

**AMENDED
HOUSING ELEMENT AND
FAIR SHARE PLAN**

Borough of Atlantic Highlands
Monmouth County, New Jersey

August 2018

Adopted by the Planning Board on September 13, 2018

Amended May 2019

Prepared By:



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AMENDED HOUSING ELEMENT AND FAIR SHARE PLAN

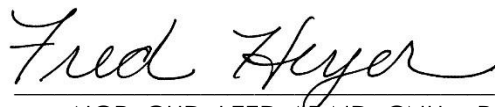
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The original of this report was signed and
sealed in accordance with N.J.S.A. 45:14A-12



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PART 1: HOUSING ELEMENT

INTRODUCTION

The need to protect and promote affordable housing in New Jersey, the country's densest state, has been recognized for decades. In the case of Southern Burlington County NAACP v. the Township of Mount Laurel, (commonly known as Mount Laurel I), the New Jersey Supreme Court established the doctrine that developing municipalities in New Jersey have a constitutional obligation to provide a realistic opportunity for the construction of low and moderate income housing in their communities. In its Mount Laurel decision, decided on January 20, 1983 (Mount Laurel II), the Supreme Court expanded the Mount Laurel doctrine by determining that this constitutional responsibility extended to all municipalities in New Jersey.

In response to the Mount Laurel II decision, the New Jersey Legislature adopted the Fair Housing Act in 1985 (Chapter 222, Laws Of New Jersey, 1985). The Fair Housing Act established the Council on Affordable Housing (COAH) as an administrative alternative to the courts. COAH was given the responsibility of dividing the state into housing regions, determining regional and municipal fair share affordable housing obligations, and adopting regulations that would establish the guidelines and approaches that municipalities may use in addressing their affordable housing need.

Very-low-income households are those in which the gross household income is 30% or less than the region's median household income. Low-income households are those with incomes no greater than 50 percent of the region's median household income. Moderate-income households are those with incomes no greater than 80 percent and no less than 50 percent of the region's median household income. Each is adjusted for household size and is in relation to the median gross income of the housing region in which the municipality is located.

This Housing Element and Fair Share Plan for the Borough of Atlantic Highlands has been prepared in accordance with applicable law. Moreover, on July 2, 2015, the Borough filed a declaratory relief action in response to In re Adoption of N.J.A.C. 5:96 & 5:97 by the N.J. Council on Affordable Housing, 221 N.J. 1 (2015) ("Mount Laurel IV"). In this decision, the Supreme Court held that since COAH was no longer functioning, trial courts were to resume their role as the forum of first instance for evaluating municipal compliance with Mount Laurel obligations, and also established a transitional process for municipalities to seek a Judgment of Compliance and Repose ("JOR") in lieu of Substantive Certification from COAH.

ATLANTIC HIGHLANDS'S HISTORY OF AFFORDABLE HOUSING

The Borough of Atlantic Highlands adopted its first Third Round Housing Element and Fair Share Plan in 2005, at which time the Borough petitioned COAH to have the plan approved via Substantive Certification. The Borough amended the Plan in December 2006, and re-petitioned COAH for Substantive Certification. Before the Plan could be approved, COAH's 2004 Round 3 regulations were invalidated.

COAH adopted new Round 3 rules in September 2008, at which time the Borough Planning Board adopted, and the Borough Council endorsed, an Amended Housing Element and Fair Share Plan in the fall of 2008. Before the amended Plan could be approved, the 2008 COAH regulations were invalidated once again.

COAH unsuccessfully attempted to adopt a third iteration of Round 3 regulations in the fall of 2014, leading to the Supreme Court issuing its Mount Laurel IV decision.

In response to Mount Laurel IV, Atlantic Highlands filed a Declaratory Judgement Action on July 2, 2015, to have a Housing Element and Fair Share Plan approved by the Court, and simultaneously filed a motion of temporary immunity. On September 4, 2015, the Court entered an order affirming the Borough's immunity, and has since entered additional orders extending the Borough's immunity, which is still in full force and effect.

On January 26, 2018, the Borough executed a Settlement Agreement with Fair Share Housing Center ("FSHC") (hereinafter the "FSHC Settlement Agreement"). See Appendix A. The Court then entered an Order to set the date for a Fairness Hearing on May 8, 2018 to approve the FSHC Settlement Agreement. At the Fairness Hearing, the Settlement Agreement was approved, which was memorialized via an Order entered by the Court on May 24, 2018. See Appendix B.

In response to the Court's May 8, 2018 Order and the FSHC Settlement Agreement, the Borough prepared a Third Round Housing Element and Fair Share Plan, which was adopted by the Borough Planning Board on September 13, 2018, and was endorsed by the Borough Council on September 26, 2018 (hereinafter "2018 Housing Element and Fair Share Plan"). Subsequently, on March 29, 2019, the Borough entered into a Settlement Agreement between the Borough of Atlantic Highlands and Objectors to the Borough's Housing Element and Fair Share Plan regarding the 21 Leonard Avenue Site (Appendix E: The Settlement Agreement) to reduce the 21 Leonard Avenue project from two (2) duplexes with four (4) affordable units to one (1) duplex with two (2) affordable units. To ensure that the Borough's Realistic Development Potential (RDP) of 42 remains fully addressed, the Borough is adopting this amended plan to implement the change to the 21 Leonard Avenue project and to include an additional site located on 15 West Lincoln Avenue

(Block 107, Lots 4 and 5), which will produce ten (10) total units, two (2) of which will be affordable family rental units.

PLANNING FOR AFFORDABLE HOUSING

Pursuant to both the Fair Housing Act ("FHA") (N.J.S.A. 52:27D-310, et seq.) and the Municipal Land Use Law ("MLUL") N.J.S.A. 40:55D-28, et seq., municipalities in New Jersey are required to include a housing element in their master plans. The principal purpose of the housing element is to describe the specific, intended methods that a municipality plans to use in order to meet its very low, low and moderate income housing needs. Further, the housing element is meant to demonstrate the existing zoning or planned zoning changes that will allow for the provision of adequate capacity to accommodate household and employment growth projections, to achieve the goal of access to affordable housing for present and future populations. The statutorily required contents of the housing element are:

- a. 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;
- b. A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
- c. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
- d. An analysis of the existing and probable future employment characteristics of the municipality;
- e. 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; and
- f. 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.

MUNICIPAL SUMMARY

The Borough of Atlantic Highlands is a 4.5 square mile developed coastal community located in the east central part of New Jersey in the County of Monmouth. The Borough is surrounded by Middletown to the west and south, Highlands Borough to the east, and the Sandy Hook Bay to the North.

According to the 2010 Census, Atlantic Highlands' population was 4,442, which represents a decrease of over 5 percent from 2000. The US Census Bureau 2012-2016 American Community Survey estimates a total population of 4,318. The median age in 2010 was 45 years, and the average household size decreased slightly from the 2000 level of 2.39 persons to 2.34 persons in 2010.

The housing stock of the Borough is predominantly single-family detached dwelling units. A majority of the housing structures were built in the 1930s or earlier. According to the guidelines established by COAH, the Borough is located in Housing Region 4, a region that consists of Mercer, Monmouth, and Ocean counties. Based on the 2018 Regional Income Limits as prepared by the Affordable Housing Professionals of New Jersey, the median income in Region 4 for a four-person household is \$99,209, the moderate-income is \$79,368, the low-income is \$49,605, and the very-low-income level is \$29,763.

According to the Court approved FSHC Settlement Agreement, Atlantic Highlands has a Rehabilitation Obligation of 51 units, a Prior Round (1987-1999) Obligation of 86, and a Gap (1999-2015) + Prospective Need or Third Round (2015-2025) Obligation of 207. The Borough conducted a Vacant Land Analysis ("VLA") pursuant to N.J.A.C. 5:93-4.2. As detailed in the FSHC Settlement Agreement, the Borough has a combined Prior Round, Gap + Prospective Need (1987-2025) Realistic Development Potential ("RDP") of 42 units and a remaining "Unmet Need" of 251.

The Borough proposes to address its obligations through the following mechanisms:

- Rehabilitation Program.
- Existing Units/Credits.
- Proposed Inclusionary Developments.
- Proposed 100% Affordable Developments.
- Overlay Zoning.
- Borough-wide Mandatory Set-Aside Ordinance.

DEMOGRAPHIC CHARACTERISTICS

Population

The population trends experienced in Atlantic Highlands, Monmouth County, and the State of New Jersey from 1930 through 2010 are shown below as well as the 2016 population estimate from the U.S. Census Bureau American Community Survey. There were 4,442 residents in Atlantic Highlands in 2010, which was a decrease of 263 people, or 5.6 percent, from 2000. Atlantic Highlands experienced steady growth until the 1970s, when the Borough's population began to decrease. Since 1980, Atlantic Highlands' population has decreased in every decade, with the exception of the 1990s, which experienced minimal growth of 1.6 percent. Monmouth County and the State have experienced continued growth since 1930. Both the County and State experienced significant population increases during the 1990s. Since 2010, the Borough and the County experienced a slight decrease in population.

