

Housing Element

And

Fair Share Plan

Of The

Borough of Millstone

Somerset County,

New Jersey

Draft: October 1, 2007

**BOROUGH OF MILLSTONE
SOMERSET COUNTY, NEW JERSEY**

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Housing Element

**Millstone Borough
Somerset County**

**BOROUGH OF MILLSTONE, SOMERSET COUNTY
HOUSING ELEMENT**

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BOROUGH OF MILLSTONE
SOMERSET COUNTY

HOUSING ELEMENT

PREFACE

Millstone Borough in Somerset County is comprised of less than one square mile and is surrounded by Hillsborough Township on all sides except for that area abutting the Millstone River. The Township of Franklin is separated from the borough by the Millstone River.

Hillsborough Township was first settled around 1700 by Dutch descendents. In 1738, because of its central location, Millstone became the county seat of Somerset County. The borough remained as the county seat until 1784 when the county seat was moved to Somerville.

The period between the end of the Revolutionary War and the mid-nineteenth century was a period of growth and development in Millstone. Millstone became incorporated as a borough in 1894. However, development began to slow thereafter with a population of between 200 and 300 residents. Then, in the late 1950s and 1960s new residential construction began to occur.

According to the Fair Housing Act, a municipality's Housing Element must be designed to achieve the goal of access to affordable housing to meet present and prospective housing needs, with particular attention to low and moderate housing. The regulations of the Council on Affordable Housing (COAH), N.J.A.C. 5:94 et.seq. delineate a municipality's strategy for addressing its present and prospective housing needs, and, as such, each municipality's Housing Element must contain the following:

1. An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics and type, including the number of units affordable to low and moderate income households and substandard housing capable of being rehabilitated;
2. A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for the six years subsequent to the adoption of the housing element, taking into account, but not necessarily limited to, construction permits issued, approvals for development and probable residential development of lands;
3. An analysis of the municipality's demographic characteristics, including, but not limited to, household size, income level and age;
4. An analysis of the existing and probable future employment characteristics of the municipality;

5. A determination of the municipality's present and prospective fair share for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing;
6. A consideration of the lands that are most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing;
7. A map of all sites designated by the municipality for the production of low and moderate income housing and a listing of each site that includes its owner, acreage, lot and block;
8. The location and capacities of existing and proposed water and sewer lines and facilities relevant to the designated sites;
9. Copies of necessary applications for sewer service and water quality management plans submitted pursuant to Sections 201 and 208 of the Federal Clean Water Act, 33 U.S.C. §1251, et seq.;
10. A copy of the most recently adopted municipal master plan, and where required, the immediately preceding, adopted master plan;
11. For each designated site, a copy of the New Jersey Freshwater Wetlands map where available. When such maps are not available, municipalities shall provide appropriate copies of the National Wetlands Inventory maps provided by the U.S. Fish and Wildlife Service;
12. A copy of appropriate United States Geological Survey Topographic Quadrangles for designated sites; and
13. Any other documentation pertaining to the review of the municipal housing element as may be required by the Council.

I. INVENTORY OF MILLSTONE HOUSING STOCK

A. Age

More than one-half or 54.9 percent of the Borough's housing stock was built between 1950 and 1970. Significant residential construction occurred before 1939 when 33.9 percent of the housing stock was constructed. Millstone has a total housing stock of 171 units.

TABLE 1
Age of Housing Units

<u>Dates of Construction</u>	<u>Structures</u>	<u>Percent of Total 2000</u>
1939 or earlier	58	33.92
1940 - 1949	5	2.92
1950 - 1959	54	31.57
1960 - 1969	40	23.39
1970 - 1979	10	5.85
1980 - 1989	4	2.34
1990 - March 2000	0	0
2000 TOTAL UNITS	171	99.99*

*** Total does not equal 100.0% due to rounding**

Source: 2000 Census of Population and Housing

Units built before 1939 and contain 1.01 or more persons per room are highly correlated with substandard housing indicators. This is an index utilized by COAH in determining the rehabilitation share. In Millstone, 58 units or 33.9 percent of the housing stock was built before 1939. This is generally an important indicator in calculating Millstone's rehabilitation share. However, the minimal overcrowding and the complete kitchen and plumbing facilities explain why Millstone's rehabilitation share is zero.

