the community.
3. Provide a realistic opportunity for the construction of new affordable housing within the community to satisfy a future affordable housing obligation based on available land capacity, in accordance with the Fair Housing Act.

## HISTORICAL OVERVIEW OF WESTFIELD'S AFFORDABLE HOUSING OBLIGATION

Pursuant to the New Jersey Fair Housing Act, adopted in 1985, the NJ Council on Affordable Housing (COAH) was established to estimate municipal affordable housing ("fair share") obligations on a periodic basis - originally every six years - then every ten years (typically referred to as "cycles" or "rounds"). The affordable housing requirement is comprised of the need for rehabilitation of substandard housing located within the community plus the municipality's fair share of the region's need for new affordable housing units.

### Westfield's First Round Obligation & Court-approved Compliance Plan

In 1986 COAH determined that the Town of Westfield had a fair share obligation ("pre-credited need") of 414 units for the first round, which covered the period from 1987 to 1993. The obligation was comprised of two components: 105 housing units in Westfield that were in need of rehabilitation (known then as

“indigenous need”) plus 309 new affordable units. Pursuant to a Judgment of Repose issued by the Superior Court Order on November 8, 1991, the Town received credit for 89 units of completed rehabilitation. In addition, the new construction component was adjusted from 309 to 51 units, referred to as the Town’s “realistic development potential” (or “RDP”) to accommodate inclusionary housing, because the Court found that there was insufficient vacant developable land (known as a “vacant land adjustment” or “VLA”). Notwithstanding the adjusted obligation requiring provision for 51 affordable units, the Town proposed to implement, and the Court approved in the Judgment of Repose, a Compliance Plan<sup>1</sup> to address significantly more affordable housing, as outlined below.

The Court-approved Compliance Plan centered on four components. Credit for 89 units of rehabilitation already completed and a 16-unit rehabilitation program satisfied the indigenous need requirement. The 51-unit adjusted new construction obligation was to be satisfied by transferring 21 units via a Regional Contribution Agreement, the construction of 133 units of senior citizens housing (13 units in satisfaction of the 51-unit adjusted obligation), and the rezoning of two sites for new non-age-restricted inclusionary housing to produce 17 affordable units. In all, 187 new units were to be provided under the Town’s Compliance Plan.

<b>1991 COURT-APPROVED COMPLIANCE PLAN</b>	
<b>Court-adjusted First Round Fair Share Obligation</b>	<b>Affordable Units Required</b>
Rehabilitation (after 89 credits)	16
New construction – realistic development potential or “RDP” (based on developable vacant land)	51
<b>Court-approved First Round Compliance Plan</b>	<b>Affordable Units Addressed</b>
Rehabilitation Program	16
Regional Contribution Agreement	21
100% Affordable Senior Citizens Housing	133
Inclusionary Zoning:	
Tract 1 (Williams): 52 total units	10
Tract 2 (Myrtle Ave): 34 total units	7
<b>Total Affordable Units</b>	<b>187</b>

To implement the first round Compliance Plan, the Town participated in the County’s rehabilitation program to address the 16-unit rehabilitation obligation and accomplished the following: (1) a Regional Contribution Agreement transferring 21 affordable units was executed with the City of Elizabeth; (2) a senior citizens development consisting of 131 rental units<sup>2</sup> was constructed by the Westfield Senior Citizens Housing Corporation (WSCHC) on a Town-owned site; and (3) two areas in Westfield were rezoned to provide for the construction of 86 dwelling units, including a total of 17 affordable units. The Judgment granted the Town repose until November 8, 1997.

## Second Round Obligation

In 1993 COAH published “second round” fair share obligations for all New Jersey municipalities. The obligation was combined with the first round and covered the cumulative period from 1987-1999. The agency evaluated the 1990 Census and growth that took place during the preceding years and adjusted many municipal obligations, including Westfield’s, because growth levels were generally below previously predicted levels.

<sup>1</sup> A “Compliance Plan” is a Housing Plan Element and Fair Share Plan along with all implementing ordinances, resolutions and other documents required for a municipality to comply with its Mount Laurel affordable housing obligation.

<sup>2</sup> Although 133 units were originally proposed in this project, 131 units were constructed, of which 130 are affordable rental units with one unit reserved for an on-site superintendent.

COAH determined that Westfield's cumulative first and second round obligation was 143 units of rehabilitation and 139 units of new construction (as compared to the first round new construction component of 309 units). In fact, the cumulative second round new construction obligation was *significantly less* than the actual number of new affordable units (187 units displayed in the table above) approved by the Court in the first round. In publishing the cumulative obligation, COAH also acknowledged that the Town had been granted a vacant land adjustment. COAH's second round rules broke down the obligation of adjusted communities into realistic development potential and "unmet need." For Westfield, the cumulative first and second round obligation was therefore based on the RDP of 51 units and unmet need of 88 units. In any event, the Court's Judgment of Repose and the units approved therein surpassed the COAH-determined cumulative first and second round obligation (see "Executive Summary of Westfield's 2013 Affordable Housing Compliance Plan").

## **Events after the Second Round**

Although the second round ended in 1999, COAH delayed issuing third round fair share obligations so that it could evaluate the 2000 Census. The agency also considered potential methodologies for determining affordable housing goals. In 2004 COAH adopted new rules establishing the "growth share" methodology by which affordable housing obligations would be projected by the municipality and accrue in proportion to new development as certificates of occupancy are issued. As a result of court challenges filed by developers and others in early 2005, many important aspects of the rules were invalidated by the Appellate Court in a decision handed down on January 25, 2007 [In re Adoption of N.J.A.C. 5:94 and 5:95, 390 N.J. Super. 1 (App. Div. 2007)].

In response to the 2007 Appellate Court Decision, COAH adopted new regulations in 2008 establishing its own growth projections for municipalities throughout the state and higher growth share ratios. Under COAH's revised 2008 third round rules, the Town's obligation was to be comprised of three components:

1. The 139-unit prior round obligation (the combined first and second round new construction component) remained as a continuing obligation.
2. The rehabilitation share was determined by COAH to be 41 units, based on the 2000 Census.
3. The growth share obligation, calculated by COAH to be 180 affordable units (before adjustment), based on COAH's projection of growth from 2004 through 2018.

These three components were addressed by the Town of Westfield in its 2009 Housing Element & Fair Share Plan (dated April 6, 2009), which was adopted by the Westfield Planning Board on May 27, 2009. The plan proposed to: (1) address the prior round obligation with assorted credits for completed housing; (2) address the rehabilitation obligation with a local home improvement program; and (3) adjust the growth share obligation down to 90 units, based on another review of vacant land as allowed by the 2008 COAH rules, and satisfy the reduced obligation with completed housing for individuals with special needs and senior citizens, and inclusionary zoning. The plan was submitted to the Superior Court in connection with Mount Laurel litigation filed in 2009 against the Town.<sup>3</sup>

## **Growth Share Methodology Invalidated**

On October 8, 2010, the Appellate Division invalidated important aspects of COAH's revised third round rules [In re N.J.A.C. 5:96 & 5:97, 416 N.J. Super. 462 (App. Div. 2010)]. In particular, the Appellate Division invalidated the growth share methodology and implementing rules. That decision is now on appeal before the New Jersey Supreme Court, which heard argument on November 14, 2012. There is no way of predicting when the Court will issue a decision or what the decision will be, but it is anticipated that some revised approach to municipal fair share compliance will ultimately result. Accordingly, the growth share component of the Town's affordable housing obligation may ultimately be modified or eliminated entirely.

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<sup>3</sup> Sunnyside Senior Housing of Westfield v. Westfield, Docket No. UNN-L-135-09.

Since 2009 the New Jersey Legislature has considered various bills designed to overhaul the municipal “fair share” approach, although no solution has yet been enacted. An Administration reorganization plan abolished COAH and transferred its staff to the Department of Community Affairs to administer the Fair Housing Act. The reorganization plan was challenged and invalidated [In re Plan for the Abolition of the Council on Affordable Housing, 424 N.J. Super. 410 (App. Div. 2012)]. That decision is now on appeal before the New Jersey Supreme Court, which heard argument on January 28, 2013.

## **Executive Summary of Westfield’s 2013 Affordable Housing Compliance Plan**

The 2009 Housing Plan Element & Fair Share Plan was amended on February 4, 2013, after and in accordance with the Sunnyside Settlement, to include the plaintiff’s property (the “Sunnyside property”) as an inclusionary housing site. The 2009 Housing Plan Element & Fair Share Plan and the 2013 Amendment were reviewed by a Court-appointed Special Master for compliance with affordable housing requirements. The Special Master recommended revisions to the Town’s 2009 Plan to include an update to reflect the 2010 Census and, since third round affordable housing rules and legislation are in a state of flux, an update of the compliance plan and crediting of affordable housing to address the prior round obligation. Affordable housing units in excess of those needed to satisfy the prior round will be available to satisfy a future (as yet undetermined) affordable housing obligation. This 2013 Housing Plan Element & Fair Share Plan is structured, in accordance with the Sunnyside Settlement and the Special Master’s recommendations, to address the affordable housing obligation as follows:

1. **Prior Round Obligation:** Since Westfield is a developed community, the Court-approved first round vacant land adjustment remains valid. In 1991, the Court established that Westfield’s realistic development potential (“RDP”) was 51 units. The entire prior round (cumulative first and second round) obligation, which was determined by COAH to be 139 units (the 51-unit RDP and 88 units of “unmet need”), is satisfied with credits for housing that has been established for individuals with special needs, the regional contribution agreement completed in 1994, senior citizens housing completed in 1995, and applicable rental bonuses.
2. **Rehabilitation:** A plan to address the need for the rehabilitation of 41 substandard units in Westfield will be continued in this 2013 Plan.
3. **Credits to Address a Future Obligation:** Any future obligation should take into account the fact that the Town is virtually fully developed. To satisfy a future obligation, this plan describes a variety of existing and planned affordable housing, totaling 93 units, including:
  - Housing for Individuals with special needs and permanent supportive housing;
  - Senior citizens housing (surplus Westfield Senior Citizens Housing credits);
  - Inclusionary zoning for prior round sites not yet developed;
  - Rezoning for inclusionary housing as part of future transit-oriented development; and
  - Rezoning for inclusionary housing to implement the Sunnyside Settlement.

The table below provides a general overview of the allocation of units/credits (not including rehabilitation) to the prior round and future affordable housing obligation. Part 2 of this plan contains a description of each individual project, and tables displaying all credits allocated to the prior round and future obligation.

<b>OVERVIEW OF UNITS AND CREDITS ADDRESSING WESTFIELD'S AFFORDABLE HOUSING OBLIGATIONS</b>			
<b>Type of Project</b>	<b>Units/Credits Addressing Prior Round 139-unit Affordable Housing Obligation</b>		<b>Units/Credits "Banked" for Future Affordable Housing Obligation</b>
	<b>Realistic Development Potential – RDP: 51 Units</b>	<b>Unmet Need: 88 Units</b>	
Special Needs and Permanent Supportive Housing Prior Round Rental Bonus	10 6		10
Regional Contribution Agreement w/ City of Elizabeth	21		
Westfield Senior Citizens (Court-approved first round plan - 130 affordable units) Prior Round Rental Bonus	12 2	88	30
Inclusionary zoning: <ul style="list-style-type: none"> <li>• Court-approved first round plan inclusionary sites (15 units)</li> <li>• Transit-oriented development (34 units)</li> <li>• Sunnyside property (4 units)</li> </ul>			53
<b>Subtotal Units/Credits</b>	<b>139</b>		<b>93</b>
<b>TOTAL UNITS/CREDITS</b>	<b>232</b>		

## **PART 1:**

### **HOUSING PLAN ELEMENT**

A municipal master plan's housing plan element must contain information on the municipality's housing stock, demographics, and employment characteristics. The sections below present data based on the 2010 Census, largely taken from the American Community Survey, which is available on the United States Census Bureau's website.