Population Trends									
Year	Atlantic Highlands			Monmouth County			New Jersey		
	Population	Change		Population	Change		Population	Change	
		Number	%		Number	%		Number	%
1930	2,000	-	-	147,209	-	-	4,041,334	-	-
1940	2,335	335	16.8%	161,238	14,029	9.5%	4,160,165	118,831	2.9%
1950	3,083	748	32.0%	225,327	64,089	39.7%	4,835,329	675,164	16.2%
1960	4,119	1,036	33.6%	334,401	109,074	48.4%	6,066,782	1,231,453	25.5%
1970	5,102	983	23.9%	461,849	127,448	38.1%	7,171,112	1,104,330	18.2%
1980	4,950	-152	-3.0%	503,173	41,324	8.9%	7,365,011	193,899	2.7%
1990	4,629	-321	-6.5%	553,124	49,951	9.9%	7,730,188	365,177	5.0%
2000	4,705	76	1.6%	615,301	62,177	11.2%	8,414,350	684,162	8.9%
2010	4,442	-263	-5.6%	630,380	15,079	2.5%	8,791,894	377,544	4.5%
2016 Estimates	4,318	-124	-2.8%	627,532	-2,848	-0.5%	8,915,456	123,562	1.4%

Source: U.S. Census Bureau, 2012-2016 ACS 5-Year Estimates

Population Composition by Age

The median age of the residents in Atlantic Highlands in 2010 was 45 years. Analysis of age group characteristics provides insight into the actual changes in population. This comparison is helpful in determining impacts these changes have on housing needs, community facilities, and services for the municipality. As detailed in the following table, the entire composition of Atlantic Highlands experienced notable shifts since 2000. The most significant change was in the 35 to 44 age cohort, which decreased by 30.2 percent. The 55 to 64 age cohort increased significantly by 22.5 percent. The 45 to 54 age cohort experienced the second largest growth by 20.4 percent. However, the 25 to 34 (-22.6%), 5 to 14(-19.1%), and under 5 years (-17.9%) age cohorts declined significantly from 2000 to 2010.

Population by Age 2000 and 2010, Atlantic Highlands						
Population	2000		2010		Change, 2000 to 2010	
	Number	Percentage	Number	Percentage	Number	Percentage
Total population	4,705	100.0%	4,385	100.0%	-320	-6.8%
Under 5 years	285	6.1%	234	5.3%	-51	-17.9%
5 to 14	581	12.3%	470	10.7%	-111	-19.1%
15 to 24	431	9.2%	398	9.1%	-33	-7.7%
25 to 34	602	12.8%	466	10.6%	-136	-22.6%
35 to 44	896	19.0%	625	14.3%	-271	-30.2%
45 to 54	711	15.1%	856	19.5%	145	20.4%
55 to 64	534	11.3%	654	14.9%	120	22.5%
65 and over	665	14.1%	682	15.6%	17	2.6%

Source: U.S. Census Bureau

Monmouth County experienced population fluctuation as well, but not as significantly as the Borough. The most significant increase was in the 55 to 64 age cohort, which grew by 45.3 percent. Significant increases were also seen in the 45 to 54 age cohort (20.3%) and 15 to 24 age cohort (16.1%). Similar to Atlantic Highlands, decreases were experienced in the under 5 cohort (-17.7%) and the 35 to 44 age cohort (-22.5%).

Population by Age 2000 and 2010, Monmouth County						
Population	2000		2010		Change, 2000 to 2010	
	Number	Percentage	Number	Percentage	Number	Percentage
Total population	615,301	100.0%	630,380	100.0%	15,079	2.5%
Under 5 years	42,231	6.9%	34,755	5.5%	-7,476	-17.7%
5 to 14	93,278	15.2%	86,679	13.8%	-6,599	-7.1%
15 to 24	67,406	11.0%	78,229	12.4%	10,823	16.1%
25 to 34	75,308	12.2%	64,860	10.3%	-10,448	-13.9%
35 to 44	111,681	18.2%	86,499	13.7%	-25,182	-22.5%
45 to 54	92,239	15.0%	110,979	17.6%	18,740	20.3%
55 to 64	56,235	9.1%	81,688	13.0%	25,453	45.3%
65 and over	76,843	12.5%	86,690	13.8%	9,847	12.8%

Source: U.S. Census Bureau

Households

A household is defined as one or more persons, either related or not, living together in a housing unit. In 2010 there was a total of 1,870 households in Atlantic Highlands. Roughly 64 percent of the households were occupied by two persons or less. The average household size of the Borough in 2010 was 2.34, slightly less than that of the County's average of 2.66. Both the Borough's and the County's largest percentage of households was a two-person household, 33.4% and 30.0% respectively. The Borough's and County's second most common household size was one-person households, 30.4% and 25% respectively.

Household Size- Occupied Housing Units, 2010 Borough of Atlantic Highlands and Monmouth County				
	Borough		County	
	Number	Percent	Number	Percent
Total Households	1,870	100.0%	233,983	100.0%
1-person household	569	30.4%	58,515	25.0%
2-person household	625	33.4%	70,212	30.0%
3-person household	301	16.1%	39,342	16.8%
4-person household	251	13.4%	39,138	16.7%
5-person household	96	5.1%	17,701	7.6%
6-person household	21	1.1%	5,777	2.5%
7-or-more-person household	7	0.4%	3,298	1.4%
Average Household Size	2.34		2.66	

Source: U.S. Census Bureau

Family households are defined as two or more persons living in the same household, related by blood, marriage or adoption. They do not include same-sex married couples. Most households in the Borough in 2010 were family households, comprising 63.4 percent of all households. The average family size was 3.1 persons. The majority of family households (81.9%) were married-couple families, of which over half (59.1%) had no children under the age of 18. Over 30 percent of the households were one-person households, with 42.7 percent male householders and 57.3 percent female householders.

In providing more detail of American households, the 2010 Census includes the sub-groups of non-traditional households: Other family and Non-family households. "Other" family households made up 11.5 percent of all households, of which 160 (74.4%) were female households with no husband present. "Non-family" households are defined as households that consist of a householder living alone or sharing the home exclusively with people whom he/she is not related. Non-family households comprised approximately 3.1 percent of all households in the Borough.

Household Size and Type, 2010 Borough of Atlantic Highlands		
	Total	Percent
Total Households	1,870	100.0%
1 person household	569	30.4%
Male householder	243	42.7%
Female householder	326	57.3%
2 or more person household	1,301	69.6%
Family households	1,186	63.4%
Married Couple Family	971	81.9%
With own children under 18 years	397	40.9%
No children under 18 years	574	59.1%
Other Family	215	11.5%
Male householder, no wife present	55	25.6%
With own children under 18 years	23	41.8%
No own children under 18 year	32	58.2%
Female householder, no husband present	160	74.4%
With own children under 18 years	57	35.6%
No own children under 18 year	103	64.4%
Nonfamily Households	115	6.1%
Male householder	69	60.0%
Female householder	46	40.0%
Average Family Size	3.10*	

Source: U.S. Census Bureau, *2012-2016 American Community Survey 5-Year Estimates

Income

As measured in 2016, Atlantic Highlands had a higher median household income compared to Monmouth County and the State of New Jersey. In 2016, the median income in Atlantic Highlands was \$91,579, roughly \$4,282 more than the County and \$17,877 more than the State's median income.

Per Capita and Household Income		
	2016 Per Capita Income	2016 Medium Household Income
Atlantic Highlands	\$45,626	\$91,579
Monmouth County	\$44,504	\$87,297
New Jersey	\$37,538	\$73,702

Source: 2012-2016 American Community Survey 5-Year Estimates

In 2016, over 71 percent of all households in the Borough earned \$50,000 or more with the largest percentage (21.8%) earning between \$100,000 and \$149,999. This percentage was followed by those households that earned \$50,000 to \$74,999 (16.3%) and finally those who earned \$150,000 to \$199,999 (12.8%). About 28 percent of households earned less than \$35,000. In Monmouth County, the most common income bracket was the \$100,000 to \$149,999 range with roughly 18.6 percent of households earning that much. Roughly 21 percent of households in the County earned less than \$35,000.

Household Income Atlantic Highlands and Monmouth County, 2016 Estimates				
	Atlantic Highlands		Monmouth County	
	Number	Percentage	Number	Percentage
Total Households	1,786	100.0%	232,868	100.0%
Less than \$10,000	51	2.9%	9,466	4.1%
\$10,000 to \$14,999	75	4.2%	7,400	3.2%
\$15,000 to \$24,999	56	3.1%	15,848	6.8%
\$25,000 to \$34,999	113	6.3%	16,030	6.9%
\$35,000 to \$49,999	208	11.6%	19,799	8.5%
\$50,000 to \$74,999	292	16.3%	32,802	14.1%
\$75,000 to \$99,999	178	10.0%	28,457	12.2%
\$100,000 to \$149,999	390	21.8%	43,288	18.6%
\$150,000 to \$199,999	229	12.8%	25,657	11.0%
\$200,000 or more	194	10.9%	34,121	14.7%
Median Household Income	\$91,579		\$87,297	

Source: 2012-2016 American Community Survey 5-Year Estimates

Poverty Status

Of the 4,307 persons of Atlantic Highlands's population for which poverty status is determined, 234 individuals, or 5.4 percent, lived in poverty in 2016. Of those in poverty, a majority (52.6%) were in the age range of 18 to 64 years old. About 22.2 percent were children (under the age of 18) and roughly 25.2 percent were seniors (over 65). The County had a slightly higher poverty rate of 7.6 percent.