B. Condition

Rehabilitation share is the total deficient housing signaled by selected housing unit characteristics unique to each community. It is assumed that units so indicated will be prime candidates for rehabilitation. Characteristics indicating a need for rehabilitation are:

- (1) *Persons per Room.* 1.01 or more persons per room is an index of overcrowding.
- (2) *Plumbing Facilities.* Inadequate plumbing is indicated by incomplete plumbing facilities i.e. lack of hot and cold piped water, flush toilet or bathtub/shower.

(3) *Kitchen Facilities.* Inadequate kitchen facilities are indicated by the non-presence of kitchen facilities within the unit or the non-presence of any of three components: a sink with piped water, a stove or a refrigerator.

The age of Millstone's housing stock has been presented in Table 1. Tables 2 through 4 address the above surrogates of deficient housing.

TABLE 2
Persons Per Room

Persons Per Room	Occupied	Owner Occupied	Renter Occupied
1.01 to 1.50	0	0	0
1.51 to 2.00	0	0	3
2.01 or more	0	0	0

TOTAL

Source: 2000 Census of Population and Housing

TABLE 3
Plumbing Facilities

	<u>Total Units</u>
Complete plumbing facilities	171
Lacking complete plumbing facilities	0

Source: 2000 Census of Population and Housing

TABLE 4
Kitchen Facilities

Complete kitchen facilities	171
Lacking complete kitchen facilities	0

Source: 2000 Census of Population and Housing

C. Purchase and Rental Value

Approximately 53 percent of the owner-occupied housing units in Millstone had values over \$200,000. The median value was \$205,400.

TABLE 5
Owner-Occupied Housing
Unit Values

	<u>Units</u>	<u>Percent</u>
Less than \$15,000	0	
\$15,000 - \$19,999	0	
\$20,000 - \$24,999	0	
\$25,000 - \$29,999	0	
\$30,000 - \$34,999	0	
\$35,000 - \$39,999	0	
\$40,000 - \$44,999	0	
\$45,000 - \$49,999	0	
\$50,000 - \$59,999	0	
\$60,000 - \$74,999	0	
\$70,000 - \$99,999	6	4.65
\$100,000 - \$124,999	7	5.43
\$125,000 - \$149,999	4	3.10
\$150,000 - \$174,999	16	12.40
\$175,000 - \$199,999	27	20.93
\$200,000 - \$249,999	42	32.56
\$250,000 - \$299,999	11	8.53
\$300,000 - \$399,999	14	10.85
\$400,000 - \$499,999	0	
\$500,000 or more	2	1.55
TOTAL	129	100

Median Value \$205,400

Source: 2000 Census of Population and Housing

Nine of the 20 rental units with cash rent in Millstone were rented for more than \$750 per month. The median contract rent was \$688 per month.

TABLE 6
Contract Rent Values

<u>With cash rent:</u>	<u>Units</u>
\$0 - \$ 99	0
\$100 - \$149	0
\$150 - \$199	0
\$200 - \$249	0
\$250 - \$299	0
\$300 - \$349	0
\$350 - \$399	0
\$400 - \$449	2
\$450 - \$499	0
\$500 - \$549	0
\$550 - \$599	0
\$600 - \$649	5
\$650 - \$699	4
\$700 - \$749	0
\$750 - \$999	4
\$1,000 or more	5
 Total	 20
 No cash rent	 3
 Median contract rent	 \$688

Source: 2000 U.S. Census of Population and Housing

D. Occupancy Characteristics and Types

Eighty-four percent of the housing in Millstone is owner occupied. Approximately 13 percent of the housing stock is rental.

TABLE 7
Tenure and Vacancy

	Housing Units	PCT
Total	171	99.8*
Occupied:		
Owner occupied	144	84.2
Renter occupied	23	13.4
Vacant:	0	0
For rent	2	1.1
For sale only	0	0
Rented or sold, not occupied	0	0
For seasonal, recreational, or occasional use	0	0
For migrant workers	0	0
Other vacant	2	1.1

* *Does not add up due to rounding*

Source: 2000 Census of Population and Housing

E. Units Affordable to Low and Moderate Income Households

Units are affordable to low and moderate income households if the maximum sales price or rent is set within a COAH specified formula. A moderate income household is a household whose gross family income is more than 50 percent of median income, but less than 80 percent of median income for households of the same size within the housing region. A low income household is a household whose gross family income is equal to or less than 50 percent of median gross household income for a household of the same size within the housing region for Millstone. Millstone is in Region 3, which encompasses Middlesex, Hunterdon and Somerset counties.