#### **Inventory of Housing Stock**

##### **Housing Types & Occupancy Characteristics**

The American Community Survey indicates that there are a total of 10,554 housing units in the Town of Westfield. There were 8,229 detached single-family residential units, comprising 78% of total housing stock and 2,325 attached single-family and multifamily dwellings, representing 22% of the housing stock. The following table displays the types of housing available in the Town in 2010.

<b>HOUSING TYPES: 2010</b>		
<b>Units in Structure</b>	<b>Number</b>	<b>Percent</b>
<b>Single Family</b>		
1 Unit, Detached	8,229	78.0
1 Unit, Attached	344	3.3
<b>Multi-Family</b>		
2 Units	678	6.4
3-4 Units	427	4.0
5-9 Units	208	2.0
10-19 Units	164	1.6
20-49 Units	461	4.4
Mobile Home	43	0.4
<b>Other</b>		
Boat, RV, Van, etc.	0	0.00
<b>Total</b>	<b>10,554</b>	<b>100.00</b>

Source: US Census Bureau, American Community Survey, DP04 5-yr. estimates. Percentages may not sum exactly 100% due to rounding.

According to the American Community Survey, 10,090 units (95.6%) in the Town were occupied at the time of the census, while the remaining 464 housing units (4.4%) were vacant. Amongst occupied housing units, 8,172 (81%) were owner-occupied and 1,918 (19%) were renter-occupied.

##### **Age of Housing**

The age of residential structures in Westfield reflects the character of an older community, with most development occurring during the early settlement of the Town, the housing expansion of the post-WWII years, the "baby boom" era, and growth that occurred throughout the 1960s. The American Community Survey indicates that 37.5% of Westfield's housing was constructed prior to 1940 (see table below). Only about 11.5% (1212 units) of Westfield's housing stock is less than 30 years old.

AGE OF HOUSING		
Year Built	Number	Percent
Built 2005 or later	224	2.1
Built 2000 to 2004	225	2.1
Built 1990 to 1999	250	2.4
Built 1980 to 1989	513	4.9
Built 1970 to 1979	643	6.1
Built 1960 to 1969	1,085	10.3
Built 1950 to 1959	2,719	25.8
Built 1940 to 1949	9,42	8.9
Built 1939 or earlier	3,953	37.5
<b>Total</b>	<b>10,554</b>	<b>100.0%</b>

Source: US Census Bureau, American Community Survey, DP04 5-yr estimates. Percentages may not sum exactly 100% due to rounding.

### Housing Values

The American Community Survey reports that based on the 2010 Census, the median owner-occupied housing unit value in Westfield was \$649,800. Median gross rent for renter-occupied housing units in Westfield was \$1,425 in 2010. The following tables display housing values and rents.

VALUES OF OWNER-OCCUPIED HOUSING UNITS: 2010		
Value	Number	Percent
Less than \$50,000	25	0.3
\$50,000 to \$99,999	57	0.7
\$100,000 to \$149,999	18	0.2
\$150,000 to \$199,999	105	1.3
\$200,000 to \$299,999	272	3.3
\$300,000 to \$499,000	1,750	21.4
\$500,000 to \$999,000	4,801	58.7
\$1,000,000 or more	1,144	14.0
<b>Total Units</b>	<b>8,172</b>	<b>100.0</b>
<b>Median Owner-occupied Home Value: \$649,800</b>		

Source: US Census Bureau, American Community Survey, DP04 5-yr estimates. Percentages may not sum exactly 100% due to rounding.

MONTHLY RENTS OF RENTER-OCCUPIED HOUSING UNITS: 2010		
Gross Rent	Number	Percent
Less than \$200	13	0.7
\$200 to \$299	19	1.0
\$300 to \$499	103	5.7
\$500 to \$749	55	3.0
\$750 to \$999	249	13.7
\$1,000 to \$1,499	580	32.0
\$1,500 or more	795	43.8
No Rent Paid	104	n/a
<b>Total Units Paying Rent</b>	<b>1,814</b>	<b>100.0</b>
<b>Median Rent: \$1,425</b>		

Source: US Census Bureau, American Community Survey, DP04 5-yr estimates. Percentages may not sum exactly 100% due to rounding.

## **Condition of Housing & Substandard Dwellings in Need of Rehabilitation**

Generally, the condition of housing in Westfield is excellent. However, the US Census reveals that a small number of dwelling units exhibit indicators of housing deficiency, such as the overcrowding of older units and units lacking complete plumbing or kitchen facilities. According to the municipal level data contained in Appendix B of COAH's 2007 rules,<sup>4</sup> in 2000 there were 19 overcrowded dwelling units built before 1950; 16 dwelling units lacked complete plumbing facilities, and 23 units had incomplete kitchens. COAH determined at that time that there were a total of 41 units in Westfield in need of rehabilitation. This is the number of units addressed by the Town in Part 2 of this plan.

## **Number of Existing Affordable Housing Units in Westfield**

There are two 100% affordable housing developments in Westfield, which are subject to affordability controls. Westfield Senior Citizens Housing Corporation (WSCHC) developed its first project, comprised of 172 units, in 1977. In implementing the first round Court-approved compliance plan, the Town supported WSCHC in the construction of an additional 131 units (130 of which are affordable rentals), which was completed in 1995. In addition, as described in detail in Part 2 of this plan, there are a number of organizations providing Special Needs Housing serving 20 individuals in Westfield, all of which is affordable housing.

## **Demographic Characteristics**

### **Population Trends**

According to the US Census Bureau, Westfield's population saw a slight increase over the 1990's, rising from 28,870 in 1990 to 29,644 by the year 2000. Since 2000, the Census Bureau indicates the Town's population increased by approximately 2.3%. The increase is the second consecutive increase in Westfield's population since the declines reported in 1980 and 1990 as displayed in the table below.

<b>POPULATION GROWTH: 1930-2010</b>			
<b>Year</b>	<b>Population</b>	<b>Numerical Change</b>	<b>Percent Change</b>
1930	15,801		
1940	18,458	2,657	16.8
1950	21,243	2,785	15.1
1960	31,447	10,204	48.0
1970	33,720	2,273	7.2
1980	30,447	-3,273	-9.7
1990	28,870	-1,577	-5.2
2000	29,644	744	2.7
2010	30,316	672	2.3

Source: US Census Bureau. Percentages may not sum exactly 100% due to rounding.

### **Household Size & Type**

According to the American Community Survey, the average household size in Westfield is now 2.93 persons, while the average family size is 3.39 persons. Household size has increased in Westfield since 2000 (see table below). The declines of prior decades attributed to aging of the population, lower fertility rates, later marriages, and increasing divorce rates appear to have come to an end.

<sup>4</sup> Appendix B, Council on Affordable Housing, Rehabilitation Share Methodology; December 10, 2007; page 124.

HOUSEHOLD SIZE: 1960-2010		
Year	Total Population	Persons per Household
1960	31,447	3.55
1970	33,720	3.42
1980	30,447	2.95
1990	28,870	2.78
2000	29,644	2.77
2010	30,316	2.93

Source: US Census Bureau

### Population Age Characteristics

Westfield's 2010 population as reported by the US Census Bureau was 30,316 persons. The median age is 41. The male population was 14,584 while the female population was 15,732. Age data for males and females for the Town of Westfield appear below.

AGE CHARACTERISTICS: MALES/FEMALES: 2010						
	Male		Female		Total	
	Number	Percent	Number	Percent	Number	Percent
Under 5 years	1,007	6.9	1,006	6.4	2,013	6.6
5 to 19 years	3,957	27.1	3,631	23.1	7,588	25.0
20 to 29 years	919	6.3	939	6.0	1,858	6.1
30 to 49 years	4,133	28.3	4,645	30.0	8,778	30.0
50 to 64 years	2,978	20.4	3,136	20.0	6,114	20.2
65 years and older	1,590	10.9	2,375	15.1	3,965	13.1
<b>Total</b>	<b>14,584</b>	<b>100.0</b>	<b>15,732</b>	<b>100.0</b>	<b>30,316</b>	<b>100.0</b>

Source: 2010 US Census. Percentages may not sum exactly 100% due to rounding.

### Income Levels

Income levels are displayed in the table below. Median household income reported for 10,121 Westfield households for 2010 was \$127,799 while median family income was \$150,797.

2010 HOUSEHOLD INCOME AND BENEFITS		
Income	Number	Percent
Less than \$10,000	204	2.0
\$10,000 to \$14,999	135	1.3
\$15,000 to \$24,999	326	3.2
\$25,000 to \$34,999	491	4.9
\$35,000 to \$49,999	550	5.4
\$50,000 to \$74,999	1,035	10.2
\$75,000 to \$99,999	1,179	11.6
\$100,000 to \$149,999	1,977	19.5
\$150,000 to \$199,999	1,139	11.3
\$200,000 or more	3,085	30.5
<b>Total Households</b>	<b>10,121</b>	<b>100.0</b>

Source: US Census Bureau, American Community Survey, DP03 5-yr estimates. Percentages may not sum exactly 100% due to rounding.

Median income for full-time, year-round male workers was \$111,762 while \$71,217 for full-time, year-round female workers (although not necessarily engaged in the same types of employment). Per capita income was \$63,498.

## **Employment Characteristics of Westfield Residents**

Westfield residents primarily work in the private sector. The tables below display information relative to employment by occupation and by industry. All data reflects information on employed residents who were 16 years of age or older at the time of the 2010 Census.

The Census Bureau reports that the mean travel time to work was 33.5 minutes, suggesting that the majority of residents work outside the community. Out of 13,381 residents reporting on commuting patterns, 1,956 residents reported using public transportation to commute, while the vast majority, 9,547 residents, reported driving to work alone in a motor vehicle. Seven hundred and eighty-six residents reported working at home.

<b>OCCUPATIONS OF WESTFIELD RESIDENTS: 2010</b>		
<b>Occupation</b>	<b>Number</b>	<b>Percent</b>
Management, business, science, and arts occupations	7,847	57.0
Service occupations	1,257	9.1
Sales and office occupations	3,591	26.1
Natural resources, construction, and maintenance occupations	415	3.0
Production, transportation, and material moving occupations	662	4.8
<b>Total</b>	<b>13,772</b>	<b>100.0</b>

Source: US Census Bureau, American Community Survey, DP03 5-yr estimates. Percentages may not sum exactly 100% due to rounding.

<b>EMPLOYMENT OF WESTFIELD RESIDENTS BY INDUSTRY: 2010</b>		
<b>Industry</b>	<b>Number</b>	<b>Percent</b>
Agriculture, forestry, fisheries, hunting, mining	0	0
Construction	598	4.3
Manufacturing	1,347	9.8
Wholesale trade	421	3.1
Retail trade	1,282	9.3
Transportation, warehousing, utilities	407	3.0
Information	469	3.4
Finance, insurance, and real estate	2,333	16.9
Professional, scientific, management, administrative, waste management services	2,322	16.9
Educational services, health, social assistance	2,771	20.1
Arts, entertainment, recreation, food services	781	5.7
Other services, except public administration	406	2.9
Public administration	635	4.6
<b>Total</b>	<b>13,772</b>	<b>100.0</b>

Source: US Census Bureau, American Community Survey, DP03 5-yr estimates. Percentages may not sum exactly 100% due to rounding.