Poverty Status Atlantic Highlands and Monmouth County, 2016 Estimates				
	Atlantic Highlands		Monmouth County	
	Number	Percentage	Number	Percentage
Total persons	4,307	-	621,159	-
Total persons below poverty level	234	5.4%	47,318	7.6%
Under 18	52	22.2%	14,034	29.7%
18 to 64	123	52.6%	27,379	57.9%
65 and over	59	25.2%	5,905	12.5%

Source: 2012-2016 American Community Survey 5-Year Estimates

Household Costs

The following tables show the expenditures for housing for those who own and rent housing in Atlantic Highlands and Monmouth County. Most people in the Borough lived in homes they owned, and according to the 2012-2016 5-year estimates by the ACS, roughly 14.1 percent of all owner-occupied households spent 30 percent or more of their household income on housing. About 40.5 percent of renter-occupied households spent 30 percent or more of their household income on housing. General affordability standards set a limit at 30 percent of gross income to be allocated for owner-occupied housing costs and 28 percent of gross income to be allocated for renter-occupied housing costs.

Selected Monthly Owner Costs as a Percentage of Household Income 2016 Estimates				
	Atlantic Highlands		Monmouth County	
	Number	Percentage	Number	Percentage
Total Owner-Occupied Housing Units	3,344	100.0%	171,673	100.0%
Less than 15%	308	9.2%	19,535	11.4%
15 to 19%	181	5.4%	25,792	15.0%
20 to 24%	207	6.2%	23,879	13.9%
25 to 29%	218	6.5%	18,577	10.8%
30 to 34%	83	2.5%	12,995	7.6%
35% or more	387	11.6%	46,743	27.2%
Not computed	0	0.0%	911	0.5%

Source: 2012-2016 American Community Survey 5-Year Estimates

Gross Rent as a Percentage of Household Income 2016 Estimates				
	Atlantic Highlands		Monmouth County	
	Number	Percentage	Number	Percentage
Total Renter-Occupied Housing Units	385	100.0%	61,195	100.0%
Less than 15%	50	13.0%	5,873	9.6%
15 to 19%	18	4.7%	5,595	9.1%
20 to 24%	68	17.7%	6,867	11.2%
25 to 29%	93	24.2%	6,208	10.1%
30 to 34%	69	17.9%	5,222	8.5%
35% or more	87	22.6%	27,776	45.4%
Not computed	17	4.4%	3,654	6.0%

Source: 2012-2016 American Community Survey 5-Year Estimates

Similar to Atlantic Highlands, a large majority of Monmouth County residents own their home. Roughly 35 percent of all County owner-occupied homes spent 30 percent or more of their household income on housing, and approximately 54 percent of renter-occupied households spend 30 percent or more of their household income on housing.

EXISTING HOUSING CONDITIONS

Housing Unit Data

Atlantic Highlands' housing stock consists of primarily older structures. In 2010, Atlantic Highlands had a total of 2,002 occupied housing units. A majority of these units (1,341 or 71.7%) were owner-occupied while 529 units (28.3%) were renter-occupied. A majority of the structures (55.6%) were built before 1960. The Borough experienced a significant housing boom in the 1960s (an increase of 68 percent from the previous year's construction number, representing 14 percent of the entire housing stock). Construction continued strongly through the 1990s with a slowdown beginning in 2000. Only 23 units, 1.2 percent of the entire housing stock, have been constructed since 2010. The median year of construction for the housing stock in Atlantic Highlands is 1954.

Housing Data Atlantic Highlands, 2010		
	Number	Percentage
Total Housing Units	2,002	100.0%
Occupied Housing Units	1,870	93.4%
Owner Occupied	1,341	71.7%
Renter Occupied	529	28.3%

Source: 2010 Census

Year Structure Built		
	Number	Percentage
Built 1939 or earlier	793	40.6%
Built 1940 to 1949	106	5.4%
Built 1950 to 1959	186	9.5%
Built 1960 to 1969	274	14.0%
Built 1970 to 1979	138	7.1%
Built 1980 to 1989	208	10.7%
Built 1990 to 1999	177	9.1%
Built 2000 to 2009	47	2.4%
Built 2010 to 2013	23	1.2%
Built 2014 or Later	0	0.0%
Total	1,952	100.0%
Median Year Structure Built	1954	

Source: 2012-2016 American Community Survey 5-Year Estimates

Housing Type and Size

The majority of the housing stock in Atlantic Highlands is single-family detached housing. In 2016, there were 1,454 single-family detached homes representing 74.5 percent of the housing stock. Housing structures containing 50 or more units were the next most common housing type with 126 units or 6.5 percent of the Borough's housing stock.

The median number of rooms within housing structures in the Borough was 6.1 with the largest percentage of structures (18.4%) having 9 rooms or more.

Housing Type and Size Atlantic Highlands Borough, 2016 Estimates		
Units in Structure	Total	Percentage
Total	1,952	100.0%
1, detached	1,454	74.5%
1, attached	39	2.0%
2	89	4.6%
3 or 4	86	4.4%
5 to 9	8	0.4%
10 to 19	46	2.4%
20 to 49	104	5.3%
50 or more	126	6.5%
Mobile home	0	0.0%
Boat, RV, van, etc.	0	0.0%
Rooms		
Rooms	Total	Percentage
1 room	43	2.2%
2 rooms	17	0.9%
3 rooms	194	9.9%
4 rooms	255	13.1%
5 rooms	255	13.1%
6 rooms	356	18.2%
7 rooms	234	12.0%
8 rooms	238	12.2%
9 or more rooms	360	18.4%
Median number of rooms	6.1	

Source: 2012-2016 American Community Survey 5-Year Estimates

In terms of residential growth, for the period January 2000 through December 2016, the Borough issued building permits authorizing the development of only 66 units, which averages to 4.1 units per year. The majority of the Borough's building permits were authorized in 2016, where 20 permits were authorized during this period.

Housing Units Authorized by Building Permits: 2000-2016* Borough of Atlantic Highlands				
Year	1 & 2 Family	Multi Family	Mixed-Use	Total
2000-2003	-	-	-	7
2004	1	0	0	1
2005	0	0	0	0
2006	0	0	0	0
2007	2	1	1	4
2008	0	0	2	2
2009	3	0	0	3
2010	3	0	0	3
2011	4	0	0	4
2012	3	0	0	3
2013	5	0	0	5
2014	5	0	0	5
2015	9	0	0	9
2016	20	0	0	20
Total	38	21	3	66

Source: State of New Jersey Department of Community Affairs Building Permits: Yearly Summary Data

*The DCA Construction Reporter did not begin to report housing permits by type until 2004.

Occupancy

According to the 2010 Census, of the 2,002 units in Atlantic Highlands, 1,870 (93.4%) were occupied while only 132 (6.6%) were vacant. Of those units that were vacant, about 22 percent were for rent, another 30.3 percent were for sale, and 25.8 percent were for seasonal, recreational or occasional use.

Occupancy Status Borough of Atlantic Highlands, 2010		
	Total	Percentage
Total Housing Units	2,002	100%
Occupied	1,870	93.4%
Vacant Housing Units	132	6.6%
For Rent	29	22.0%
Rented, not occupied	3	0.0%
For Sale Only	40	30.3%
Sold, not occupied	4	3.0%
For Seasonal, Recreational or Occasional Use	34	25.8%
Other Vacant	22	16.7%

Source: 2010 Census

Housing Values and Contract Rents

According to the 2012-2016 ACS Survey, the majority of the entire owner-occupied housing stock in Atlantic Highlands (89.6%) were valued at over \$200,000, and approximately 71.2 percent of all units were financed by a mortgage. Housing values for owner-occupied housings units are listed in the table below along with mortgage status data. The most common housing-value range was between \$300,000 and \$399,000 with 28.9 percent of all owner-occupied units falling within this range. The second most common value range was between \$500,000 or greater comprising 25.9 percent of all owner-occupied units. The median value of an owner-occupied housing unit in Atlantic Highlands was \$366,300. Though most units were covered by a mortgage (71.2%), roughly 28.8 percent had no mortgage at all. The County's trends mirror that of the Borough with nearly 89 percent of homes valued at over \$200,000 and 69.8 percent of housing units functioning with a mortgage, contract to purchase, or similar debt.