Using current regional income limits adopted by COAH, a four person Somerset County median household income is estimated at \$92,800. A moderate income four person household would earn a maximum of \$74,240 (80 percent of regional median) and a four person low income household would earn a maximum of \$46,400 (50 percent of regional median).

Income levels for one, two, three and four person households as of 2007 are given below:

TABLE 8
2007 Low and Moderate Regional Incomes

Income	1 person	2 persons	3 persons	4 persons
Median	\$64,960	\$74,240	\$83,520	\$92,800
Moderate	\$51,968	\$59,392	\$66,816	\$74,240
Low	\$32,480	\$37,120	\$41,760	\$46,400

Source: COAH, 2007 Income Limits

Based on the qualifying formula in N.J.A.C., the monthly cost of shelter which includes mortgage (principal and interest), taxes, insurance and homeowners or condominium association fees, may not exceed 28 percent of gross monthly household income based on a five percent downpayment. In addition, moderate income sales units must be available for at least three different prices and low income sales units available for at least two different prices. The maximum average sales price must now be affordable to households earning 55 percent of median income.

The maximum average rent must now be affordable to households earning 52 percent of median income. The maximum rents must be affordable to households earning no more than 60 percent of median income. In averaging 52 percent, one rent may be established for a low income unit and one rent for a moderate income unit for each bedroom distribution. The utility allowance must be consistent with the utility allowance approved by HUD and utilized in New Jersey.

Under COAH regulations, rents including utilities, may not exceed 30 percent of gross monthly income. In addition, in inclusionary rental developments, 10 percent of the rental units must be affordable to households earning no more than 35 percent of median income.

Millstone currently has no low or moderate income units that are deed restricted or funded through a government program.

II. PROJECTION OF HOUSING STOCK

A. Building Permits

According to the New Jersey Department of Labor, Residential Building Permits Issued, (2000-May 2007), no new building permits were issued in Millstone during this period.

B. Approvals of Development Applications

According to the Millstone planning consultant, no new development applications generating additional development were approved between 1990 and the present.

C. Probable Residential Development

Projection of Residential Growth Share addresses this section.

D. Future Construction of Low and Moderate Income Housing

Millstone will address the future construction of low and moderate income housing in the Fair Share Plan.

III. DEMOGRAPHIC CHARACTERISTICS

A. Population

The population in Millstone decreased by nine percent between 1990 and 2000. Table 9 illustrates the figures.

TABLE 9
Population

Year	Population
1990	462
2000	410

Sources: 1990 and 2000 Census of Population and Housing

TABLE 10
Population Characteristics

SELECTED POPULATION CHARACTERISTICS FOR MILLSTONE BOROUGH

	<u>Number</u>	<u>Percentage</u>
<u>TOTAL POPULATION</u>	417	100
<u>SEX</u>		
Male	204	
Female	213	
<u>AGE</u>		
Under 5 years	24	5.8
5 to 17 years	71	17.0
18 to 20 years	8	1.9
21 to 24 years	9	2.2
25 to 44 years	111	26.6
45 to 54 years	80	19.2
55 to 59 years	31	7.4
60 to 64 years	28	6.7
65 to 74 years	23	5.5
75 to 84 years	25	6.0
85 years and over	7	1.7

Source: 2000 Census of Population and Housing

B. Household Size and Type

A household profile of Millstone shows that there were 164 households with a total household population of 417 in 2000. The average number of persons per household was 2.50.

TABLE 11
Household Profile 2000

	<u>Total Number</u>
Households	169
Population of households	410
Persons per household	2.43

Source: 2000 Census of Population and Housing

TABLE 12
Household Type and Relationship

In family households:	377
householder:	131
male	102
female	29
spouse	101
child:	125
natural-born/adopt	123
step	2
grandchild	4
other relatives	13
non-relatives	7
In non-family households:	40
householder living alone	23
householder not alone	10
non-relatives	7
In group quarters	0
institutionalized persons	0
other persons in group quarters	0

Source: 2000 Census of Population and Housing

TABLE 13
Type of Housing Units by Structure

Units in Structure	Total Units	PCT
1, detached	144	84.2
1, attached	0	0
2	18	10.5
3 or 4	9	5.3
5 to 9	0	0
10 to 19	0	0
20 to 49	0	0
50 or more	0	0
Mobile home or trailer	0	0
Other	5	2.9
TOTAL	171	100

Source: 2000 Census of Population and Housing

C. Income Level

Approximately, 50 percent of the households in Millstone earn between \$60,000 and \$149,000 according to the 2000 census.