## **Characteristics of Existing & Outlook for Future Employment in Westfield**

From a land use planning perspective, there is no significant new development potential in areas of the Town zoned for nonresidential purposes. The 2009 Housing Element & Fair Share Plan contained data on employment trends, which is displayed in the table below. The information was obtained from the NJ Department of Labor, which reported the number of jobs covered by unemployment compensation. The table clearly displays a declining trend of employment in Westfield for three years in a row: 2004, 2005, and 2006, despite a strong national economy during that period, with a very slight increase in 2007. Overall, employment was 13.4% less in 2007 compared to 2004. The four-year period of rising

unemployment evident through 2007 was followed by a severe nationwide recession and financial crisis in 2008-09. The nation and state have endured an economic slowdown since then with high unemployment – most often higher in New Jersey than the nation as a whole. The labor market is likely to experience difficulties throughout 2013, if not longer.

<b>EMPLOYMENT TREND</b>				
<b>(Jobs Covered by Unemployment Insurance)</b>				
<b>Covered Employment</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Total Annual Average Covered Employment	11,172	9,734	9,335	9,668
Annual Average Private Sector Employment	9,583	8,134	7,706	8,034
Annual Average Federal Gov't Employment	119	108	102	101
Annual Average Local/State Gov't Employment	1470	1492	1,527	1,533

Source: The above data was obtained from the NJ Department of Labor website in 2009.

### **Projection of Present & Prospective Need for Affordable Housing**

The Fair Housing Act requires that there be a determination of the municipality's present and prospective affordable housing need in the housing plan element. COAH determined the present need, or rehabilitation share, for all communities when it developed its third round rules. Westfield's rehabilitation share was determined to be 41 units. This is the number of units addressed in Part 2, the 2013 Fair Share Plan.

COAH's growth share rules have been invalidated and no new rules are anticipated to be enacted prior to the adoption of this Plan. Part 2 of this Plan, provides details about the completed and proposed affordable housing that should be applied to the prior obligation and "banked" for future credit when new rules become effective. After allocating 139 units/credits to satisfy the prior round obligation, 94 units will be available to address any future obligation.

### **Consideration of Land Appropriate for the Construction of Affordable Housing**

The Fair Housing Act also requires the Town to consider land that is most appropriate for the construction of low and moderate income housing. Since Westfield is a developed community, no realistic opportunities exist for conventional large-scale inclusionary development. When the first round Court-appointed Special Master reviewed the Town's vacant land inventory over twenty years ago, he concluded that only five vacant parcels were of sufficient size to be suitable for inclusionary housing. The Master's analysis led to the establishment of the Town's realistic development potential of 51 units in the first COAH cycle.

Currently, most of the remaining vacant lots in Town are very small parcels ranging from about 2/10<sup>ths</sup> to 2/3<sup>rd</sup>s of an acre, some of which are bisected by streams or have environmental constraints, are encumbered by easements, are very irregularly shaped, or are landlocked. For these reasons, the Town's compliance plan should involve mechanisms that provide a realistic opportunity for new affordable housing in a manner appropriate to the developed character of the community. This objective can largely be achieved by enacting zoning to encourage the re-use of land along the mass-transit corridor for residential development, including a substantial percentage of affordable housing. The Fair Share Plan also includes the designation of a site known as the Sunnyside property for inclusionary housing, in accordance with the Sunnyside Settlement, and the retention of zoning for inclusionary sites that were approved by the Superior Court during the first COAH cycle, but have not yet been developed.

### **Westfield's State Plan Designation**

In 2001 the State Planning Commission adopted the *New Jersey State Development & Redevelopment Plan*, which designated the entire Town of Westfield within Planning Area 1 (PA-1), the Metropolitan Planning Area. PA-1 areas included a variety of community types ranging from densely populated urban centers to 19<sup>th</sup> Century towns shaped by commuter rail and post-WWII suburbs. Historically, these areas have received significant public investments in infrastructure, including streets and highways, schools and other public institutions, and public water and waste disposal systems.

A new state plan, the final draft of which is entitled *The State Strategic Plan*, is being considered for adoption by the State Planning Commission. The new plan will not designate planning areas in the same manner as in 2001. Instead, the plan proposes the designation of targeted "investment" areas ranging from growth areas to preservation areas to guide state investments and policy decisions. The Town of Westfield is located within a densely developed region of the state, and is served by public water and sewer systems and mass transit systems (both rail and bus lines). It is anticipated that the Town will be included in a priority growth investment area, if the new State Plan is adopted as proposed, and that the development of new inclusionary housing, particularly on the TOD sites, will be consistent with state planning policies.

## **PART 2: FAIR SHARE PLAN**

This Fair Share Plan describes the projects and programs that satisfy the Town's prior round obligation, its rehabilitation requirement, and the housing units that should be applied to any future housing obligation. The plan is organized in several subparts, numbered A through F covering the topics listed below.

- A. Subpart A describes how the plan satisfies the **prior round obligation**.
- B. Subpart B describes how the plan will address the **rehabilitation obligation**.
- C. Subpart C describes the projects and credits available to apply to any **future obligation**.
- D. Subpart D is a **Spending Plan**, which details the use of available funds dedicated to fund the Town's affordable housing program.
- E. Subpart E is a summary of the **actions required to implement the plan**.
- F. Subpart F **lists the documents** prepared in support of this plan that are on file and available for public inspection with the Town of Westfield Town Clerk and Planning Board Secretary.

The table on the following page is a composite analysis of all of the completed and planned affordable housing. In addition to addressing the need for rehabilitation, the Town will have provided a total of 224 affordable units, the majority of which are rental units. Together with eight prior round rental bonus credits, this plan addresses a total of **232 total units/credits**. This more than satisfies the **139-unit prior round obligation**, with **93 surplus units** available to apply to any future obligation. Maps displaying inclusionary housing sites are included in the Appendix at the end of this plan.

<b>COMPOSITE ANALYSIS OF COMPLETED AND PROPOSED AFFORDABLE HOUSING IN THE TOWN OF WESTFIELD</b>					
<b>Project, Date Established, and Location</b>	<b>Affordable Units</b>	<b>Rental Housing</b>	<b>Population Served</b>	<b>Prior Round Rental Bonus</b>	<b>Status</b>
<b>Special Needs and Permanent Supportive Housing<sup>1</sup></b>					
ARC - 1982 478 Whittier (Poet's Place)	4 (BR)	Yes	Develop. Disabled		Operational
ARC - 1989 56 Mohawk Trail	4 (BR)	Yes	Develop. Disabled	4	Operational
Our House - 2001 506 Boulevard	6 (BR)	Yes	Develop. Disabled	2	Operational
Homefirst Interfaith Housing - 2009 550 Trinity Place	2	Yes	Homeless Disabled		Operational
Homefirst Interfaith Housing - 2010 706 Central Avenue	2	Yes	Homeless Disabled		Operational
Homefirst Interfaith Housing - 2011 710 Central Avenue	2	Yes	Homeless Disabled		Operational
<b>Regional Contribution Agreement</b>					
RCA with the City of Elizabeth - 1993	21		n/a		Completed
<b>Senior Citizens Housing</b>					
Westfield Senior Citizens – 1995 131 total units/130 affordable units	130	Yes	Seniors	2	Developed
<b>Inclusionary Zoning</b>					
Court-approved Prospect Avenue Property: 1989 Master's Report "Site 1" (Payment in lieu of affordable units)	n/a	n/a	n/a		Developed
Court-approved Prospect Avenue Property: 1989 Master's Report "Site 10" (Town-owned land sold to generate funds for Elizabeth RCA) <sup>2</sup>	n/a	n/a	n/a		Developed
Court-approved First Round Inclusionary Zoning: Williams Property	10	No	Families		Zoned; not built
Court-approved First Round Inclusionary Zoning: Myrtle Avenue	5	No	Families		Zoned; not built
Inclusionary Zoning for Transit-oriented Development Sites (TOD)	34 <sup>3</sup>	Optional	Families		Proposed
Inclusionary Zoning for Sunnyside (Settlement) Property	4	Yes	Families		Proposed
<b>SUBTOTAL</b>	<b>224</b>			<b>8</b>	
<b>TOTAL UNITS &amp; CREDITS</b>	<b>232</b>				

1. Special Needs and Permanent Supportive Housing are considered rental housing that serves very low income individuals or families. The unit of credit for Special Needs Housing is the bedroom (denoted as "BR") in this table. Permanent Supportive Housing is credited by the unit.
2. This property was comprised of conforming building lots owned by the Town of Westfield. The lots were sold to private individuals to generate funds to finance the cost of the RCA with the City of Elizabeth. Although not an "inclusionary" site in the traditional sense, it is listed in this table because its sale generated revenue for the Town to finance the RCA.
3. The number of affordable units on the TOD sites would increase to 36 (234 total) units/credits under the rental option.

## A. Prior Round Obligation

The 139-unit prior round obligation is comprised of the Court-approved 51-unit RDP and 88 units of “unmet need.”

### Calculation of the 51-unit RDP

In his review of the 2009 Housing Element & Fair Share Plan, the Special Master requested additional information concerning the analysis of the Town’s realistic development potential in the first round and the disposition of those properties. The 51-unit RDP was determined in the first round based on a Special Master’s review of the Town’s vacant land inventory in 1989. Five sites were determined to be realistically developable for inclusionary housing. COAH densities were applied to each site to determine a hypothetical affordable housing setaside. In all, 51 affordable units were possible, as indicated below. Two of the sites were rezoned for inclusionary development with on-site affordable housing; two were developed with conventional subdivisions to generate funds to pay for a regional contribution agreement. The fifth site was Town-owned and was approved for the development of senior citizens housing. All five sites are included in the table on page 14.

1991 JUDGMENT OF COMPLIANCE REALISTIC DEVELOPMENT POTENTIAL (RDP) - PRIOR ROUND					
1989 Master’s Report Site No.	Area in Acres	COAH Density	Total Potential Units	Potential Affordable Units	Disposition of Site
1	3.73	6	22	4	Subdivided for residential development; developer contributed funds in lieu of 4 affordable housing as payment toward the RCA.
8	8.31	8	66	13	Originally a Town-owned site; an affordable senior citizens rental housing development was constructed in 1995.
9	4.3	8	34	7	Multiple properties @ Myrtle Ave. rezoned for inclusionary development; development application submitted in 2012 on two properties for 16-units, including 3 affordable units.
10	10.41	8	83	17	Originally Town-owned land, this area was comprised of conforming building lots, which were sold to generate funds for the RCA.
11	6.55	8	52	10	Springfield Ave. site (aka Williams Tract) containing a nursery business; rezoned for inclusionary housing. Nursery business is still operational in 2013.
<b>Realistic Development Potential</b>				<b>51</b>	

Sources: The details for this table were taken from the Master’s Report, prepared by George M. Raymond, AICP, AIA, PP; March 17, 1989. Sources for information concerning the disposition of sites include the Master’s Report and Town records.

### Overview of Prior Round Credits

The RCA with the City of Elizabeth was fulfilled and all 21 units have been allocated to address the prior round RDP. The senior citizens housing development was completed in 1995; 12 units, plus two rental bonus credits, have been allocated to the RDP.