Value for Owner-Occupied Housing Units Borough of Atlantic Highlands and Monmouth County, 2016 Estimates				
	Atlantic Highlands		Monmouth County	
	Number	Percentage	Number	Percentage
Total	1,384	100.0%	171,673	100.0%
Less than \$50,000	31	2.2%	4,393	2.6%
\$50,000 to \$99,999	17	1.2%	2,451	1.4%
\$100,000 to \$149,999	15	1.1%	4,522	2.6%
\$150,000 to \$199,999	81	5.9%	8,457	4.9%
\$200,000 to \$299,999	283	20.4%	32,406	18.9%
\$300,000 to \$399,999	400	28.9%	38,407	22.4%
\$400,000 to \$499,999	199	14.4%	27,447	16.0%
\$500,000 and greater	358	25.9%	53,590	31.2%
Median Value	\$366,300		\$387,500	

Source: 2012-2016 American Community Survey 5-Year Estimates

Mortgage Status Atlantic Highlands Borough and Monmouth County, 2016 Estimates				
	Atlantic Highlands		Monmouth County	
	Number	Percentage	Number	Percentage
Housing units with a mortgage, contract to purchase, or similar debt:	985	71.2%	119,911	69.8%
With either a second mortgage or home equity loan, but not both:	296	30.1%	26,108	21.8%
Second mortgage only	23	7.8%	3,317	12.7%
Home equity loan only	273	92.2%	22,791	87.3%
Both second mortgage and home equity loan	0	0.0%	935	0.8%
No second mortgage and no home equity loan	689	69.9%	92,868	77.4%
Housing units without a mortgage	399	28.8%	51,762	30.2%

Source: 2012-2016 American Community Survey 5-Year Estimates

According to the 2012-2016 5-year estimates produced by the ACS, the median contract rent in Atlantic Highlands was \$1,183. The highest percentage of renters (49.5%) paid between \$1,000 and \$1,499 for rent, followed by 16.7 percent paying \$1,500 to \$1,999 for rent. The County's median contract rent was slightly lower at \$1,160.

Contract Rent Borough of Atlantic Highlands and Monmouth County, 2016 Estimates				
	Atlantic Highlands		Monmouth County	
	Number	Percentage	Number	Percentage
Total Renter Occupied Units	402	100.0%	61,195	100.0%
Less than \$200	0	0.0%	1,535	2.5%
\$200 to \$499	28	7.0%	3,696	6.0%
\$500 to \$699	10	2.5%	2,915	4.8%
\$700 to \$899	56	13.9%	6,504	10.6%
\$900 to \$999	15	3.7%	6,558	10.7%
\$1,000 to \$1,499	199	49.5%	21,552	35.2%
\$1,500 to \$1,999	67	16.7%	9,766	16.0%
\$2,000 or more	10	2.5%	6,146	10.0%
No cash rent	17	4.2%	2,523	4.1%
Median Contract Rent	\$1,183		\$1,160	

Source: 2012-2016 American Community Survey 5-Year Estimates

According to the 2012-2016 American Community Survey 5-Year Estimates, the median contract rent in Atlantic Highlands is \$1,183 per month (\$14,196 annually). A minimum annual income of \$47,320 (\$14,196/0.30) would be necessary to afford the median contract rent. Therefore, an estimated minimum 16.5 percent of all households within the Borough could not afford to live in a dwelling unit at or above the median contract rent. Countywide, an estimated 20.9 percent of all countywide households could not afford to live within a residence whose rent is at or above the median contract rent.

Housing Conditions

The following table details the conditions of the housing within Atlantic Highlands. Overcrowding and age, plumbing, and kitchen facilities are used to determine housing deficiency. In 2016, there were no owner-occupied or renter-occupied units in Atlantic Highlands that experienced overcrowding (more than one person per room). Throughout the Borough, no units lacked complete plumbing facilities or complete kitchen facilities.

Housing Conditions Borough of Atlantic Highlands, 2012 - 2016 Estimates		
	Number	Percentage
House Heating Fuel-Occupied Housing Units		
Total	1,786	100.0%
Utility gas	1,439	80.6%
Bottled, tank, or LP gas	23	1.3%
Electricity	146	8.2%
Fuel oil, kerosene, etc.	178	10.0%
Coal or coke	0	0.0%
Wood	0	0.0%
Solar energy	0	0.0%
Other fuel	0	0.0%
No fuel used	0	0.0%
Occupants per Room- Occupied Housing Units		
Total	1,786	100.0%
Owner-Occupied (Over 1.0)	0	0.0%
Renter-Occupied (Over 1.0)	0	0.0%
Facilities-Total Units		
Total	1,786	100.0%
Lacking complete plumbing facilities	0	0.0%
Lacking complete kitchen facilities	0	0.0%
Telephone Service- Occupied Housing Units		
Total	1,786	100.0%
No Service	8	0.4%

Source: 2012-2016 American Community Survey 5-Year Estimates

EMPLOYMENT DATA

The following tables detail changes in employment from 2003 to 2016 for Atlantic Highlands, Monmouth County, and New Jersey. Employment in Atlantic Highlands remained steady from 2003 to 2010 as the labor force continued to increase gradually each year. The unemployment rate in Atlantic Highlands saw minimal fluctuation between 2003 and 2008 with its lowest rate occurring in 2007 at 5 percent. In 2009, the unemployment rate reached a decade high of 10.9 percent. Since this peak, the unemployment rate has decreased and in 2016 was at 4.3 percent, the lowest since 2003. The unemployment trends over the past thirteen years of the Borough has remained relatively similar to that of the County and State as a whole.

Atlantic Highlands Employment and Residential Labor Force -- 2003 - 2016				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2003	2,726	2,524	202	7.4%
2004	2,705	2,540	165	6.1%
2005	2,696	2,538	158	5.9%
2006	2,726	2,564	162	5.9%
2007	2,735	2,597	138	5.0%
2008	2,775	2,599	176	6.3%
2009	2,826	2,517	309	10.9%
2010	2,668	2,462	206	7.7%
2011	2,682	2,463	219	8.2%
2012	2,580	2,363	217	8.4%
2013	2,550	2,361	189	7.4%
2014	2,547	2,392	155	6.1%
2015	2,537	2,413	124	4.9%
2016	2,557	2,446	111	4.3%

Monmouth County Employment and Residential Labor Force -- 2003 - 2016				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2003	322,600	305,100	17,500	5.4%
2004	321,300	307,000	14,300	4.4%
2005	323,200	309,900	13,200	4.1%
2006	327,700	314,000	13,600	4.2%
2007	331,100	318,700	12,400	3.7%
2008	335,100	319,100	16,000	4.8%
2009	336,900	308,800	28,100	8.3%
2010	330,300	301,400	28,900	8.7%
2011	330,000	307,900	28,200	8.5%
2012	331,500	302,700	28,800	8.7%
2013	327,800	303,400	24,400	7.4%
2014	328,700	307,100	19,600	6.0%
2015	331,623	315,165	16,458	5.0%
2016	331,125	316,454	14,671	4.4%

New Jersey Employment and Resident Labor Force -- 2003 - 2016				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2003	4,347,200	4,093,700	253,500	5.8%
2004	4,349,200	4,138,800	210,300	4.8%
2005	4,391,600	4,194,900	196,700	4.5%
2006	4,445,900	4,236,500	209,400	4.7%
2007	4,441,800	4,251,800	190,000	4.3%
2008	4,504,400	4,264,000	240,500	5.3%
2009	4,550,600	4,138,600	412,100	9.1%
2010	4,555,300	4,121,500	433,900	9.5%
2011	4,565,300	4,138,500	426,800	9.3%
2012	4,588,000	4,160,000	428,000	9.3%
2013	4,548,600	4,173,800	374,700	8.2%
2014	4,527,200	4,221,300	305,900	6.8%
2015	4,537,200	4,274,700	262,500	5.8%
2016	4,530,800	4,305,500	225,300	5.0%

Source: NJ Dept. of Labor & workforce Development Labor Force Estimate

Employment Status

The 2012-2016 5-year American Community Survey estimates reveal that 71.6 percent of Atlantic Highlands' 16 and over population is in the labor force. The County's employment status is similar to that of Atlantic Highlands. About one third of both the Borough's and the County's over 16 population is not in the labor force (28.4% and 34.3%, respectively).

Employment Borough of Atlantic Highlands and Monmouth County, 2016 Estimates				
	Atlantic Highlands		Monmouth County	
	Number	Percentage	Number	Percentage
Population 16 years and over	3,601	100.0%	506,199	100.0%
In labor force	2,577	71.6%	332,595	65.7%
Civilian Labor Force	2,577	71.6%	332,241	65.6%
Employed	2,312	64.2%	309,640	61.2%
Unemployed	265	7.4%	22,601	4.5%
Armed Forces	0	0.0%	354	0.1%
Not in labor force	1,024	28.4%	173,604	34.3%

Source: 2012-2016 American Community Survey 5-Year Estimates

Class of Worker and Occupation

According to the 2012-2016 ACS Estimates, the majority of workers (81%) living in Atlantic Highlands were a part of the private wage and salary worker group. This group includes people who work for wages, salary, commission, and tips for a private for-profit employer or a private not-for-profit, tax-exempt or charitable organization. The second largest category was government worker (9.9%), followed by those who were self-employed (8.5%).

Class of Worker Borough of Atlantic Highlands, 2016 Estimates		
	Number	Percentage
Employed Civilian population 16 years and over	2,312	100.0%
Private Wage and Salary Worker	1,873	81.0%
Government Worker	229	9.9%
Self-Employed Worker	196	8.5%
Unpaid Family Worker	14	0.6%

Source: 2012-2016 American Community Survey 5-Year Estimates

The occupational breakdown shown in the table below includes only private wage and salary workers. Those that worked within the private wage field were concentrated heavily in management and professional positions and sales and office occupations. Together the two fields account for roughly 71 percent of the entire resident workforce. Service occupations were also a significant employer of Borough residents, employing 11 percent followed by natural resources, construction, and maintenance occupations employing 10.9 percent of the residents.