TABLE 14
Borough Of Millstone Household Income

<u>Household Income</u>	<u>Number</u>	<u>Percent</u>
\$0 - 9,999	11	6.7
\$10,000-\$14,999	2	1.2
\$15,000-\$19,999	4	2.4
\$20,000-\$24,999	11	6.7
\$25,000-\$29,999	4	2.4
\$30,000-\$34,999	4	2.4
\$35,000-\$39,999	9	5.5
\$40,000-\$44,999	6	3.7
\$45,000-\$49,999	0	0
\$50,000-\$59,999	14	8.5
\$60,000-\$99,999	53	32.3
\$100,000-\$149,999	29	17.7
\$150,000 and over	17	10.4
Total Households	164	99.9*

Median Household Income \$76,353

** Does not add up due to rounding*

Source: 2000 Census of Population and Housing

D. Age

The age of the Millstone population has been discussed under Section III, Demographic Characteristics, A. Population.

E. Marital Status

In 2000, there were 18 more women than men over the age of 15 years in Millstone. There were 13 more males that never married. There were more widows than widowers and more divorced females than males. In addition, the total number of females widowed was 89 percent of the total widowed population.

TABLE 15
Sex by Marital Status - Persons 15 Years and over

Marital Status	Total	Male	Female
Total	342	162	180
Never Married	81	47	34
Now Married	217	109	108
Separated	9	4	5
Widowed	19	2	17
Divorced	25	4	21

Source: 2000 Census of Population and Housing

IV. EXISTING AND PROBABLE FUTURE EMPLOYMENT CHARACTERISTICS

Of the 240 Millstone residents employed in the civilian labor force, 71 percent are in educational, health and social service occupations and construction, manufacturing, wholesale trade, retail trade and transportation fields.

TABLE 16
Occupation
Employed Persons 16 Years and Over

Construction, manufacturing, wholesale trade, retail trade, transportation	98
Information	11
Arts, entertainment, recreation, accommodation and food services	25
Professional, scientific and technical services	25
Educational, health and social services	73
Public administration	8
Total	240

Source: 2000 U.S. Census of Population and Housing

As to future employment activity within Millstone, there may be minimal in the future.

According to the New Jersey State Data Center, Millstone had a covered employment number of 14 in 2003.

V. DETERMINATION OF TOTAL OBLIGATION FROM PRIOR ROUNDS

A. Rehabilitation Share

Millstone’s Rehabilitation Share is zero.

B. Re-calculated Prior Round Obligation

Millstone’s recalculated prior round obligation is 22 units.

VI. PROJECTION OF MUNICIPAL GROWTH SHARE OBLIGATION

A. RESIDENTIAL GROWTH SHARE OBLIGATION

STEP 1: The projections in Table R-1 were provided by the Metropolitan Planning Organization (MPO) and will be utilized until the Plan Projections for 2015 in the final State Development and Redevelopment Plan are released. The MPO growth projections show household projections in five-year intervals from 2000 through 2025. These projections show total households, not just the households projected to reside in market rate units. To determine how many affordable units will be provided to address residential growth, the increase in households was determined by subtracting the households in the year 2005 from the households in the year 2015. This provided a 10-year household increase that closely parallels the 2004 to 2014 period on which the growth share is based. This resulted in a total number of 160 new households, which is the number of new housing units that are projected as shown in Table R-1 below. This is the figure that will be compared to the total net residential growth as projected by Millstone Borough in Steps 5 and 6.

TABLE R-1				
MPO Residential Growth Projection				
2015 MPO	-	2005 MPO	=	Household Growth
Households		Households		
330	-	170	=	160

STEP 2: Next, there is a review of the historic data for the last 10 years that were collected on certificates of occupancy (CO) and demolitions issued. Table R-2 provides the 10-year historic CO and demolition permit data that were collected. This assists in projecting likely future growth and also provides for actual growth since January 1,

2004. COs issued minus demolitions that have taken place since January 1, 2004 comprise the first component of the growth share calculation.