Since the preparation of the first round compliance plan, the Town has determined that six homes serving individuals and families with special needs or disabilities (which are considered rental housing) were

established in Westfield between 1982 and 2011. Credit for ten bedrooms in three of those facilities, plus six rental bonus credits, has been applied to satisfy the RDP. The remainder will satisfy any future obligation.

The allocation of units and credits to address the prior round RDP and unmet need is displayed in the table below and described in the sections that follow. With the application of rental bonus credits allowed under COAH's prior round rules, the 51-unit RDP is fully satisfied. Unmet need is satisfied with an allocation of 88 units of the senior citizens housing development, consistent with the 1991 Judgment of Compliance. Thirty affordable senior rental units still remain available to satisfy any future obligation.

### **Rental Housing Requirement**

It is worth noting that all of the housing allocated to the prior round (RDP and unmet need), with the exception of the RCA, is rental housing, which far exceeds COAH's minimum rental housing requirements under COAH's first and second round rules. First round rules only required communities with an obligation of 125 or more to address rental housing in their compliance plans. Second round rules required all communities to address rental housing; a municipality with an adjusted obligation was required to create a realistic opportunity for the construction of rental housing for at least 25% of the realistic development potential. For Westfield, the prior round rental obligation is based on the 51-unit RDP multiplied by 25%, which equals 12.75, rounded to 13 units. COAH's third round rules [N.J.A.C. 5:97-3.11(b)1] maintained this requirement for the prior round obligation. Twenty-two (43%) of the 43 units addressing the prior round RDP are rental units. One hundred percent of the unmet need (88 units) is rental housing. See the subsection entitled "Senior Citizens Housing" on page 18 for a discussion of the limitation on age-restricted housing.

<b>AFFORDABLE HOUSING ADDRESSING THE PRIOR ROUND OBLIGATION</b>				
<b>Affordable Housing</b>	<b>Rental Housing</b>	<b>Units/Credits Addressing Prior Round Obligation (139 units)</b>		
		<b>RDP: 51 Units</b>	<b>Rental Bonus<sup>1</sup></b>	<b>Unmet Need: 88 Units</b>
Prior cycle credits - ARC Special Needs Housing established in 1982: 4 BR	Yes	4		
ARC Special Needs Housing established in 1989: 4 BR	Yes	4	4	
Our House Special Needs Housing established in 2001: 6 BR	Yes	2 <sup>2</sup>	2	
Regional Contribution Agreement executed in 1993: 21 units	n/a	21		
Senior citizens rental housing completed in 1995: 131 total units/130 affd. units	Yes	12	2	88
<b>TOTAL UNITS AND CREDITS</b>		<b>43</b>	<b>8</b>	<b>88</b>
<b>TOTAL PRIOR ROUND OBLIGATION ADDRESSED</b>		<b>51</b>		<b>88</b>

1. Rental bonuses cannot be applied to units that exceed the rental obligation (25% of RDP). For Special Needs Housing the bonus is 1 credit per bedroom, applied to 6 bedrooms that became available after 1987. The rental bonus for senior units is 0.33 credits per unit, applied to 6 units, equaling 2 bonus credits.
2. Of the 6 bedrooms in the 2001 Our House Special Needs Housing, 2 units address the prior round obligation, along with 2 rental bonus credits. The balance of 4 bedrooms will apply to any future obligation.

### **Special Needs Housing (4 Prior Cycle Credits 6 Post-1986 Credits; 6 Rental Bonus Credits)**

COAH rules provide credit toward the prior round obligation for affordable housing established after the 1980 Census and before COAH was established. These "prior cycle credits" may include Special Needs Housing developed between April 1, 1980 and December 15, 1986. Special Needs Housing established

after 1986 (“post-1986 credits”) may also satisfy a portion of the prior round obligation, and is eligible for a 1:1 rental bonus consistent with COAH’s prior round rules.

The narratives below are based on interviews conducted with the housing sponsor and describe each facility. The table below displays the Special Needs Housing (a total of 16 credits) addressing the prior round obligation. The unit of credit is the number of available bedrooms serving the eligible special needs population. The Town has requested each housing sponsor to submit an Alternative Living Arrangement Survey Form (used by COAH) to enable the Court-appointed Special Master to verify that each home is eligible for credit.

**ARC of Union County (2 Homes/8 Bedrooms):** With over six decades of experience, ARC of Union County is an experienced provider of support services to individuals with intellectual and developmental disabilities. ARC of Union County has established two facilities for adults with special needs in Westfield. None of the bedrooms in these homes is age-restricted (i.e. seniors) and both facilities serve individuals with developmental disabilities.

- 478 Whittier (Poet’s Place) is a 4-bedroom home established in 1982. It provides housing for individuals with developmental disabilities. This facility qualifies for four “prior cycle” credits, but does not qualify for a rental bonus.
- 56 Mohawk Trail is a 4-bedroom home established in 1989. According to ARC staff, this property was funded pursuant to HUD’s 811 program and serves individuals with developmental disabilities. This facility qualifies for four prior round credits and a 1:1 rental bonus equaling 4 bonus credits.

**Our House (6 Bedroom Home; 2 Bedrooms Allocated to the Prior Round):** Founded in 1980, Our House, Inc., based in Murray Hill, NJ, provides residential services to individuals with developmental disabilities. The organization operates 27 homes in Union, Essex, Somerset and Morris counties. In June 2001 Our House established a 6-bedroom group home at 506 Boulevard for adults with developmental disabilities. None of the bedrooms is age-restricted (i.e. seniors) and funding is provided by the NJ Department of Human Resources Division of Developmental Disabilities. Two of the bedrooms are allocated to the prior round obligation. The four remaining bedrooms will address any future obligation.

SPECIAL NEEDS HOUSING ADDRESSING THE PRIOR ROUND OBLIGATION								
Sponsoring Organization	Date Established	Facility Address	Population Served	Age Restriction (Seniors)	# of Bedrooms (BR)	# Bedrooms Allocated to Prior Round	Rental Bonus	Total Credits Allocated to Prior Round
ARC of Union Co.	1982	478 Whittier (Poet’s Place)	Devel. Disabled	No	4 (BR)	4 (BR)	n/a	4
ARC of Union Co.	1989	56 Mohawk Trail	Devel. Disabled	No	4 (BR)	4 (BR)	4	8
Our House, Inc.	2001	506 Boulevard	Devel. Disabled	No	6 (BR)	2 (BR) <sup>1</sup>	2	4
<b>SPECIAL NEEDS HOUSING APPLIED TO THE PRIOR ROUND OBLIGATION</b>								<b>16</b>

1. Two of the 6 bedrooms in the Our House property are allocated to the prior round obligation. The remaining 4 bedrooms apply to any future affordable housing obligation.

**Regional Contribution Agreement (21 Units)**

Pursuant to the 1991 Judgment of Compliance, the Town of Westfield entered into an agreement with the City of Elizabeth to transfer 21 affordable units at a cost of \$17,000 per unit. All 21 units are allocated to address the prior round obligation.

In 1991 the Court allowed the 21-unit RCA on the basis of the Special Master's 1989 review of developable land in the Town. Of the five "RDP" sites listed in the table on page 15, sites #1 and #10 were determined to produce a total of 21 affordable units based on a hypothetical density of 8 units/acre. Site #1 was later developed with a conventional subdivision and a payment in lieu of four units of on-site affordable housing was made to the Town to defray the cost of the RCA. Site #10, owned by the Town, was comprised of conforming building lots that were sold off to generate funds to pay for the RCA.

COAH approved the proposed RCA with the City of Elizabeth on August 4, 1993 and a contract was executed on October 29, 1993. Special Ordinance No. 1865, adopted on November 10, 1992 provided bond financing for the RCA. The funds were transferred in two payments on March 8, 1994 and September 17, 1994.

### **Senior Citizens Housing** **(12 Rental Units & 2 Rental Bonuses)**

The 131-unit Westfield Senior Citizens development was constructed in 1995. The project is monitored by the New Jersey Housing & Mortgage Finance Agency (NJHMFA) for compliance with its Low Income Housing Tax Credit Program, ensuring that affordability controls are in place. One unit in the project is occupied by a superintendent; 130 affordable units are rented to low or moderate income senior citizens. Since this 2013 plan allocates Special Needs Housing and rental bonuses to the prior round obligation, twelve units in the senior citizens project are needed to address the 51-unit RDP portion of the prior round obligation.

Based on the adjusted first round obligation of 51 units, the number of units that could be age-restricted in 1991 was set by the Court based upon the Special Master's recommendations. COAH's first round age-restricted housing limit was 11 units based on the formula established in COAH's initial rules: 25% of the fair share obligation after credits and adjustments, minus units transferred in a RCA. The 51-unit RDP plus the 16-unit rehabilitation obligation, minus the 21-unit RCA equals 46 units; 25% of 46 equals 11 age-restricted units. In 1991, consistent with the Special Master's recommendation, the Court specifically permitted 13 senior units to address the 51-unit RDP because the Court determined that there was a significant public benefit derived from the Town's support for the construction of a 100% affordable senior citizens project. Westfield, acting in accordance with the Court Judgment, completed the senior project in 1995. This facility has been operational since that time, occupied by low and moderate senior citizens. After the 1991 Judgment, COAH enacted a series of rule changes regarding the formula for calculating the limit on senior housing.<sup>5</sup>

Since the 1991 Court Judgment specifically approved credit for the senior citizen housing development, and acknowledged that the number of senior units exceeded COAH's (first round) limitation, the revised formulas in subsequent COAH rules limiting senior housing credits do not apply to Westfield's prior round obligation (see also the section below regarding unmet need for a continued discussion of the Court's approval of this project). In the words of the Court Judgment:

*"With respect to the issue of the unusually large number of senior citizens units provided in the plan, it is clear from the report of the master that if the site intended for senior citizen housing development was developed with inclusionary zoning, only thirteen (13) units of low or moderate*

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<sup>5</sup> COAH's second round rules stipulated that the limitation on age-restricted housing for the prior round obligation would be based on a revised formula for communities receiving a vacant land adjustment and transferring units via a RCA. The revised formula eliminated the rehabilitation obligation from the calculation such that age-restricted housing would be limited to 25% of the RDP, less units transferred via a RCA, less any first round age-restricted units. The revised rule would have limited the number of age-restricted housing to seven units ( $51 \text{ RDP} - 21 \text{ RCA} \times 25\% = 7.5$  rounded down to 7). COAH's third round rules also stipulated that the prior round obligation (the cumulative first and second round obligation) limit on age-restricted housing would be 25% of RDP, less units transferred in a RCA. The rule further stipulated that unmet need would also be limited to 25% *unless* a greater number of age-restricted units were included in a municipality's prior round certification or judgment and were approved or constructed [N.J.A.C. 5:97-5.3(b)6]. Westfield's senior housing project was included in the first round plan and approved by the Court despite COAH limitations in effect at that time.

*income housing would be produced. It is therefore the finding of this Court that it is far more beneficial for the Town of Westfield to produce one hundred thirty-three (133) units of senior citizen housing, all of which are rental units, than for the Town of Westfield to develop only thirteen (13) units of affordable housing for persons of mixed age group. Even though such development may not meet the guidelines of the New Jersey Council on Affordable Housing relating to the amount of senior citizen housing which may be used to satisfy a municipality's precredited need, this is nonetheless a better way in the Court's opinion to develop this property.*" (MacGeneral Contractors, Inc. et als. v. Town of Westfield; Docket No. L-079398-87-P.W.; Order and Final Judgment of Repose and Compliance; November 8, 1991; page 14).