Resident Employment by Occupation Borough of Atlantic Highlands, 2016 Estimates		
	Number	Percentage
Employed Civilian population 16 years and over	2,312	100.0%
Management, business, science and arts occupations	1,075	46.5%
Service occupations	255	11.0%
Sales and office occupations	571	24.7%
Natural resources, construction and maintenance occupations	253	10.9%
Production Transportation and material moving occupations	158	6.8%

Source: 2012-2016 American Community Survey 5-Year Estimates

The most common industry for Atlantic Highlands residents is the educational services, and health care and social assistance sector, employing approximately 20.6 percent of the Borough's resident workforce. The second most common industry is professional, scientific, and management, and administrative and waste management services, which employs 13.1 percent of the Borough's resident workforce.

Employment by Industry Borough of Atlantic Highlands, 2016 Estimates		
Industry	Number	Percentage
Civilian employed population 16 years and over	2,312	100.0%
Agriculture, forestry, fishing and hunting, mining	23	1.0%
Construction	143	6.2%
Manufacturing	111	4.8%
Wholesale Trade	37	1.6%
Retail Trade	265	11.5%
Transportation and Warehousing, and Utilities	156	6.7%
Information	102	4.4%
Finance and insurance, and real estate and rental and leasing	292	12.6%
Professional, scientific, and management, and administrative and waste management services	304	13.1%
Educational services, and health care and social assistance	477	20.6%
Arts, entertainment, and recreation, and accommodation and food services	258	11.2%
Other Services, except public administration	106	4.6%
Public administration	38	1.6%

Source: 2012-2016 American Community Survey 5-Year Estimates

Commuting to Work

According to the 2012-2016 ACS Estimates, the mean travel time to work for those who lived in the Borough was 34.6 minutes. The vast majority of commuters, roughly 75 percent, traveled less than an hour to work, and roughly 56 percent have less than a half-hour commute.

Travel Time to Work Borough of Atlantic Highlands, 2016 Estimates		
	Number	Percentage
Workers who did not work at home	2,066	100.0%
Less than 10 minutes	305	14.8%
10 to 14 minutes	302	14.6%
15 to 19 minutes	316	15.3%
20 to 24 minutes	172	8.3%
25 to 29 minutes	66	3.2%
30 to 34 minutes	166	8.0%
35 to 44 minutes	106	5.1%
45 to 59 minutes	112	5.4%
60 to 89 minutes	305	14.8%
90 or more minutes	216	10.5%
Mean travel time to work (minutes)	34.6	

Source: 2012-2016 American Community Survey 5-Year Estimates

The largest portion of workers drove to work alone (70.8%), while approximately 2.1 percent carpooled. Approximately 10.4 percent of workers commuted via public transportation and another 8.4 percent worked from home.

Means of Commute Borough of Atlantic Highlands, 2016 Estimates		
	Number	Percentage
Workers 16 years and over	2,255	100.0%
Car, truck, van- Drove Alone	1,597	70.8%
Car, truck, van- Carpooled	48	2.1%
Public Transportation	235	10.4%
Walked	141	6.3%
Other Means	45	2.0%
Worked at home	189	8.4%

Source: 2012-2016 American Community Survey 5-Year Estimates

Covered Employment

There is currently very limited information available on actual job opportunities within municipalities. The Department of Labor collects information on covered employment, which is employment and wage data for private employees covered by unemployment insurance. The tables below provide a snapshot of private employers located within Atlantic Highlands. The first table reflects the number of jobs covered by private employment insurance from 2003 through 2016. The second table reflects the disbursement of jobs by industry in 2016.

According to data from the New Jersey Department of Labor and Workforce Development, the highest number of covered jobs in Atlantic Highlands in the last thirteen years was in 2006 when 2,075 jobs were covered by unemployment insurance. Private employment has fluctuated in Atlantic Highlands since 2006, with its largest loss occurring between 2006 and 2007 (-22.4%), and largest gain occurring between 2014 and 2015 (10.2%)

Private Wage Covered Employment 2003 - 2016 Atlantic Highlands			
Year	Number of Jobs	# Change	% Change
2006	2,075	-63	-2.9%
2007	1,611	-464	-22.4%
2008	1,641	30	1.9%
2009	1,548	-93	-5.7%
2010	1,454	-94	-6.1%
2011	1,257	-197	-13.5%
2012	1,305	48	3.8%
2013	1,394	89	6.8%
2014	1,364	-30	-2.2%
2015	1,503	139	10.2%

2016	1,513	10	0.7%
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Source: NJ Dept. of Labor & workforce Development Labor Force Estimate

In-Borough Establishments and Employees by Industry: 2016

The following table depicts the average annual number of establishments and employees by industry sector that exist within the Borough, as grouped by North American Industry Classification System (NAICS). In 2016, the Borough had an annual average of 238 establishments employing on average 1,513 persons. Retail Trade was the predominant sector, accounting for 11.8 percent of the establishments in Atlantic Highlands and 19.4 percent of the Borough's in-place employment.

Average Number of Establishments and Employees by Industry: 2016		
Industry	2016 Average	
	Units	Employment
Agriculture	.	.
Utilities	.	.
Construction	27	215
Manufacturing	7	60
Wholesale Trade	7	39
Retail Trade	28	294
Transp/Warehousing	.	.
Information	5	17
Finance/Insurance	14	44
Real Estate	7	23
Professional/Technical	22	46
Admin/Waste Remediation	16	52
Education	.	.
Health/Social	17	120
Arts/Entertainment	.	.
Accommodations/Food	25	191
Other Services	33	128
Private Sector Totals	238	1,513
Local Government Totals	3	203

Source: NJ Dept. of Labor & workforce Development Labor Force Estimate

Probable Future Employment Opportunities

The North Jersey Transportation Planning Authority (NJTPA) completes regional forecasts for the New York/New Jersey metropolitan area every four years for populations, households, and employment. The most recent report was released in 2017. Due to the size and location of the Borough, there is minimal opportunity for new job growth. The 2017 NJTPA report predicts Atlantic Highland's total (private and public sector) employment will increase by 160 jobs by the year 2045, only a 0.4% annual increase. In addition, the New Jersey Department of Labor releases a Regional Community Fact Book for each county in New Jersey. Between 2010 and 2020, the County is projected to increase its job holding by 23,350 jobs. The healthcare and social services industry is projected to create the most jobs in Monmouth County, adding a predicted total of 4,500 jobs.

PART 2: FAIR SHARE PLAN

INTRODUCTION

The following Fair Share Plan (the Plan) details Atlantic Highlands's Rehabilitation Obligation, Prior Round Obligation (1987-1999), and Gap + Prospective Need or Third Round Obligation (1999-2025). For each obligation, this Plan proposes mechanisms for which the Borough can realistically provide opportunities for affordable housing for moderate-, low-, and very low- income households.

The need for affordable housing in New Jersey is divided into three components:

- *Rehabilitation Obligation* – The Rehabilitation Obligation represents the number of existing housing units that are both deficient and occupied by low and moderate income households. This number is derived from review and analysis of housing conditions reported in the U.S. Census and American Community Survey.
- *Prior Round Obligation* – The Prior Round obligation is the cumulative 1987-1999 fair share obligation as was determined by COAH. The First Round and Second Round are mutually referred to as the "Prior Round".
- *Gap + Prospective Need or Third Round Obligation* - July 1, 1999 – July 2, 2025 (which includes what is commonly referred to as the "gap period", which ran from 1999-2015, and the Prospective Need period, which runs from 2015 to 2025). On January 18, 2017, the Supreme Court decided In Re Declaratory Judgment Actions Filed by Various Municipalities, County of Ocean, Pursuant To The Supreme Court's Decision In In re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (2015) ("Mount Laurel V"), which held that need having accrued during the Gap Period (1999-2015) was part of the Present Need, not Prospective Need. The Supreme Court held that there is an obligation with respect to that period for households that came into existence during that gap that are eligible for affordable housing, that are presently (as of 2015) in need of affordable housing, and that are not already counted in the traditional present need. As the methodology and obligations from the Gap + Prospective Need have not been fully adjudicated at this time, the Borough and FSHC agreed upon the magnitude of these obligations in the FSHC Settlement Agreement.

Per the FSHC Settlement Agreement, Atlantic Highlands' affordable housing obligations are as follows:

Borough of Atlantic Highlands Obligation	
Rehabilitation Obligation	51
Prior Round Obligation	86
Gap + Prospective Need or Third Round Obligation	207
Total Obligation	344

VACANT LAND ASSESSMENT

Municipalities can request an adjustment to their obligation based on the determination that there is not sufficient vacant or developable land within the municipality. As permitted by N.J.A.C. 5:93-4.2 a municipality can prepare a Vacant Land Analysis ("VLA") that examines parcels available for development. After such an analysis is performed, a Realistic Development Potential (or "RDP") is determined based on the amount of actual developable land.

Under the guidance of the Court Master, and in accordance with the FSHC Settlement Agreement, this Plan includes a Vacant Land Analysis, which was prepared in accordance with N.J.A.C. 5:93-4.2. See Appendix C. Due to a lack of developable land, the Borough's Vacant Land Analysis established an initial RDP of 16 for the Borough's Prior Round, Gap and Prospective Need Obligations (1999-2025). Ibid. The RDP was subsequently increased to 42 as part of the FSHC Settlement Agreement to allow the Borough to obtain additional rental bonus credits and to decrease the Borough's "unmet need". See Appendix A. See also Appendix B at Paragraph 4.