Actual figures are used for growth in 2004-2006 and projections are used for growth from 2007 to 2014. It is noted that Millstone had no residential COs or demolitions over the past 10 years.

TABLE R-2

10-year Historic Trend of Certificates of Occupancy and Demolition Permits

	'97	'98	'99	'00	'01	'02	'03	'04	'05	'06	Total
COs Issued	0	0	0	0	0	0	0	0	0	0	0
Demolitions	0	0	0	0	0	0	0	0	0	0	0
Net	0	0	0	0	0	0	0	0	0	0	0

STEP 3: This section includes projections from the housing element of future residential construction based on a site-specific analysis of development applications, both approved and anticipated. Developments that are expected to be constructed before 2014 were utilized to project residential growth. Yield calculations gave consideration to wetlands, steep slopes, access to utilities, etc. Also included in this projection were all anticipated development, including affordable housing developments from the second round housing plan that have not yet been constructed. Table R-3 lists those developments and provides an estimate of the number of units that could be constructed and the year COs would be issued.

Table R-3 represents other development that is anticipated to occur based in part upon the historic rate of development.

By looking at historic trends, there was no residential activity and no demolitions from 1997-2006. However, Millstone has one executed Mediation Agreement and is negotiating a second agreement that will result in residential activity. The executed and contemplated agreements are discussed in the Fair Share Plan.

TABLE R-3

Anticipated Developments & Number of Residential Units
by the Year that COs are Anticipated to be Issued

	'07	'08	'09	'10	'11	'12	'13	Total
Approved Development Applications								
NONE								
Future Development								
Apartments				13				13
Van Cleef Age-Restricted	0			92				92
Rezem-Age Restricted	0			92				92
*Group Homes				2				2
Pending Development Applications								
								0
Other Projected Development (Isolated Lots)								
NONE								0
Total	0	0	0	199	0	0	0	199

STEP 4: Anticipated demolitions are subtracted from the total COs projected, as shown in Table R-4:

TABLE R-4

Projected Miscellaneous COs and Demolition Permits

	'07	'08	'09	'10	'11	'12	'13	Total
Total COs Issued (from Table R-3)	0	0	0	199	0	0	0	199
Demolitions	0	0	0	0	0	0	0	0
Net	0	0	0	199	0	0	0	199

STEP 5: The actual net residential growth from 2004 (Table R-2) is added to the projected net residential growth from 2005 to 2014 (Table R-4) to arrive at the total 10-year total residential growth as shown in Table R-5:

*Although there will only be two COs issued, there will actually be 10 bedrooms that receive COAH credit.

TABLE R-5

Total Net Residential Growth (Sum of Actual and Projected Growth)

Actual? ? Projected →

	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	Total
Total COs Issued (from Table R-3)	0	0	0	0	0	0	199	0	0	0	199
Demolitions	0	0	0	0	0	0	0	0	0	0	0
Net	0	0	0	0	0	0	199	0	0	0	199

STEP 6: The net residential growth from Step 5 is compared to the MPO housing unit growth as projected in Step 1. Because the net residential growth of 199 is greater than the MPO household growth projection of 160, the projection has a presumption of validity in the petition for substantive certification.

STEP 7: N.J.A.C. 5:94-2.4(a)4, states that developments and mixed use developments that receive credit in a second round plan or address a municipality’s prior round obligation are excluded from calculating a municipality’s growth share obligation.

From the total net residential growth, affordable housing units are subtracted that are included in the second round plan that are projected to receive COs after January 1, 2004.

Two of the sites listed in Table R-6 are now included in the second round plan (prior round) and have not received COs.

The Van Cleef site will contain 92 age-restricted and handicapped for sale units of which 11 will be affordable units. In addition, the site will contain two group homes. This site is expected to be the focus of a Mediation Agreement that will be in Millstone’s second round plan.

Because the Van Cleef site is a second round site that will yield surplus credits, Millstone will exclude 65 units from Growth Share. As a result, there will be a reduction of units from the 94 leaving 29 units for a Growth Share obligation. The 29 units will generate a 3.625 or four unit Growth Share obligation.

The Rezem tract was negotiated as a Second Round objection and is the focus of an executed Mediation Agreement that is the result of a COAH mediation. The Rezem tract will contain up to 92 age-restricted market rate units, eight affordable family apartments on-site and five market rate apartments in an inclusionary development.