**Rental Bonus:** Completed affordable rental housing addressing the prior round obligation is eligible for a rental bonus. Senior citizens housing is limited, however, to a bonus of 0.33 credits per unit, for up to 50% of the prior round rental obligation. The prior round rental obligation was based on the formula: 51-unit RDP x 25% = 12.75 or 13 units. The senior rental bonus is limited to half of the rental requirement, or 6 units. Therefore the rental bonus is calculated on the basis of 6 senior units x 0.33 or 2 bonus credits, which are allocated to the prior round obligation.

### **Prior Round Unmet Need (88 Senior Citizens Units)**

Based on the 51-unit RDP, unmet need equals 88 units. The concept of "unmet need" in connection with vacant land adjustments did not appear in COAH rules or practice until the second round rules adopted in 1994. The 1991 Judgment acknowledged, however, that Westfield's compliance plan exceeded the 51-unit RDP by a very wide margin (187 new units were proposed) and, despite the fact that a large number of affordable senior citizens units were proposed, the Court specifically allowed credit for all of the senior units to apply to the first round obligation's pre-credited need (see language from the 1991 Court Judgment above). Similarly, in its third round rules, COAH recognized that it was appropriate to allow credit without limitation for senior housing completed in the prior round to address unmet need.<sup>6</sup> Therefore, 88 units of the Westfield Senior Citizens development completed in 1995 are allocated to the prior round unmet need. Thirty units remain available for credit toward any future obligation.

## **B. The Rehabilitation Obligation**

The Fair Housing Act of 1985 established that every community must address the indigenous need (rehabilitation) component of its affordable housing obligation. Communities may address the obligation either by providing new units or by conducting a local rehabilitation program providing funds for home improvements. The purpose of the rehabilitation program is to facilitate the renovation of deficient housing units in the community that are occupied by low and moderate income households.

### **Rehabilitation Program Requirements**

Rehabilitation programs must satisfy a number of requirements, summarized below, in order to receive credit for affordable housing purposes. For complete details on these requirements, see N.J.A.C. 5:97-6.1 and 6.2.

1. **Minimum Average per Unit Cost of \$10,000:** The amount expended on the "hard costs" of physical repairs must average at least \$10,000 per unit. Administrative costs required to conduct the program are over and above the hard costs allocated to repairs, and if funded from an affordable housing trust fund, the administrative expense is limited by the amounts prescribed in the community's "Spending Plan" consistent with state regulations (funds expended on administration cannot exceed 20% of the revenue in a trust fund).

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<sup>6</sup> N.J.A.C. 5:97-5.3(b)6 stipulated that completed age-restricted units could satisfy the prior round unmet need without regard to the normal limitation (25%) on age-restricted housing.

2. Repairs Must Include a Major System: Repairs to deficient units must include the rehabilitation of a major system. Examples include roof or structural repairs, heating, electrical and plumbing systems. Each housing unit participating in a rehabilitation program must be brought up to code standard [the New Jersey State Housing Code (N.J.A.C. 5:28)].
3. Eligible Applicants: Applicant and/or tenant households must be certified to be income-eligible (i.e. having a total household income of less than 80% of median) pursuant to the state's Uniform Housing Affordability Controls (UHAC), except that owner-occupants are exempt from the asset limit.
4. Owner-occupied and Rental Units are Eligible: All rehabilitation programs must be structured to enable income-eligible owner-occupants and owners of rental properties to apply for program funding, subject to the affordability controls described below.
5. Affordability Controls: All units must comply with the following controls on affordability:
  - a. Owner-occupied units: Affordability controls, in the form of a lien recorded with the County Clerk shall be imposed for a minimum of 10 years. If an owner-occupied unit is sold prior to the expiration of controls, at least part of the loan must be recaptured and used to rehabilitate another unit, unless the dwelling is sold to an income-eligible household at an affordable price.
  - b. Renter-occupied units: Affordability controls, in the form of a deed restriction, which may also include a lien filed with the County Clerk, shall be imposed for a minimum of 10 years. If vacant, the initial tenant after rehabilitation (and all subsequent tenants during the control period) must be a certified low or moderate income household. If the unit is occupied, prior to and upon completion of the rehabilitation, the maximum rent must be set at the lesser of the current rent or the maximum allowable rent pursuant to UHAC rules. Restricted rental rates are permitted to be increased annually in accordance with UHAC rules.
6. Funding Terms: Rehabilitation funds may be structured as low interest or forgivable loans or grants. Leveraging of private financing is encouraged if the result is low interest loans that encourage rehabilitation.
7. Administration: A source of funding for the program must be documented and a schedule illustrating how the rehabilitation will be completed must be developed. An experienced administrative agent must be selected or appointed to conduct the program in accordance with a program manual and detailed procedures consistent with N.J.A.C. 5:97-6.2.
8. Participation in County Programs: COAH rules contemplate the possibility that rehabilitation programs operated by county governments in New Jersey could provide a viable means for communities to satisfy their rehabilitation needs. If a county program complies with COAH's program requirements (summarized above), the community may fulfill the rehabilitation obligation through its participation in a county-sponsored program. Some county programs do not, however, fund rental rehabilitation other than owner-occupied two-family dwellings, which contain a rental unit. In these cases, COAH rules permit the municipality to conduct an adjunct program to facilitate rental rehabilitation.

### **Participation in the Union County Home Improvement Program**

The Town of Westfield is currently an eligible community in the Union County Home Improvement Program. Westfield property owners who are income-eligible (earning less than 80% of median income) may apply for funding from the housing rehabilitation program being funded by Union County.<sup>7</sup>

The County allocates approximately \$450,000 each year to the program from its federal Community Development Block Grant (CDBG). The County's website contains a summary of the program and preliminary application form for interested applicants. The program is administered by Development Directions, LLC based in Rahway NJ, which conducts all work write-ups and inspections. Funding for

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<sup>7</sup> Income-eligible residents of communities in Union County may apply under this program unless the community in which the property is situated is already conducting and funding its own program. The communities conducting their own programs are Borough of Fanwood, City of Elizabeth, City of Linden, City of Plainfield, City of Rahway, Union Township, and Winfield Township.

rehabilitation is provided as a deferred loan and a lien is filed with the County Clerk.

Currently, the Union County program limits eligible applicants to owner-occupied one and two-family homes. Landlords of rental units are not eligible at this time, although the County did briefly offer this type of assistance in the past. Accordingly, the Town will continue its participation in the Union County program to enable eligible homeowners to receive assistance for housing rehabilitation and will conduct a local program to offer assistance to property owners of rental units in need of rehabilitation (i.e. a Rental Rehabilitation Program). The Town will undertake a marketing campaign to publicize the availability of the Union County Home Improvement Program to Westfield property owners.

To address rental rehabilitation, the Town will retain a qualified consultant to administer a Rental Rehabilitation Program to ensure that all rehabilitated units will meet the requirements outlined above. Funding under the Rental Rehabilitation Program will be structured as a loan, ensuring that funds repaid will be made available for additional rehabilitation needs in the future. If in the future, the County should decide to broaden its program eligibility to include the owners of substandard rental units, the Town will modify its program to participate fully in the County program to address all rehabilitation need (owner-occupied and rental housing).

### **Funding Available for Rehabilitation**

Based on 41 units and the average hard cost of physical repairs of \$10,000/unit, the total cost of rehabilitation is expected to equal approximately \$410,000. As of December 31, 2012, the Town had approximately \$476,000 in its Housing Trust Fund. In accordance with the Sunnyside Settlement, this money is required to be reserved to address Westfield's rehabilitation requirement at the rate of five units per year commencing in 2014 (see Subpart D, Spending Plan for more details about the Housing Trust Fund). The settlement acknowledged, however, that the Town may be able to benefit from county or state funding available for local rehabilitation. Accordingly, the Town will participate in the Union County Home Improvement Program with respect to owner-occupied housing and will conduct a local program for rental housing rehabilitation. With approximately \$476,000 on hand there is sufficient money to cover the cost of a program addressing just the need for the rehabilitation of rental units in the Town, including a negotiated fee for contracted administration

### **Monitoring Rehabilitation**

Westfield's Municipal Housing Liaison will monitor all rehabilitation (undertaken in both the County Program and the local rental rehabilitation program administered by a consultant) to determine how many units qualify for credit (i.e. the sufficiency of work undertaken and average funds expended per unit). Adjustments can be made to marketing efforts as needed to heighten program awareness. All funds repaid pursuant to the terms of loans made under the local Rental Rehabilitation Program will be returned to the Housing Trust Fund and made available for future rehabilitation needs.

## **C. Future Affordable Housing Obligation**

Of the 232 units (including rental bonuses) displayed in the composite table on page 14, 139 units have been allocated to satisfy the prior round obligation. Ninety-three additional units are available to apply to any future affordable housing obligation, as displayed in the table below. The unit of credit for special need homes is based on the number of bedrooms noted as (BR); the unit of credit for permanent supportive housing is based on the number of dwelling units in the structure. Both special needs homes and permanent supportive units are considered rental housing.

<b>AFFORDABLE HOUSING ADDRESSING THE FUTURE AFFORDABLE HOUSING OBLIGATION</b>			
<b>Affordable Housing, Date Established, and Location</b>	<b>Affordable Units</b>	<b>Rental Housing</b>	<b>Population Served</b>
<b>Special Needs and Permanent Supportive Housing</b>			
Our House - 2001 (6 BR total - 2 BRs were allocated to the prior round) 506 Boulevard	4 (BR)	Yes	Develop. Disabled
Homefirst Interfaith Housing - 2009 550 Trinity Place	2	Yes	Homeless Disabled
Homefirst Interfaith Housing - 2010 706 Central Avenue	2	Yes	Homeless Disabled
Homefirst Interfaith Housing - 2011 710 Central Avenue	2	Yes	Homeless Disabled
<b>Senior Citizens Housing</b>			
Westfield Senior Citizens Housing - 1995 (100 units allocated to prior round & unmet need)	30	Yes	Seniors
<b>Inclusionary Zoning</b>			
Court-approved First Round Inclusionary Zoning: Williams property	10	No	Families
Court-approved First Round Inclusionary Zoning: Myrtle Avenue	5	No	Families
Inclusionary Zoning for Transit-oriented Development w/ rental option	34 <sup>1</sup>	Optional	Families
Inclusionary Zoning for Sunnyside (Settlement) Property	4	Yes	Families
<b>TOTAL UNITS AVAILABLE TO SATISFY ANY FUTURE HOUSING OBLIGATION</b>	<b>93</b>		

1. The number of affordable units would increase to 36 units (95 total units) with the TOD rental option.

It is anticipated that the issue of future municipal affordable housing obligations will be settled and a new plan will be required, although no date is certain, and the amount of the obligation and terms of rules that may be enacted are unknown. The housing units described in this section should be applied to satisfy the Town's future affordable housing obligation. They include homes and permanent supportive housing established for individuals and families with special needs, credit for the surplus senior citizens housing units constructed during the prior round, and inclusionary zoning to promote the realistic opportunity for the construction of new affordable units. Inclusionary zoning for two sites approved by the Court in the first round will be continued; inclusionary zoning is proposed for transit-oriented development to encourage the re-use of sites adjacent to the rail corridor; and inclusionary zoning will be enacted to implement the Sunnyside Settlement.