This Plan therefore states that, as per the Court approved FSHC Settlement Agreement, the Borough's Rehabilitation, Prior Round, Gap + Prospective Need Obligations have been adjusted as follows:

Adjusted Rehabilitation, Prior Round, Gap + Prospective Need Obligations Borough of Atlantic Highlands	
Rehabilitation Obligation.	51
Realistic Development Potential	42
Unmet Need	251
Total Obligation	344

REHABILITATION OBLIGATION

The Rehabilitation Obligation, which is part of a municipality's Present Need, was determined in N.J.A.C. 5:93-1.3 to be the sum of a municipality's indigenous need, the deficient housing units occupied by low- and moderate-income households, and the reallocated present need, which is the portion of a housing region's present need that is redistributed throughout the housing region. Under COAH's Second Round rules, evidence for deficient housing included: year structure was built, persons per room, plumbing facilities, kitchen facilities, heating fuel, sewer service, and water supply.

The Third Round rules reduced the amount of criteria of evidence of deficient housing to three: pre-1960 crowded units, which are units that have more than 1.0 persons per room; incomplete plumbing, and incomplete kitchen facilities. This reduction in the amount of criteria was determined by the Appellate Division to be within the Council's discretion and was upheld in the Supreme Court's decision In re N.J.A.C. 5:96 & 97.

In Mount Laurel IV, the Supreme Court held that the reallocated need is no longer a component in the determination of Present Need. Therefore, a municipality's Rehabilitation Obligation now equates to indigenous need, which means the obligation is based on deficient housing as determined by pre-1960 over-crowded units, incomplete plumbing, and incomplete kitchen facilities.

Pursuant to the FSHC Settlement Agreement, the Borough has a Rehabilitation Obligation of 51 units. Atlantic Highlands intends to address its 51-unit rehabilitation obligation through participation in Monmouth County rehabilitation programs, operated by the County's Home Improvement Program. These programs are funded by the federal Community Development Block Grant (CDBG) and the HOME Investment Partnership Program (HOME). In the event the partnership with the County does not complete the units by the mid-point review of this plan, the Borough will hire a qualified entity to develop a local rehabilitation program.

SUITABILITY ANALYSIS

Pursuant to N.J.A.C. 5:93-1.3, sites that are designated to produce affordable housing shall be available, approvable, developable, and suitable according to the following criteria:

- “Available site” means a site with clear title, free of encumbrances which preclude development for low and moderate income housing. N.J.A.C. 5:93-1.3.
- “Approvable site” means a site that may be developed for low and moderate income housing in a manner consistent with the rules or regulations of agencies with jurisdiction over the site. A site may be approvable although not currently zoned for low and moderate income housing. Ibid.
- “Development site” means a site that has access to appropriate water and sewer infrastructure, and is consistent with the applicable area wide water quality management plan (including the wastewater plan) or is included in an amendment to the area wide water quality management plan submitted to and under review by the DEP. Ibid.
- “Suitable site” means a site that is adjacent to compatible land uses, has access to appropriate streets and is consistent with the environmental policies delineated in N.J.A.C. 5:93-4. Ibid.

In addition to the above qualifications, it is also sound planning for sites to be consistent with the State Development and Redevelopment Plan. Sites that are located in Planning Area 1: Metropolitan or Planning Area 2: Suburban of the State Development and Redevelopment Plan, or are located in an existing sewer service area, are the preferred location for municipalities to address their fair share obligation. All sites identified in this Plan are located within the Planning Area 1: Metropolitan, which encourages growth.

SATISFACTION OF THE BOROUGH'S REALISTIC DEVELOPMENT POTENTIAL (RDP)

The Borough has a combined Prior Round (1987-1999) and Gap + Prospective Need (1999-2025) Realistic Development Potential (RDP) of 42, which it will satisfy with the following affordable housing projects (see Affordable Housing Map at the end of this section):

- **Springpoint Living Project (Block 103, Lot 1.01) (Ten (10) Age-Restricted Affordable Units):**

Springpoint Living Project is a constructed and occupied age-restricted project located at 202 First Avenue, near the intersection of First Avenue and Route 36. The development is also referred to as Portland Pointe. The 2.6-acre site is developed with a total of fifty-seven (57) age-restricted affordable units which were built in 1996. Ten (10) age restricted affordable rental units are being counted towards the satisfaction of the Borough's RDP.

The site is appropriate for multi-family housing:

- The site was available, approvable, developable and suitable when the project was constructed.
 - There were no known encumbrances that would have prohibited or otherwise impacted the development of the property in general.
 - In accordance with the 2012 New Jersey Department of Environmental Protection's Land Use Land Cover (LULC), the property has wooded wetlands along its southerly and eastern lot lines. However, the property is already developed, and there are no planned expansions proposed at this time that would require NJDEP or US Army Corp approval. It should be noted that the 2012 LULC is the most up-to-date data set available for determining wetland location without a NJDEP approved Letter of Interpretation.
 - The site is not located within a FEMA 100-year floodplain, and the site does not have any steep slopes.
 - The property is surrounded by compatible uses including residential uses and has access to an appropriate right-of-way (First Avenue).
 - The site is served by both public water and public sewer.
 - The site is zoned SC: Senior Citizen, which permits Senior Citizen housing as a conditional use.
- **95 First Avenue (Block 114, Lot 2) (One (1) affordable family rental unit):** This project is a constructed and occupied inclusionary development consisting of four (4) residential units, one (1) of which is an affordable family rental unit. The building is located at 95 First

Avenue, near the intersection of West Mount Avenue and First Avenue. The site is located within the Historic Business District, which is part of the Borough's commercial district. The front of the building fronts on First Avenue and the rear of the site borders on Railroad Avenue. The one (1) affordable family rental unit is being counted towards the satisfaction of the Borough's RDP.

The site is appropriate for multi-family housing:

- The site was available, approvable, developable and suitable when the project was constructed.
 - There were no known encumbrances that would have prohibited or otherwise impacted the development of the property in general.
 - In accordance with the 2012 New Jersey Department of Environmental Protection's Land Use Land Cover (LULC), there are no wetlands or surface water resources on the subject property or within 50 feet of the subject property.
 - The site is not located within a FEMA 100-year flood plain, and the site does not have any steep slopes.
 - The site is surrounded by compatible uses including mixed-use buildings and has access to an appropriate public right-of-way (First Avenue and Railroad Avenue).
 - The site is served by both public water and public sewer.
 - The site is zoned HB: Historic Business, which is part of the Borough's business district, and requires all new residential development or mixed commercial and residential development producing five or more residential units provide a minimum of twenty percent (20%) of all dwelling units to be affordable for low and moderate-income households.
- **Memorial Parkway Habitat for Humanity Project (Block 62, Lot 4) (One (1) affordable family rental unit and one (1) affordable family for-sale unit):** This constructed and occupied project is located at 82-84 Memorial Parkway in the southern portion of the Borough. Habitat for Humanity purchased the property in 2012 from the Borough and constructed a duplex building consisting of a one (1) family for-sale affordable unit and one (1) family rental affordable unit. The two affordable units are being counted towards the satisfaction of the Borough's RDP. The lot fronts on Memorial Parkway (NJ-36) and the rear on Simpson Avenue. A bus stop is located in front of the property on NJ-36. The project received its Certificate of Occupancy from the Borough in March of 2018, and both units are now occupied.

The site is appropriate for duplex housing:

- The site was available, approvable, developable and suitable when the project was constructed.
 - There were no known encumbrances that would have prohibited or otherwise impacted the development of the property in general.
 - In accordance with the 2012 New Jersey Department of Environmental Protection's Land Use Land Cover (LULC), there are no wetlands or surface water resources on the subject property or within 50 feet of the subject property.
 - The site is not located within a FEMA 100-year flood plain, and the site does not have any steep slopes.
 - The site is surrounded by compatible uses including residential dwellings and has access to appropriate public rights-of-way (Route 36 and Simpson Avenue).
 - The site is served by both public water and public sewer.
 - The site is zoned AH: Affordable Housing, which has the intent to provide the opportunity to construct affordable housing within the Borough. The AH zone permits two-family attached housing on 6,000 sq. ft. lots.
- **35 First Avenue/2 Hennessey Blvd. Project (Block 117, Lots 8.01 and 8.02) (Five (5) affordable family rental units)**: This constructed and occupied project consists of twenty-two (22) units, of which five (5) units are family rental affordable units. The five (5) affordable units are being counted towards the satisfaction of Borough's RDP. The project, which was constructed in 2017 and is currently occupied, consists of two structures. The first structure fronts on First Avenue and consists of 6 residential units and 2,500 sq. ft. of retail space on the ground floor. The second structure is located at the intersection of Hennessey Boulevard and Bay Avenue and consists of 16 units.

The site is appropriate for multi-family housing:

- The site was available, approvable, developable and suitable when the project was constructed.
- There are no known encumbrances that would have prohibited or otherwise impacted the development of the property in general.
- In accordance with the 2012 New Jersey Department of Environmental Protection's Land Use Land Cover (LULC), there are no wetlands or surface water resources on the subject property or within 50 feet of the subject property.