The eight affordable units are multiplied by four and then, along with the result (40 units), are subtracted from the total units of 105 ($105 - 32 - 8 = 40$), for a net of 65 units.

The remaining 65 market rate units will generate an 8.125 unit Growth Share obligation. The total residential Growth Share is 11.75.

TABLE R-6

Prior and Third Round Affordable and Market-Rate Units
To Be Excluded
from Growth Projection, by the Year
that COs are Anticipated to be Issued

	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	<i>Total</i>
Van Cleef site (Prior Round)					0		65				65
Rezem (Prior Round)				0			40				40
Total	0	0		0	0	0	105	0	0	0	105

STEP 8: The total number of second round units to be excluded from the growth projection as calculated in Step 7 (Table R-6) is subtracted from the net residential growth projection as calculated in Step 5 (Table R-5). Table R-7 shows the net residential growth projection after excluding all allowable second round affordable and market-rate units.

TABLE R-7

Net Residential Growth Projections After Subtracting
Prior and Third Round Affordable and Inclusionary Market-Rate Units

	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	<i>Total</i>
Net Residential Growth (Table R-5)	0	0	0	0	0	0	199	0	0	0	199
Prior and Third Round Units (Table R-6)	0	0	0	0	0	0	105	0	0	0	105
Final Net Growth	0	0	0	0	0	0	94	0	0	0	94

STEP 9: The net projected residential growth of 94 units is divided by eight, with a resulting growth share obligation of 11.75 affordable units.

TABLE R-8

Affordable Housing Unit Growth Projections

	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	<i>Total</i>
Table R-7 Total	0	0	0	0	0	0	94	0	0	0	94
Divided by 8	0	0	0	0	0	0	11.75	0	0	0	11.75

Therefore, the total affordable housing obligation generated by residential development is 11.75 new construction units over the 10-year certification period.

B. NON-RESIDENTIAL GROWTH SHARE OBLIGATION

STEP 1: The projections in Table NR-1 were provided by the MPO and will be utilized until the Plan Projections for 2015 in the final State Development and Redevelopment Plan are released. The MPO growth projections show employment projections in five-year intervals from 2000 through 2025. To determine how many affordable units will be provided to address non-residential growth, the increase in employment is determined by subtracting the number of jobs in the year 2005 from the number of jobs in the year 2015. This provides a 10-year employment increase that closely parallels the 2004 to 2014 period on which growth share is based. This figure is then compared for consistency to the employment growth projected for Millstone Borough in Step 6. See the example shown in Table NR-1 below:

TABLE NR-1
MPO Non-Residential Growth Projection

2015 MPO	-	2005 MPO	=	Employment
Employment		Employment		Change
100	-	20	=	80

STEP 2: The historic data for the last 10 years that were collected on COs and demolitions issued were reviewed. Table NR-2 provides the 10-year historic CO and demolition permit data that was collected. This assisted in projecting likely future growth and also provided actual growth since January 1, 2004. COs issued minus demolitions that have taken place since January 1, 2004 comprise the first component of the growth share calculation.

Actual figures are used for growth in 2004-2006 and projections are used for growth from 2007 to 2014.

TABLE NR-2
 10-year Historic Trend of Certificates of Occupancy
 and Demolition Permits by Square Feet

	'97 Sq Ft	'98 Sq Ft	'99 Sq Ft	'00 Sq Ft	'01 Sq Ft	'02 Sq Ft	'03 Sq Ft	'04 Sq Ft	'05 Sq Ft	'06 Sq Ft
COs Issued B - Office	0	0	0	0	0	0	0	0	0	0
COs Issued M - Retail	0	0	0	0	0	0	0	0	0	0
COs Issued S - Warehouse	0	0	0	0	0	0	0	0	0	0
COs Issued A-2 - Restaurant	0	0	0	0	0	0	0	0	0	0
Demolitions B - Office	0	0	0	0	0	0	0	0	0	0
Demolitions S- Warehouse	0	0	0	0	0	0	0	0	0	0
Demolitions R1 - Motel	0	0	0	0	0	0	0	0	0	0

STEP 3: The actual growth that has occurred was then converted into the square footage to jobs using Appendix E. These conversions were made for each of the relevant use groups.