**2008 Fair Housing Act Amendment  
Requiring 13% Very Low Income Housing**

Pursuant to 2008 amendments to the Fair Housing Act, at least 13% of the units addressing the future (third round) obligation must be reserved for occupancy by very low income households. Homes with bedrooms designated for individuals with special needs and permanent supportive housing are considered very low income housing units.

**Special Needs and Permanent Supportive Housing (10 Credits)**

Four facilities serving individuals and families with special needs are available to address a portion of the future affordable housing obligation. In all there are 10 credits associated with these properties. The group home owned by Our House, established in 2001, has six bedrooms, two of which were allocated to

address the prior round obligation, leaving four bedrooms to address the future obligation. There are also three properties, each containing a two-family dwelling, that provide permanent supportive housing to the homeless disabled. The details of each facility are displayed in the table below and described in the subsections that follow. Documentation verifying each home's eligibility for credit has been requested from each sponsoring organization and will be submitted to the Court-appointed Special Master.

<b>SPECIAL NEEDS AND PERMANENT SUPPORTIVE HOUSING ADDRESSING THE FUTURE AFFORDABLE HOUSING OBLIGATION</b>					
<b>Sponsoring Organization</b>	<b>Date Established</b>	<b>Facility Address</b>	<b>Population Served</b>	<b>Age Restricted (Seniors)</b>	<b>No. of Credits</b>
<b>Special Needs Housing</b>					
Our House (6 BR total - 2 BRs allocated to the prior round)	2001	506 Boulevard	Develop. Disabled	No	4 bedrooms
<b>Permanent Supportive Housing</b>					
Homefirst Interfaith Housing	2009	550 Trinity Place	Homeless Disabled	No	2 units
Homefirst Interfaith Housing	2010	706 Central Avenue	Homeless Disabled	No	2 units
Homefirst Interfaith Housing	2011	710 Central Avenue	Homeless Disabled	No	2 units
<b>SPECIAL NEEDS AND PERMANENT SUPPORTIVE HOUSING CREDITS AVAILABLE TO ADDRESS THE FUTURE HOUSING OBLIGATION</b>					<b>10</b>

**Our House Special Needs Housing (One 6-bedroom Home - 4 Bedrooms Available to Address the Future Obligation):** Of the six bedrooms in the Our House dwelling located at 506 Boulevard established in June 2001, four are available to address the Town's future affordable housing obligation. As indicated previously in the description on page 17, this well-established Murray Hill-based special needs housing provider established the home in 2001 for individuals with developmental disabilities.

**Homefirst Interfaith – Permanent Supportive Housing (Three 2-family dwellings/6 units total):** HomeFirst Interfaith Housing has over 25 years of experience in providing community housing solutions. It operates three separate facilities in Westfield. Each facility contains two dwelling units and provides housing and supportive services to the homeless disabled. According to staff of the Plainfield-based service provider, it has developed a COAH-compliant affordable housing model and obtained funding from NJHMFA to establish several homes in the region.

- 550 Trinity Place contains two dwelling units and was established in February 2009. It serves the homeless disabled with no senior citizens age restriction. Construction and permanent funding was obtained from the NJHMFA Special Needs Housing Trust Fund and HUD to establish this facility.
- 706 Central Avenue contains two dwelling units and was established in November 2010. It also provides housing for the homeless disabled with no senior citizens age-restriction. Funding was obtained from the NJHMFA Special Needs Housing Trust Fund.
- 710 Central Avenue contains two dwelling units and was established in February 2011. It serves the homeless disabled with no senior citizens age-restriction. Funding for this facility was also obtained from NJHMFA's Special Needs Housing Trust Fund.

**Senior Citizens Housing (30 Units)**

Thirty units of the senior citizens development constructed in 1995 have not been credited the prior obligation and are available to address any future affordable housing requirement. This development is

the only age-restricted housing included in this Fair Share Plan and, as indicated previously, it was approved by the Court in 1991 despite the limitation that COAH rules placed on age-restricted housing.

**Retention of Two First Round Court-approved Sites Zoned for Inclusionary Housing (15 units)**

Two sites (the Williams property and the Myrtle Avenue Tract) were designated in the Town's first round housing plan, and approved by the Court, to be rezoned for inclusionary housing to generate a total of 17 affordable units. These sites were rezoned in 1991, but have not yet been developed, although a development application is pending for a portion of the Myrtle Avenue tract.

The Myrtle Avenue Tract consists of several parcels under diverse ownership, including private and public ownership as indicated below. The total number of affordable units anticipated to be developed at this time is based upon the proposed development of the privately owned land and the sale for future development of two parcels owned by the Town – providing a total of five affordable units. Additional development potential may be achieved through the disposition of state-owned land, but until its sale is approved by the State House Commission, credit for potential units is not included in this plan. Therefore, the Myrtle Avenue Tract is slated to produce a total of five affordable units under the present plan.

Undeveloped prior round sites should be evaluated to determine whether their continued inclusion in the Town's Fair Share Plan provides a realistic opportunity for the construction of affordable housing. The evaluation is based on the following site suitability criteria.

1. The site has clear title and is free of encumbrances which preclude the development of affordable housing;
2. The site is adjacent to compatible land uses and has access to appropriate streets;
3. The site has access to adequate water and sewer capacity;
4. The site can be developed consistent with the NJ Residential Site Improvement Standards.
5. Sites designed to produce affordable housing shall be consistent with the NJ State Development and Redevelopment Plan.

The Town of Westfield does not propose to eliminate the zoning established for these properties, which were recommended for inclusionary zoning in the prior round by the Special Master and approved by the Court in 1991. Both sites continue to present a realistic opportunity for the development of affordable housing in the future. The fact that an application for development on a portion of the Myrtle Avenue Tract is now pending (see "Myrtle Avenue Tract" below) confirms that these sites should be retained in the plan. Following is a discussion of the above site suitability criteria for the Williams property and Myrtle Avenue Tract.

**Williams Property (10 Units):** This site (Block 1905 Lot 13) was identified as a developable and suitable property for affordable housing by the first round Court-appointed Special Master and was approved by the Court for inclusionary zoning in 1991. The property is 6.5 acres in size and is located along the east side of Springfield Avenue. The property is zoned for 8 units/acre to permit a total of 52 multifamily units including a 20% affordable housing setaside, generating ten affordable units. This property was at that time, and continues to be used today, as a garden supply and nursery business. Site suitability criteria are addressed below.

1. *The site has clear title and is free of encumbrances which preclude the development of affordable housing.* The Town is not aware of any issues that would preclude the development of affordable housing on this property.
2. *The site is adjacent to compatible land uses and has access to appropriate streets.* The property has frontage along Springfield Avenue, a County road. Zoning to the north, south and east is RS-16 single family residential requiring 16,000 square foot minimum lot size. To the north and west, adjacent to the site is the Union County Nomahegan Park. Across

Springfield Avenue lies the border between Westfield and the Borough of Mountainside. The property in Westfield is zoned RS-40 single family residential, and the land within Mountainside is a continuation of the County Nomahegan Park. The Court Master's 1989 report mentions the particular suitability of this site, due in part to its access to the park.

3. *The site has access to adequate water and sewer capacity.* Public water and sewer infrastructure is available to service this property. New Jersey American Water provides water service and sewage disposal is handled by Rahway Valley Sewage Authority.
4. *The site can be developed consistent with the NJ Residential Site Improvement Standards (RSIS).* There are no known site constraints that would prohibit development of this site in conformance with the RSIS.
5. *Sites designed to produce affordable housing shall be consistent with the NJ State Development and Redevelopment Plan.* In 2001 the entire Town was designated within Planning Area 1 by the State Planning Commission. The development of inclusionary housing in PA-1 designated areas is consistent with state planning policies. It is anticipated that Westfield will be designated within a growth area in the new state plan presently under consideration by the State Planning Commission and that the development of inclusionary housing within such areas will be consistent with state planning policies.

**Myrtle Avenue Tract (5 Units):** The properties making up this tract, identified in the 1989 Court Master's report as comprising an area suitable and developable for affordable housing, were approved by the Court for inclusionary zoning in 1991. The six lots that make up this area comprise over 4 acres of land. The Town rezoned this area in 1991 to the RA-5B District with a density of 8 units/acre, permitting the construction of a total of 34 dwellings, including 7 affordable units (based on inclusionary development of the entire tract at that time). Credit for five affordable units is proposed as part of this plan. Site suitability criteria are discussed below.

1. *The site has clear title and is free of encumbrances which preclude the development of affordable housing.* The RA-5B zone is made up of six tax lots with ownership as indicated below.

MYRTLE AVENUE TRACT	
Block and Lot	Lot Ownership
Block 4005 Lot 1 Lot 2	Westfield Board of Education State of New Jersey
Block 4006 Lot 1	Town of Westfield (Lot to be sold)
Lots 2 and 3	Private ownership (development application pending for 3 affordable units)
Block 4007 Lot 13	Town of Westfield (Lot to be sold)

Privately-owned Land - Pending Development Application: In 2012 the owner of Lots 2 and 3 in Block 4006, which together comprise approximately 1.55 acres of land, filed a development application to construct 16 dwelling units, three of which will be affordable. The proposal involves an increase in density based on the limited land controlled by the developer. The Sunnyside Settlement provides that the Town-owned land may be considered part of the development's land area for the purpose of calculating density.

Town-owned Land: Lot 1 in Block 4006, owned by the Town of Westfield, lies adjacent to Lots 2 and 3, which are the subject of the above-mentioned development application. The site is approximately 2/3 acre in size. A preliminary site analysis reveals a small isolated wetland on the

common property line of Lots 1 and 3. A tributary to Garwood Brook traverses the westerly portion of Lots 1 and 2. The Town will make the lot available for sale for development under the existing inclusionary zoning. It is anticipated that four units could be constructed on the lot, of which one unit would be affordable. The Town will also make Lot 13 in Block 4007 available for sale and development pursuant to the existing inclusionary zoning. It is approximately 1/2 acre in size and could be expected to accommodate four units, one of which would be affordable. Combined with the three affordable units proposed in the 16-unit development on lots 2 and 3 in Block 4006, the sale of the Town-owned land will result in a total of five affordable housing units.

Disposition of Surplus State-owned Land: The State-owned land (Lot 2 in Block 4005) contains a paved area once used as a staging area for a NJ Motor Vehicle Inspection Station located across Windsor Avenue, which has since ceased full-time operations (Lot 2, Block 4005 is included in the inclusionary RA-5B zone while the land on which the former NJ Motor Vehicle Inspection Station is situated is not). The Town will request the NJ State House Commission (and NJMVC) to declare Lot 2, Block 4005 as surplus land and approve its disposition for development. If inclusionary housing is developed on this parcel, they will be surplus credits that can be applied to the Town's future affordable housing obligation.