- The site is located within a FEMA 100-year flood plain and has been developed in accordance with FEMA rules and regulations.
 - The site does not have any steep slopes.
 - The site is surrounded by compatible uses including mixed use buildings, and has access to appropriate public rights-of-way (First Avenue, Bay Avenue, and West Avenue).
 - The site is served by both public water and public sewer.
 - The entirety of the site is split between two zones: Lot 8.01 is located in the Historic Business District and Lot 8.02 is located within the Central Business District. Both zones require all new residential development or mixed commercial and residential development producing five or more residential units provide a minimum of twenty percent (20%) of all dwelling units to be affordable for low and moderate-income households.
- **21 Leonard Avenue Habitat for Humanity (Block 136, Lot 1) (One (1) affordable family for-sale unit and one (1) affordable family rental unit):**

The Borough's proposed Leonard Avenue Habitat for Humanity project, will be located at 21 Leonard Avenue on an approximately 0.3-acre site. The site will be developed with a duplex house consisting of two affordable units. The duplex house will contain an affordable family for-sale unit and an affordable family rental unit. The two (2) affordable units produced by this project will be counted towards the satisfaction of the Borough's RDP.

The site is appropriate for duplex housing:

- The site is available, approvable, developable, and suitable.
- There are no known encumbrances that would prohibit or otherwise impact the development of the property in general.
- In accordance with the 2012 New Jersey Department of Environmental Protection's Land Use Land Cover (LULC), there are no wetlands or surface water resources on the subject property or within 50 feet of the subject property.
- The site is located within the 100-year FEMA floodplain and will need to be built in accordance with all FEMA regulations.
- There are no steep slopes on the site.

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- As per the NJDEP Letter submitted to COAH during the 2008 plan approval process, no further action needs to be taken on the site regarding any type of environmental remediation.
 - The site is within the sewer service area, and specifically, will be served by water and sewer from Leonard Avenue.
 - The site has access to an appropriate public right-of-way. Leonard Avenue is a one-way street heading west toward Avenue D. Avenue C is shown on the Borough's tax maps as extending south beyond Leonard Avenue, however, it currently terminates at Leonard Avenue.
 - The proposed project is compatible with the surrounding land uses. The site is surrounded by a mix of one-, two-, and three-family properties, which includes a nearby duplex.
 - The site is zoned AH: Affordable Housing Zone, which has the intent to provide the opportunity to construct affordable housing within the Borough. The AH zone permits two-family attached housing on 6,000 sq. ft. lots.
 - The Borough has site control, and the site will be donated to Habitat for Humanity, the entity that will be developing the site.

The site is located in Planning Area 1 (metropolitan) of the State Development and Redevelopment Plan. The executed Settlement Agreement between the Borough and the objectors to the Borough's 2018 Housing Element and Fair Share Plan, dated March 29, 2019, amends the previous project to reduce the density of the project from two duplexes with four affordable units, to one (1) duplex dwelling consisting of one (1) family for-sale affordable unit and one (1) family for-rent affordable unit. (See Appendix E).

- **60 First Avenue Project (Block 97, Lot 14) (Two (2) affordable family rental units):** This proposed project was approved by the Planning Board on May 11, 2017 and is currently under construction. See Appendix D. Grading and civil engineering work are currently under way. The project will be located at 60-64 First Avenue, which is an approximately 0.1-acre site located within the Historic Business District. The property is surrounded by mixed-use development. The site is serviced by both public water and public sewer. The site fronts on First Avenue, an improved public right-of-way. The project, once constructed, will consist of a total of 10-units, of which two (2) are proposed to be affordable family rental units. The two affordable units will be counted towards the satisfaction of the Borough's RDP.

The site is appropriate for multi-family housing:

- The site is available, approvable, developable and suitable.
- There are no known encumbrances that would prohibit or otherwise impact the development of the property in general.
- In accordance with the 2012 New Jersey Department of Environmental Protection's Land Use Land Cover (LULC), there are no wetlands or surface water resources on the subject property or within 50 feet of the subject property.
- The site is located within a FEMA 100-year flood plain and will need to be developed in accordance with FEMA rules and regulations.
- The site does not have any steep slopes.
- The site is surrounded by compatible uses, including mixed use buildings, and has access to appropriate public rights-of-way (First Avenue and Central Avenue).
- The site is served by both public water and public sewer.
- The site is within in the Historic Business District, which requires all new residential development or mixed commercial and residential development producing five or more residential units provide a minimum of twenty percent (20%) of all dwelling units to be affordable for low and moderate-income households.

- **44-48 First Avenue Project (Block 97, Lot 17) (Three (3) affordable family rental units)**: This site is a through-lot located at 44-48 First Avenue and has frontage along both First Avenue and Second Avenue. It is split-zoned between the Historic Business District and the R-1 Single-Family Residential Zone. The HBD: Historic Business District requires all residential development to provide a minimum twenty percent (20%) affordable set-aside. The site, which is a vacant parcel, received Planning Board approval in 2016 for the development of thirteen (13) units, of which three (3) of these units are proposed to be affordable family rental units. See Appendix D. Grading and civil engineering work are currently under way. The three (3) affordable family rental units will be counted towards the satisfaction of the Borough's RDP.

The site is appropriate for multi-family housing:

- The site is available, approvable, developable and suitable.
- There are no known encumbrances that would prohibit or otherwise impact the development of the property in general.
- In accordance with the 2012 New Jersey Department of Environmental Protection's Land Use Land Cover (LULC), there are no wetlands or surface water resources on the subject property or within 50 feet of the subject property.

- The site is located within a FEMA 100-year flood plain and will need to be developed in accordance with FEMA rules and regulations.
- The site does not have any steep slopes.
- The site is surrounded by compatible uses, including mixed use buildings, and has access to appropriate public rights-of-way (First Avenue and Second Avenue).
- The site is served by both public water and public sewer.
- The site is consistent with the State Development and Redevelopment Plan. It is within Planning Area 1: Metropolitan, which encourages development.
- The entirety of the site is split between two zones: the western portion of the site is located in the Historic Business District and the eastern portion is located within the R-1 Single-Family Residential Zone. The Historic Business District requires all new residential development or mixed commercial and residential development producing five or more residential units provide a minimum of twenty percent (20%) of all dwelling units to be affordable for low and moderate-income households.

- **158 First Avenue Project (Block 101 Lots 4.02 & 5) (Four (4) affordable family rental units):**

This site is approximately 0.5 acres and is located at the intersection of First Avenue and East Lincoln Avenue, a one-way street. The site received Planning Board approval to develop the site with an eighteen (18) unit development, of which four (4) will be affordable family rental units, which will be counted towards the satisfaction of the Borough's RDP. See Appendix D.

The site is appropriate for multi-family housing:

- The site is available, approvable, developable and suitable.
- There are no known encumbrances that would prohibit or otherwise impact the development of the property in general.
- In accordance with the 2012 New Jersey Department of Environmental Protection's Land Use Land Cover (LULC), there are no wetlands or surface water resources on the subject property or within 50 feet of the subject property.
- The site is not located within a FEMA 100-year flood plain and does not have any steep slopes.
- The site is surrounded by compatible uses including a residential neighborhood to the rear of the property, an elementary school across East Lincoln Avenue, and commercial uses along First Avenue.
- The site has access to appropriate public rights-of-way (First Avenue and East Lincoln Avenue).

- The site is served by both public water and public sewer.
 - The overall site is split zoned- Lot 5 is zoned R-1: Single Family Residential and Lot 4.02 is zoned Central Business District, which requires all new residential development or mixed commercial and residential development producing five or more residential units provide a minimum of twenty percent (20%) of all dwelling units to be affordable for low and moderate-income households.
- **15 West Lincoln Avenue Project (Block 107 Lots 4 & 5):** The 15 West Lincoln Avenue Project is proposed to consist of ten (10) family rental units, of which two (2) will be affordable family rental units. All of the units proposed will be two bedroom units. Prior to the commencement of affirmative marketing for the two affordable units, the developer will inform the Borough, Fair Share Housing Center ("FSHC"), and the Court Master, whether or not the two (2) affordable units will be either two low income units, or one moderate income unit and one very low income unit. This decision will be made at the discretion of the developer. The developer has site control, and has filed an application for the project with the Planning Board.

The 15 West Lincoln Avenue Project is appropriate for multi-family housing:

- The site is available, approvable, developable and suitable as per N.J.A.C. 5:93-1.3.
- There are no known encumbrances that would prohibit or otherwise impact the development of the property in general.
- In accordance with the 2012 New Jersey Department of Environmental Protection's Land Use Land Cover (LULC), there are no wetlands or surface water resources on the subject property or within 50 feet of the subject property.
- The site is not located within a FEMA 100-year floodplain.
- The site does not have any steep slopes.
- The site is surrounded by compatible uses, including residential and commercial buildings, and has access to appropriate public rights-of-way (West Lincoln Avenue and West Avenue).
- The site is served by both public water and public sewer.
- The site is within in the Central Business District, which requires all new residential development or mixed commercial and residential development producing five or more residential units to provide a minimum of twenty percent (20%) of all dwelling units to be affordable for low and moderate-income households.

- **11 Rental bonus credits:** With an RDP of 42, the Borough is entitled to claim eleven (11) bonus credits. $42 \times 0.25 = 10.5 = 11$ credits. The Borough proposes to apply the entirety of its eleven (11) rental bonus credits towards its RDP.