TABLE NR-3
 “B” USE GROUP: Actual Developments
 by Year that COs Were Issued (three jobs per 1,000 square feet)

	'04-'06	<i>Total Sq. Ft.</i>	<i>Jobs</i>
TOTAL NEW DEVELOPMENT	0	0	0
TOTAL DEMOLITIONS	0	0	0

TABLE NR-4
 “S” USE GROUP: Actual Developments
 by Year that COs Were Issued (.2 jobs per 1,000 square feet)

	'04-'06	<i>Total Sq. Ft.</i>	<i>Jobs</i>
TOTAL NEW DEVELOPMENT	0		0
TOTAL DEMOLITIONS	0		0

STEP 4: Projections from the housing element of future non-residential construction based on a site-specific analysis of development applications, both approved and anticipated, are included. Developments that are expected to be constructed before 2014 are used to project non-residential growth. Yield calculations gave consideration to wetlands, steep slopes, access to utilities, etc. Included in this projection were all anticipated development, including future developments that will be approved and will have COs issued by 2014. Table NR-5 lists those developments and provides an estimate of the square footage anticipated and the year COs would be issued. Table NR-5 includes a row for Other Projected Development, which represents other development that is anticipated to occur based in part upon the historic rate of development.

Millstone had no non-residential activity from 1997 to the present. The reason that Millstone has future non-residential development is because of an executed Mediation Agreement on one site, the Rezem Tract. There is no other non-residential development expected to occur before 2015. This is validated by Millstone's historic trend in Table NR-2.

These projections were made for each of the relevant use groups.

Any adjustment to the non-residential growth projections by demolitions that resulted in job loss calculation was based upon the most recent use group of the building prior to its demolition.

Once tabulated, the appropriate use group factor listed in Appendix E to the projected net gross square footage of new non-residential development is applied to determine the projected job growth. Appendix E was the standard used to determine jobs per square feet.

TABLE NR-5

“B” USE GROUP: Developments and Anticipated Developments
by the Year that COs are Anticipated to be Issued (three jobs per 1,000 square feet)

	'07	'08	'09	'10	'11	'12	'13	<i>Total Sq. Ft.</i>	<i>Jobs</i>
Approved Development Applications									
NONE									
Pending Development Applications									
NONE									
Anticipated Development Applications									
Office				3,000				3,000	9
(Rezem)									
Other Projected Development									
NONE									
TOTAL NEW DEVELOPMENT	0	0		3,000	0	0	0	3,000	9
TOTAL DEMOLITIONS								0	0

TABLE NR-6

“M” USE GROUP: Developments and Anticipated Developments
by the Year that COs are Anticipated to be Issued (one job per 1,000 square feet)

	'07	'08	'09	'10	'11	'12	'13	<i>Total Sq. Ft.</i>	<i>Jobs</i>
Approved Development Applications									
NONE									
Anticipated Development Applications									
Rezem Retail				28,000				28,000	28
Demolitions									
NONE									
Other Projected Development									
NONE									
TOTAL NEW DEVELOPMENT		0	0	28,000				28,000	28
TOTAL DEMOLITIONS	0	0	0	0					

TABLE NR-7

“A2 – A4” USE GROUP: Developments and Anticipated Developments
by the Year that COs are Anticipated to be Issued (three jobs per 1,000 square feet)

	'05	'06	'07	'08	'09	'10	'11	'12	'13	<i>Total Sq. Ft.</i>	<i>Jobs</i>
Approved Development Applications											
NONE											
Pending Development Applications											
											0
Anticipated Development Applications											
TOTAL NEW DEVELOPMENT											0
TOTAL DEMOLITIONS											

STEP 5: Tables NR-5 through 7 were merged once the number of jobs created (new construction) or lost (demolitions) by use group was determined. Jobs lost (as evidenced by demolitions) were subtracted from jobs created (new construction) to arrive at net projected employment growth.

TABLE NR-8
Net Projected Employment Growth

	'07	'08	'09	'10	'11	'12	'13	<i>Total</i>
Table NR-5 TOTAL NEW DEVELOPMENT	0	0	0	9				9
Table NR-6 TOTAL NEW DEVELOPMENT	0	0	0	28				28
Table NR-7 TOTAL NEW DEVELOPMENT	0							
Subtotal New Development	0	0	0	37				37
Table NR-5 TOTAL DEMOLITIONS								
Table NR-6 TOTAL DEMOLITIONS								
Table NR-7 TOTAL DEMOLITIONS								
Subtotal Demolitions								
Total Projected Net Employment Growth	0	0	0	37	0	0	0	37

STEP 6: The actual net non-residential growth from 2004-2006 was added to the projected net non-residential growth from 2007 to 2014 to arrive at the total 10-year net non-residential (employment) growth as shown in TABLE NR-9.