2. *The site is adjacent to compatible land uses and has access to appropriate streets.* All of the lots in this zone have adequate access to public streets. With the exception of State-owned Lot 2 in Block 4005, all of the lots are undeveloped. The surrounding area is predominantly single-family residential with properties averaging 7,000 square feet in size. Across Grandview Street from the subject tract is a private indoor tennis facility. The RA-5B zone is adjacent to the Town boundary with Garwood and is just south of the sites proposed in this compliance plan (described in the next section) to be zoned for transit-oriented development.
3. *The site has access to adequate water and sewer capacity.* Public water and sewer infrastructure is available to service this property. New Jersey American Water provides water service and sewage disposal is handled by Rahway Valley Sewage Authority.
4. *The site can be developed consistent with the NJ Residential Site Improvement Standards (RSIS).* Some site constraints have been identified as indicated above, but with clustering and proper site design it appears that the properties can be developed. There are no apparent constraints that would preclude development in accordance with RSIS requirements.
5. *Sites designed to produce affordable housing shall be consistent with the NJ State Development and Redevelopment Plan.* In 2001 the entire Town was designated within Planning Area 1 by the State Planning Commission. The development of inclusionary housing in PA-1 designated areas is consistent with state planning policies. It is anticipated that Westfield will be designated within a growth area in the new state plan presently under consideration by the State Planning Commission and that the development of inclusionary housing within such areas will be consistent with state planning policies.

**Expansion of Myrtle Avenue RA-5B Zone:** In 1991, when the RA-5B Zone, encompassing the Myrtle Avenue lots, was established to provide the opportunity to develop the tract for inclusionary housing, a small sliver of land at the end of Myrtle Avenue (Lot 5 in Block 4005) was left in the RM-6 Zone. This property contains a single-family dwelling and may extend into the adjacent Borough of Garwood. The lot is approximately 0.113 acres in size (less than 5,000 sq. ft.), and should be rezoned to include it in the inclusionary housing RA-5B Zone district.

### **Transit-oriented Development (34 Units plus Rental Option)**

Since the Town is virtually fully developed, this plan proposes to satisfy a portion of the future affordable housing obligation using "smart growth" planning techniques encouraged by state planning policies. A "transit-oriented development" (TOD) refers to a development located within reasonable proximity of a

transit station (bus, train, light rail, or ferry) within a larger, pedestrian-friendly, transit-supportive neighborhood core or center. A transit-oriented development area is typically characterized by a mix of uses and compact higher density than is typical of conventional suburban residential development.

**Proposed TOD Zoning:** The Town will rezone three distinct areas located within a ½-mile radius or less of the Westfield and Garwood NJ Transit stations for transit-oriented development with requirements for on-site affordable housing. All three areas are immediately adjacent to the rail corridor and are all currently zoned for commercial purposes. New zoning will be enacted permitting residential densities of 15 to 16 units per acre depending on whether the housing will be for sale or for rent.

The base zoning for each TOD will permit 15 units/acre, generating a total of 168 units with a 20% set-aside of affordable housing (34 total “for-sale” units). The ordinance will allow an option for development in these zones to be constructed as rental housing with an increase in the density to 16 units/acre. This may provide an incentive for rental housing because an additional 11 market rate units would be permitted, although just two additional affordable units would be required (36 total affordable rental units). The orientation of these sites to the rail corridor suggests that developers may well be interested in developing all or a portion of a site for rental housing. Moreover, current economic conditions suggest that rental housing may be an attractive option to developers, as well as those in need of affordable housing in view of high credit standards being imposed by lending institutions on potential homebuyers. The table at the end of this section displays the TOD sites and units that could be generated by the proposed rezoning.

**Site Suitability Criteria:** Detailed site descriptions follow this summary of site suitability. Each of the TOD sites is presently used primarily for nonresidential purposes and off-street parking, but could be re-developed under new zoning permitting high density residential development. The three areas are suitable for transit-oriented development in view of their proximity to train stations in both Westfield and Garwood and their adjacency to Westfield’s pedestrian-friendly central business district and retail area, which is within walking distance of all three sites. All three areas are suitable for the development of inclusionary housing in accordance with COAH’s site suitability criteria addressed below. More detailed descriptions of the characteristics of each site follow on the next page.

1. The Town is not aware of any issues that would preclude the development of affordable housing on the proposed TOD sites. Each area designated for TOD development is currently developed, but contains land uses that are conducive to future re-development. Two out of the six lots in the New Street TOD are vacant.
2. Each of the TOD sites is adjacent to compatible land uses and has adequate access to appropriate streets.
3. Each site is already served by and has access to adequate water and sewer and capacity for inclusionary development.
4. Each site can be re-developed for residential purposes consistent with the NJ Residential Site Improvement Standards.
5. The re-development of each site for inclusionary housing is consistent with the State Development and Redevelopment Plan. In 2001 the entire Town was designated within Planning Area 1 by the State Planning Commission. The development of inclusionary housing in PA-1 designated areas is consistent with state planning policies. It is anticipated that Westfield will be designated within a growth area in the new state plan presently under consideration by the State Planning Commission and that the development of inclusionary housing within such areas will be consistent with state planning policies.

All three TOD areas have extensive street access and are served by public water and sewer systems with available capacity to support new development. The size and characteristics of each site are described below and displayed in the table that follows.

**New Street TOD:** This site is approximately 1.84 acres in size and is comprised of eight tax lots along New Street and S. Elmer Street. Two of the lots in this TOD area are vacant; two contain vacated single-family homes; two contain occupied homes and two contain commercial buildings, one of which is vacant.

**South Avenue TOD:** This area is approximately 6.74 acres in size and is comprised of six tax lots, all of which are developed commercial properties. Current uses include multiple buildings associated with the Sevell vehicle repair, used car sales and towing businesses, including large areas used for parking and truck/construction equipment and related storage. In addition, one lot contains a building occupied by two businesses: a construction company and a water-softening distribution company. The smallest parcel in this area is approximately ¼ -acre in size and is triangular-shaped with roads on two sides (out of three) of the property. South Avenue and Windsor Avenue separate this small parcel from the other lots in this proposed TOD. Zoning for the development should take these factors into account and allow for a density transfer from this parcel to others within the TOD. If that is accomplished, the parcel could serve as a small park.

**North Avenue TOD:** This area is comprised of approximately 2.6 acres and includes two tax lots. Both properties are developed with older nonresidential uses: a small manufacturing company and a hardware store/lumberyard. This site is situated across the street from Gumbert Park, making it a particularly attractive site for residential purposes.

SITES PROPOSED FOR TRANSIT-ORIENTED DEVELOPMENT (TOD)								
TOD AREA, CURRENT ZONING, SITE SIZE			TOD "FOR SALE" HOUSING DEVELOPMENT OPTION			TOD RENTAL HOUSING DEVELOPMENT OPTION		
Name/Location Block/Lot	Current Zoning	Size: Acres	Density "For Sale" Units	Total Units in TOD	Affordable "For Sale" Units (20%)	Density for Rental Units	Total Units in TOD	Affordable Rental Units (20%)
New Street Block 3208 Lots 1.02, 2 and Block 3207 Lots 1-6	GB-3	1.84	15	28	6	16	29	6
South Ave Block 3307 Lots 1-3; Block 4005 Lots 3,4; Block 4004 Lot 17	C	6.74	15	101	20	16	108	22
North Ave Block 3305 Lots 4,5	C	2.6	15	39	8	16	42	8
			<b>TOTAL</b>	<b>168</b>	<b>34</b>	<b>TOTAL</b>	<b>179</b>	<b>36</b>

**NOTES:**

1. The acreage of each site is approximate based on County MOD IV data.
2. The New Street TOD acreage is exclusive of the ROW.
3. Unit counts are rounded to the nearest whole number, with 0.5 or greater rounded up.

**Sunnyside Settlement  
Inclusionary Zoning (4 Units)**

The Sunnyside property is the subject of the Sunnyside Settlement. The site, designated as Lot 27 in Block 3905, is comprised of approximately 1.46 acres of land situated on the northerly side of Springfield Avenue, east of Woodbrook Circle, adjacent to the municipal boundary with the Township of Cranford. The property is developed with a single-family dwelling, which is proposed to be demolished.

Pursuant to the Sunnyside Settlement, the property will be rezoned to a new district, the RA-5C Multi-family Residence District, to permit the construction of 24 multi-family residences, including four affordable rental units, representing a density of approximately 16.5 units/acre. Of the 24 proposed units, 20 will be market rate for-sale residences, each of which will contain two bedrooms. Four affordable units (a 16% setaside) will be provided, all of which will be rentals, with no more than 25% having one bedroom and at least 25% having three bedrooms. None of the market-rate or affordable units will be required to be age-restricted. At least one-half of the affordable units will be designated for occupancy by low-

income households and at least one of the low-income units will be made available to a very low income household. COAH's site suitability criteria are addressed below.

1. *The site has clear title and is free of encumbrances which preclude the development of affordable housing.* The Sunnyside property is the subject of a Settlement Agreement, which will allow the 24 unit housing development to be constructed. The development is subject to site plan review and approval in accordance with the stipulations contained in the Agreement.
2. *The site is adjacent to compatible land uses and has access to appropriate streets.* The property has 95+/- feet of frontage on Springfield Avenue, affording adequate land for ingress/egress to the proposed residential development. Surrounding land uses include a 2-story assisted living residential development adjacent to the site to the west and single-family dwellings to the north, east and south.
3. *The site has access to adequate water and sewer capacity.* Public water and sewer infrastructure is available to service this property. New Jersey American Water provides water service and sewage disposal is handled by Rahway Valley Sewage Authority.
4. *The site can be developed consistent with the NJ Residential Site Improvement Standards (RSIS).* There are no known site constraints that would prohibit development of this site in conformance with the RSIS.
5. *Sites designed to produce affordable housing shall be consistent with the NJ State Development and Redevelopment Plan.* In 2001 the entire Town was designated within Planning Area 1 by the State Planning Commission. The development of inclusionary housing in PA-1 designated areas is consistent with state planning policies. It is anticipated that Westfield will be designated within a growth area in the new state plan presently under consideration by the State Planning Commission and that the development of inclusionary housing within such areas will be consistent with state planning policies.

## **D. Spending Plan**

Municipal housing programs designed to facilitate the rehabilitation of deficient housing and/or production of new affordable units often requires a subsidy or expenditure of funds to achieve affordable housing objectives. Communities in New Jersey are authorized to generate revenue for affordable housing programs in several ways. They may sell bonds, appropriate funds from general revenues, or impose fees on development to generate revenue to pay for the costs associated with preparing and implementing affordable housing plans.

### **Generating Revenue for Affordable Housing Programs**

Since January 1992 COAH's rules have authorized municipalities under its jurisdiction to collect "development fees" based on the assessed value of new construction to generate revenue to fund the costs associated with affordable housing requirements. Revenue collected pursuant to a development fee ordinance can only be used for affordable housing-related purposes and must be expended in accordance with an approved "Spending Plan" that complies with COAH and state regulations.

COAH's third round rules, effective on December 20, 2004, also permitted municipalities to adopt "growth share ordinances" facilitating the production of affordable housing commensurate with new market rate development. Alternatively, the ordinance could impose a "growth share" fee in lieu of satisfying the affordable housing obligation. The rules were an integral part of COAH's overall growth share methodology, which was intended to produce affordable housing as growth occurred in the state's municipalities, referred to as the "growth share obligation."

### **Westfield's Growth Share Ordinance & Affordable Housing Trust Fund**

On June 6, 2006 the Town of Westfield enacted Ordinance #1869 establishing affordable housing production or "payment in lieu" requirements for developments that generate a growth share obligation. COAH approved Ordinance #1869 and instructed the Town to establish a housing trust fund and a separate dedicated account with a local banking institution. An escrow agreement governing the account was executed by the Town, COAH and Town Bank on February 29 2008. As of December 31, 2012, the Growth Share Account contained approximately \$476,000. To date, no funds collected pursuant to Ordinance #1869 have been expended.