In summary, the Borough will address its 42-unit RDP as follows:

Mechanisms to Address 42-Unit RDP			
Project Name	# of Units	Development Type	Status
Springpoint Living Project	10	Age-Restricted Rentals	Constructed & Occupied
95 First Avenue	1	Family Rental	Constructed & Occupied
Memorial Parkway Habitat for Humanity Project	2	Family Rental/ Family For Sale	Constructed
35 First Avenue/2 Hennessey Blvd. Project	5	Family Rental	Constructed & Occupied
60 First Avenue Project	2	Family Rental	Under Construction
44-48 First Avenue Project	3	Family Rental	Planning Board Approval
158 First Avenue Project	4	Family Rental	Planning Board Approval
21 Leonard Avenue Habitat for Humanity Project	2	Family Rental/ Family For Sale	Proposed
15 West Lincoln Avenue Project	2	Family Rental	Proposed
Total Units	31	-	-
Rental Bonus	11	-	-
Total Units & Credits	42	-	-

ADDRESSING UNMET NEED

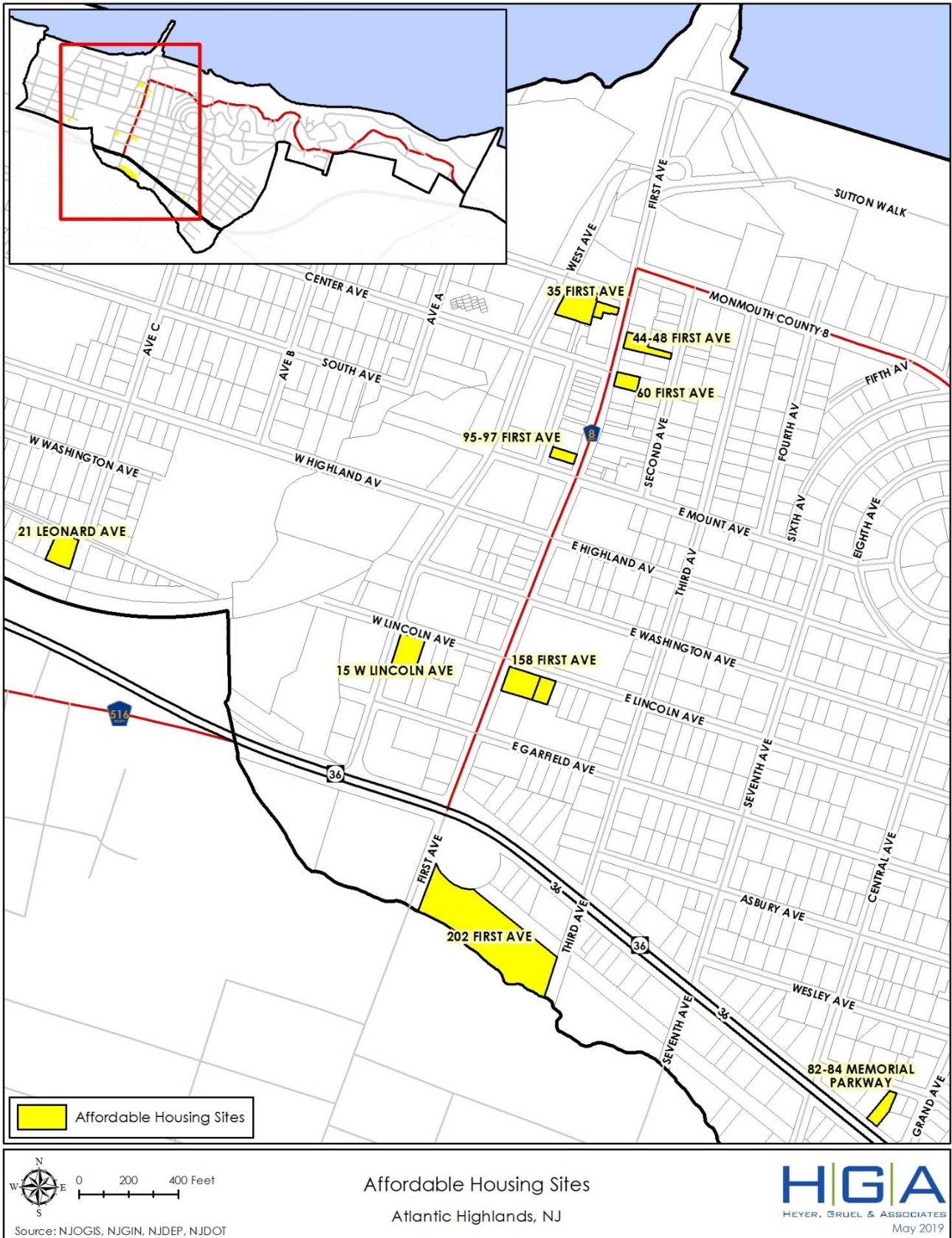
According to the FSHC Settlement Agreement, the Borough has an unmet need of 251 units. The unmet need combines the Prior Round (1987-1999) and Gap + Prospective Need (1999-2025), exclusive of the RDP. The Borough proposes to address its unmet need by utilizing the following mechanisms:

- **Springpoint Living Project (Block 103 Lot 1.01)**: As previously discussed, Springpoint Living Project is a constructed and occupied age-restricted project located at 202 First Avenue. The remaining forty-seven (47) age restricted affordable rental units located in this project will be applied to help address the Borough’s unmet need.
- **Modification to the Borough’s OR: Office-Residential Zone**: The Borough has amended its Schedule of Uses to permit mixed-use commercial/residential development as a conditional use in the OR: Office-Residential Zone.
- **Modification of the Borough’s existing Set-Aside Ordinance for the CBD, HBD, LI and R-TH zones**: The Borough currently permits multi-family and/or mixed-use development within

the CBD: Central Business District, HBD: Historic Business District, LI: Light Industrial District, and R-TH: Townhouse Residential District. Within these zones, a twenty percent (20%) affordable housing set-aside is already required. The Borough has amended this existing set-aside Ordinance to include the OR: Office-Residential District.

The existing set-aside ordinance has also been amended to require the proper bedroom mixes and income distribution as per the Uniform Housing Affordable Controls (UHAC), with the exception that in lieu of ten percent (10%) of affordable units in rental projects being required to be affordable to households earning at or below thirty-five (35%) of the regional median household income by household size, thirteen (13%) of affordable units in such projects shall be required to be affordable to households earning at or below thirty percent (30%) of the regional median household income by household size.

- **Borough-Wide Mandatory Set-Aside Ordinance (“MSO”)**: The Borough has adopted a Borough-wide Mandatory Set-Aside Ordinance (MSO), which requires that any site that benefits from a rezoning, variance or redevelopment plan approved by the Borough that results in multi-family residential development of five (5) dwelling units or more shall require an affordable housing set-aside of twenty percent (20%). The MSO does not give any developer the right to any such rezoning, variance, redevelopment designation or other relief, or establish any obligation on the part of Atlantic Highlands to grant such rezoning, variance, redevelopment designation or other relief. The MSO will not apply to the CBD, HBD, LI, R-TH or OR zones.



SUMMARY OF FAIR SHARE COMPLIANCE

Rehabilitation Obligation	51
Monmouth County Rehabilitation Programs	51
Realistic Development Potential	42
Springpoint Living Project	10
95 First Avenue	1
Memorial Parkway Habitat for Humanity Project	2
35 First Avenue/2 Hennessey Blvd. Project	5
60 First Avenue Project	2
44-48 First Avenue Project	3
158 First Avenue Project	4
21 Leonard Avenue Habitat for Humanity	2
15 West Lincoln Avenue Project	2
Rental Bonus Credits	11
Unmet Need	251
Springpoint Living Project	47
Modification to OR Zone	
Modification to Existing Set-Aside Ordinance for CBD, HBD, LI & R-TH Zone	
Borough-Wide Mandatory Set-Aside Ordinance	
Total Obligation	344

ADDITIONAL REQUIREMENTS

Very Low-Income Requirement: The Borough will ensure that 13% of all of the affordable units, with the exception of units constructed as of July 1, 2008 and units subject to preliminary or final site plan approval, will be affordable to very low-income households. Half of the very low-income units will be made available to families.

Rental Bonus Credits: All rental bonus credits claimed in this plan have been applied in accordance with N.J.A.C. 5:93-5.15(d).

Low/Moderate Income Split: At least fifty percent (50%) of the units addressing the Borough's RDP shall be affordable to very-low income and low-income households, and the remaining will be affordable to moderate-income households.

Rental Requirement: At least twenty-five percent (25%) of the Borough's RDP will be met through rental units, and at least half of these units will be available to families.

RDP Family Requirement: At least half of the units addressing the Borough's RDP will be available to families.

Age Restricted Cap: The Borough agrees to comply with COAH's Second Round age-restricted cap of twenty-five percent (25%) for its RDP. The Borough is not requesting a waiver to exceed the age-restricted cap.

Spending Plan: The Borough has prepared a Spending Plan. The Borough will ask the Court to approve the Spending Plan so that the Borough's Affordable Housing Trust Fund monies can be expended.

Affirmative Marketing: The individual developers will be responsible to ensure that proper affirmative marketing of all of the affordable units is properly implemented.