TABLE NR-9
Total Net Non-Residential (Employment) Growth (Sum of Actual and Projected Growth)

		<i>Actual?</i>	<i>?</i>	<i>Projected</i>				<i>→</i>			<i>Total</i>
	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	
Total New Development	0	0	0	0	0	0	37	0	0	0	37
Total Demolitions	0										0
Total Net Employment Growth	0	0	0	0	0	0	37	0	0	0	37

STEP 7: The net non-residential growth from Step 5 is compared to the MPO employment growth as projected in Step 1. The net non-residential growth of 37 jobs is less than the MPO employment growth projection of 80 jobs. Based on historic trends, Millstone should have zero new jobs. The only reason that Millstone has any non-residential growth is due to a Mediation Agreement that will be discussed in the Fair Share Plan.

STEP 8: The net non-residential growth of 37 jobs is divided by 25, with a resulting non-residential growth share obligation of 1.48 affordable units.

TABLE NR-10

Affordable Housing Unit Obligation Generated by Non-Residential Development

	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	Total
Table NR-9 Total	0	0	0	0	0	37	0	0	0	0	37
Divided by 25	0	0	0	0	0	1.48					1.48

Therefore, the total non-residential affordable housing obligation is one new unit over the 10-year certification period.

FINAL STEP: The net residential component of growth share projection from Step 9 of the Residential Growth Projection Example is added to the net non-residential growth share projection from Step 8 above and determines Millstone Borough's third round growth share obligation to be 13 units.

TABLE T-1

Total Projected Affordable Housing Obligation Generated by Residential and Non-residential Development 2004-1014

	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	Total
Table R-8 Residential	0	0	0	0	0	0	11.75	0	0	0	11.75
Table NR-10 Non-Residential	0	0	0	0	0	0	1.48	0	0	0	1.48
Total	0	0	0	0	0	0	13.23				13.23

The projections are not equally divided between the years. Accordingly, consideration is given to providing for the affordable units to be constructed in proportion to the market-rate residential and non-residential construction as it occurs.

VII. ANALYSIS OF EXISTING AND FUTURE ZONING TO ACCOMMODATE GROWTH PROJECTIONS

A. Availability of Existing and Planned Infrastructure

Millstone does not have public sewers to date but has jointly with Hillsborough Township submitted to Somerset County an amendment to the 208 sewer service area plan. The amendment includes the Van Cleef and the residential and commercial portions of the Rezem site, among other areas. The County has favorably received this request. The developers will sewer the two sites and will connect to existing facilities in Hillsborough Township. Most of the homes and businesses in Millstone are served by the American Water Company. A small percentage of residences are served by private wells.

B. Anticipated Demand for Types of Uses Permitted by Zoning Based on Present and Anticipated Future Demographic Patterns.

Millstone has entered into one Mediation Agreement and is negotiating a second that will provide market rate, age-restricted for sale housing in Millstone together with market rate and affordable apartments over retail and 10 bedrooms in group homes. As a result, anticipated uses and future demographic patterns are being permitted. There will be zoning changes to accommodate the growth.

C. Anticipated Land Use Patterns

There will be land use changes in Millstone because of the one executed and one anticipated agreement. These anticipated land uses will accommodate a range of new housing types that have not been seen in Millstone during the last 10 years.

D. Economic Development Policies

There are no known economic development policies at this time.

E. Constraints on Development

1. State and federal regulations: Millstone Borough is not in the Highlands area.
2. Land ownership patterns: The majority of the land in the borough is either residential or agriculture. Properties assessed as commercial uses make up only one percent of the acreage. Approximately 88 percent of the 169 occupied housing units are owner-occupied while 12 percent are rentals.
3. Incompatible land uses: There are no known incompatible land uses.
4. Sites needing remediation: There are no known sites needing remediation.

5. Environmental Constraints: The Millstone River and its minor tributaries have an established flood plain. Wetlands were delineated along various stream corridors and along low lying areas abutting the Millstone River. In addition, Millstone has no public sewer system but is contemplating one via developer's agreements.
6. Existing or planned measures to address any constraints: As stated above, Millstone is involved in bringing a sewer system into the borough via the Hillsborough system.