COAH's third round rules were the subject of numerous lawsuits, and on January 25, 2007, the Appellate Court invalidated many aspects of the rules, including provisions enabling municipalities to enact growth share ordinances. COAH requested a stay of the decision with regard to such ordinances, which was granted on April 2, 2007. Growth share ordinances were permitted to remain in effect pending new third round rules to be issued by COAH in response to the Court's January 25, 2007 decision. However, the rules subsequently adopted by COAH in response to the Court were also challenged and the growth share approach to determining municipal affordable housing obligations was then declared invalid by the Appellate Court. Since that decision, no new rules have been promulgated and COAH has been reorganized.

As part of the implementation of the Town's 2013 Affordable Housing Compliance Plan, the Westfield Growth Share Ordinance will be repealed by the Town Council as recommended by the Court-appointed Special Master.

### **Capital Costs Associated with the 2013 Affordable Housing Compliance Plan**

The Town of Westfield will implement this Fair Share Plan as described herein in accordance with any terms and conditions imposed by the Court. Most of the affordable housing described in the plan is already in place and occupied by eligible households or individuals. The Town proposes to satisfy much of its future affordable housing obligation with surplus senior citizens housing credits and credit for special needs housing. New affordable units will be achieved in inclusionary housing developments constructed by private developers on property either already zoned or proposed for rezoning in accordance with this Plan.

The only direct capital cost associated with the Town's implementation of this plan is related to the rehabilitation obligation. Forty-one units of rehabilitation will cost approximately \$410,000 based on the average \$10,000 per unit for the "hard costs" of physical repairs to substandard dwellings.

### **Spending Plan Requirements**

COAH regulations governing the preparation of plans to spend affordable housing trust funds are largely geared to communities that are, or have already, enacted ordinances imposing development fees. This section addresses each of COAH's Spending Plan requirements (displayed in italics below), recognizing that Westfield has already collected the revenue pursuant to its growth share ordinance and is not proposing to impose development fees.

1. *A projection of revenues anticipated from imposing fees on development, based on pending, approved and anticipated developments and historic development activity.*

Ordinance #1869 will be repealed and therefore the Town will not be collecting additional revenue.

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.*

No additional revenues are projected.

3. *A description of the administrative mechanism that the municipality will use to collect and distribute revenues.*

The revenue in Westfield's housing trust fund has already been collected and no additional revenues are forecast. If the Town is not able to rely on the Union County Home Improvement Program to satisfy the rehabilitation obligation, thus requiring a local rehabilitation program to be implemented, the distribution of funds for rehabilitation will be in accordance with the terms of a contract to be negotiated with a qualified consultant.

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.*

The Sunnyside Settlement recognizes that the Town has collected fees that should be used for affordable housing. The terms of the settlement require as follows:

*“Westfield shall make available funding from the municipal affordable housing trust fund, and/or other governmental funding from the County of Union or State of New Jersey, to allow a minimum of five existing units of the rehabilitation obligation to be rehabilitated per year beginning in 2014; it being understood that the actual amount of rehabilitation to occur depends upon the availability of willing participants (see section 10 paragraph a of the Sunnyside Settlement Agreement).*

As described previously in this plan (Subpart B, The Rehabilitation Obligation) the Town will participate in the Union County Home Improvement Program to address owner-occupied rehabilitation and will establish a local Rental Rehabilitation Program to address substandard rental properties. Sufficient funds are available to cover the program's "hard costs" as well as a negotiated fee for a qualified consultant to conduct the local program for rental properties. Funds distributed under the Rental Rehabilitation Program will be provided in the form of a loan, and all repaid funds will be made available for future rehabilitation needs. The use of the Housing Trust Fund for these purposes is consistent with the Sunnyside Settlement.

5. *A schedule for the expenditure of all affordable housing trust funds.*

As described above, the Town will participate in the Union County Home Improvement Program to address owner-occupied housing. The Town will contract with a consultant to conduct a local program to offer assistance for rental rehabilitation. The Sunnyside Settlement requires that Westfield's Housing Trust Fund be made available to address at least five units per year to address Westfield's rehabilitation obligation. There is sufficient funding available to conduct the local program without a limit on the number of units served on an annual basis.

6. *If applicable, a schedule for the creation or rehabilitation of housing units.*

See number 5 above. Funding is available, in accordance with the Sunnyside Settlement, to address at least five units per year (41 units total) to address Westfield's rehabilitation obligation.

7. *If the municipality is supporting or sponsoring public sector or non-profit construction of housing, a pro-forma statement of the anticipated costs and revenues associated with the development, consistent with standards required by the Agency in its review of funding applications.*

The Town is not proposing to sponsor affordable housing construction with revenue in the housing trust fund.

8. *If the municipality maintains an existing affordable housing trust fund, a plan to spend the trust fund balance as of the date of its third round petition within four years of the Council's approval of the spending plan, or in accordance with an implementation schedule approved by the Council.*

The Town is required, pursuant to the Sunnyside Settlement, to use the funds in its Housing Trust Fund for rehabilitation. The settlement recognized that the Town may take advantage of other county or state funding that may be available for rehabilitation in Westfield, but the revenue in the housing trust fund must remain available in the event that any such funding proves to be insufficient. The Town will participate in the County program for owner-occupied rehabilitation and will allocate funds in the Housing Trust Fund to provide rehabilitation assistance for rental units.

9. *The manner through which the municipality will address any expected or unexpected shortfall if the anticipated revenues are not sufficient to implement the plan.*

The Town will continue its participation in the Union County Home Improvement Program to address owner-occupied housing rehabilitation. Funding available in the Housing Trust Fund is sufficient to conduct the local Rental Rehabilitation Program. Although no shortfall in funding is anticipated, the Town will adopt a resolution providing that the Town will be responsible for any funding shortfall.

10. *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.*

Funding for rental rehabilitation will be provided in the form of a loan requiring repayment. All repaid funds will be re-deposited into the Housing Trust Fund and made available for future rehabilitation. At this time, the only use of excess or surplus funds is potentially for continued rehabilitation in connection with an as yet undetermined future affordable housing obligation. If, in the future, it is determined that the Housing Trust Fund is not needed to address a rehabilitation obligation, the Town may amend this Spending Plan or prepare a new plan and seek approval to use the funds for alternate affordable housing purposes.

#### **Future Need for Revenue to Address Affordable Housing Requirements**

While implementing this plan the Town will monitor whether there is a need for additional revenue for affordable housing. If at any time in the future, additional revenue is determined to be needed to satisfy an affordable housing requirement or program, the Town Council may seek approval of a Development Fee Ordinance and new Spending Plan in accordance with existing state regulations.

### **E. Compliance Plan Implementation**

Most of the affordable housing described in this plan has already been established. Additional actions to be undertaken to complete the implementation of this plan include enacting ordinances to establish the TOD inclusionary housing and zoning for the Sunnyside property, as outlined in the table below. The Town will enact updated affordable housing rules as needed to be consistent with the Fair Housing Act and the state's Uniform Housing Affordability Control (UHAC) regulations.

IMPLEMENTATION OF WESTFIELD'S 2013 AFFORDABLE HOUSING COMPLIANCE PLAN		
Proposed Program or Affordable Housing Development	Action Required (highlighted text)	Affordable Units
Rehabilitation Program	Continue participation in Union County Home Improvement Program or establish local program if necessary.	41
Prior Round Regional Contribution Agreement	No action required.	21
Special Needs and Permanent Supportive Housing	Housing is operational. No action required.	20 (+6 rental bonus credits)
Senior Citizens Housing	Project completed. No action required.	130 (+2 rental bonus credits)
Prior Round Inclusionary Zoning: Williams Property	Zoning is in place. No action required.	10
Prior Round Inclusionary Zoning: Myrtle Avenue Tract	1. Zoning is in place. 2. Arrange for Town-owned lots to be sold for the development of affordable housing. 3. Request disposition of State-owned land.	5
Sunnyside (Settlement) Inclusionary Zoning	Rezone property and amend Zoning Map.	4
Inclusionary Zoning for Transit-oriented Development (TOD)	Enact Zoning Ordinance and amend Zoning Map.	34
TOTAL UNITS ADDRESSED BY 2013 COMPLIANCE PLAN		Rehabilitation: 41 Affordable Units: 224 Rental Bonus Credits: 8

## F. Documents in Support of Westfield's 2013 Affordable Housing Compliance Plan

The documents listed below will be submitted to the Court in support of this *2013 Housing Plan Element & Fair Share Plan*. They will be maintained on file with the Westfield Town Clerk and Westfield Planning Board Secretary and are available for public inspection during normal business hours.

1. Town of Westfield Planning Board Resolution # \_\_\_\_ dated \_\_\_\_\_, 2013 adopting the *2013 Housing Plan Element & Fair Share Plan* dated \_\_\_\_\_, 2013.
2. Town of Westfield Town Council Resolution dated \_\_\_\_\_, 2013 endorsing the *2013 Housing Plan Element & Fair Share Plan* dated \_\_\_\_\_ 2013.
3. Draft ordinance updating Westfield's affordable housing regulations, including the establishment of the position of Municipal Housing Liaison and authorizing the designation of Administrative Agents.
4. Draft resolution appointing a Municipal Housing Liaison.
5. Draft resolution designating Administrative Agents for affordable housing: Westfield Senior Citizens Housing Corporation for its project and the owners of Special Needs and Permanent Supportive Housing to serve as Administrative Agents for homes under their respective ownership.
6. Ordinance establishing and mapping the Transit-oriented Development zones.
7. Ordinance establishing and mapping the Sunnyside Settlement inclusionary housing zone.
8. Letter from NJHMFA dated January 2, 2013 documenting compliance with affordability control requirements in connection with the senior housing project developed by Westfield Senior Citizens Housing Corporation in 1995.

9. Maps of Prior Round (1991 Judgment of Repeal) RDP sites that were developed to fund the RCA with the City of Elizabeth.
  - 1991 Judgment Site # 1 - Trails End Court
  - 1991 Judgment Site # 10 - Bailey Court/Hamilton Avenue
10. Resolution Regarding Funding in the Event of a Shortfall in Funds for Rehabilitation.
11. Letter to the NJ State House Commission requesting disposition of State-owned Lot 2 in Block 4005 (part of the Myrtle Avenue Tract) to facilitate the construction of affordable housing.
12. Draft ordinance repealing Ordinance #1869 (the Growth Share Ordinance).
13. Documentation received from sponsors of Special Needs and Permanent Supportive Housing (Alternative Living Arrangement Survey forms) for the following facilities:

<b>Name, Date Established and Address of Facility</b>	<b>Number of Bedrooms/Units</b>	<b>Survey Form On File (x)</b>
ARC - 1982 478 Whittier (Poet's Place)	4 BR	X
ARC - 1989 56 Mohawk Trail	4 BR	X
Our House - 2001 506 Boulevard	6 BR	X
Homefirst Interfaith Housing - 2009 550 Trinity Place	2units	X
Homefirst Interfaith Housing - 2010 706 Central Avenue	2 units	X
Homefirst Interfaith Housing - 2011 710 Central Avenue	2units	X

## **APPENDIX Maps**

The following maps are attached hereto and incorporated in this plan:

1. **Town of Westfield map displaying housing sites.**
2. **Williams Property**
3. **Myrtle Avenue Tract**
4. **North Avenue TOD**
5. **South Avenue TOD**
6. **New Street TOD**
7. **Sunnyside Property**