

HOUSING ELEMENT AND FAIR SHARE PLAN

July 1990

**Township of Lower
Cape May County**

FINDINGS AND CONCLUSIONS OF
THE PLANNING BOARD OF
THE TOWNSHIP OF LOWER

RESOLUTION NO. 90-54

WHEREAS in an effort to conform with the Fair Housing Act of 1985 (N.J.S.A. 52:27D-310) and Municipal Land Use Law (N.J.S.A. 40:55D-28 et seq) the Township Council of the Township of Lower commissioned the preparation of a Housing Element and Fair Share Plan; and

WHEREAS James M. Rutala, P.P., AIC prepared a Housing Element and Fair Share Plan for the Township of Lower, Cape May County New Jersey dated July 1990 (hereinafter referred to as the "Housing Plan"); and

WHEREAS the Housing Plan was submitted to all members of the Lower Township Planning Board and Mr. Rutala appeared at several meetings of the Planning Board to present and to discuss the same with the Board; and

WHEREAS the Planning Board has reviewed and considered the Housing Plan as a proposed amendment to the Master Plan of the Township of Lower, Cape May County New Jersey and makes the following finding of fact:

1. The Housing Plan is incorporated as fact.

NOW, THEREFORE BE IT RESOLVED by the Planning Board of the Township of Lower, Cape May County New Jersey on this 18th day of October 1990 that the Housing Element and Fair Share Plan be approved as an amendment to the Master Plan of the Township of Lower, Cape May County New Jersey.



WILLIAM GALESTOK
Planning Director

Dated:

12-20-90

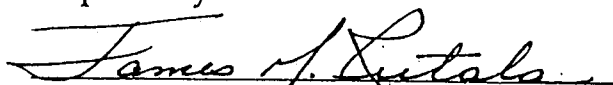
HOUSING ELEMENT AND FAIR SHARE PLAN

TOWNSHIP OF LOWER

CAPE MAY COUNTY

July 1990

Prepared By:

A handwritten signature in cursive script, appearing to read "James M. Rutala", written over a horizontal line.

James M. Rutala, P.P., AICP
N. J. Professional Planner #2704

The original of this document was signed and sealed in accordance with the requirements of the N.J.S.A. 13:41, State Board of Professional Planners.

I. INTRODUCTION

The governing body of Lower Township has commissioned the preparation of this Housing Element and Fair Share Plan in order to conform with the Fair Housing Act of 1985 and the Municipal Land Use Law.

The Fair Housing Act of 1985 created the New Jersey Council on Affordable Housing (COAH) and required the Council to establish substantive rules regarding the contents of Housing Elements and Fair Share Plans. The Council divided the State into six housing regions and estimated the present need for low and moderate income housing for each municipality. Additionally, the municipalities that have been designated as growth areas by the State Development Guide Plan, the Coastal Area Facilities Review Act (CAFRA), or the Pinelands Comprehensive Management Plan have the added responsibility of providing for a share of the region's excess present and prospective need for affordable housing.

The Fair Housing Act (N.J.S.A. 52:27D-310) clearly describes the components of a Housing Element. In general, a Housing Element should be designed to provide for affordable housing to meet the present and prospective needs of the municipality. Population, employment, and housing trends are reviewed in the Housing Element and demographic and economic projections are presented.

The Housing Element is one of many elements of a Master Plan. Since the Lower Township Land Use Development Plan has not been revised since 1979, this amendment will provide insight to the growth trends of the Township over the last decade and will assist in making future planning decisions. The Municipal Land Use Law requires that a re-examination of the Master Plan be conducted every six years. The objectives of the Lower Township Land Use Plan were reviewed by the Planning Board in 1989.

The Fair Share Plan analyzes the Township's obligation to provide for low and moderate income dwelling units as required by COAH. The Council requires that Lower Township provide for 605 affordable housing units. The potential for new housing construction in the Township is reviewed in this Plan based on environmental and infrastructure constraints to determine if the prospective housing need number established by the State can be met. Likewise, the amount of rehabilitation and new construction of affordable housing since 1980 is documented in order to reduce the present housing need. The Fair Share Plan shall require that at least 50 percent of affordable units be available for low income households. Finally, the Plan will propose various means for providing affordable housing opportunities which can be readily amended into the Township's zoning ordinance.

II. REGIONAL SETTING

Lower Township is approximately 29.8 square miles of land area located at the southern tip of New Jersey. This Cape May County community is generally bounded by Middle Township to the north; the City of Wildwood, the Borough of Wildwood Crest, and the Atlantic Ocean to the east; the City of Cape May, the Borough of West Cape May and the Atlantic Ocean to the south; and the Delaware Bay to the west.

Lower Township is the fourth largest municipality in Cape May County. Access to the Township is provided primarily by the Garden State Parkway and U. S. Route 9.

III. HOUSING ELEMENT

III-1. Population Trends

The total resident population of Lower Township was 17,105, according to the 1980 census. This represents a 68 percent increase from the 1970 population. The New Jersey Department of Labor estimates the population of

Lower Township, as of July 1988, to be 20,495 persons, a 20 percent increase from the 1980 population. The Township is the largest municipality in Cape May County by population, with 21 percent of the total county population.

Table 3.1 compares the growth rate of Lower Township to that of Cape May County over the last five decades. It is readily apparent that population growth in Lower Township has far outstripped the growth rate for Cape May County. The largest percentage increase in population growth in the Township was for the period 1950 to 1960. However, it is important to note that from 1970 to 1980, the Township had its largest population gain with a permanent residency population increase of 6,951 persons. The estimated population increase for the period 1980 to 1987 is substantially smaller than historic trends. This is also true for the entire County and may be reflective of new environmental and regulatory controls.

**Table 3.1: Population Trend of Cape May County
and Lower Township 1940 - 1987**

Year	Cape May County	Percent Change	Lower Township	Percent Change	Lower Township as Percent of Cape May Co.
1940	28,919	- 1.9	1,705	N/A	5.9
1950	37,131	28.4	2,737	61.7	7.4
1960	48,555	30.7	6,332	131.3	13.0
1970	59,554	22.6	10,154	60.4	17.1
1980	82,266	38.1	17,105	68.5	20.8
1987	94,160	14.5	20,495	19.8	21.8

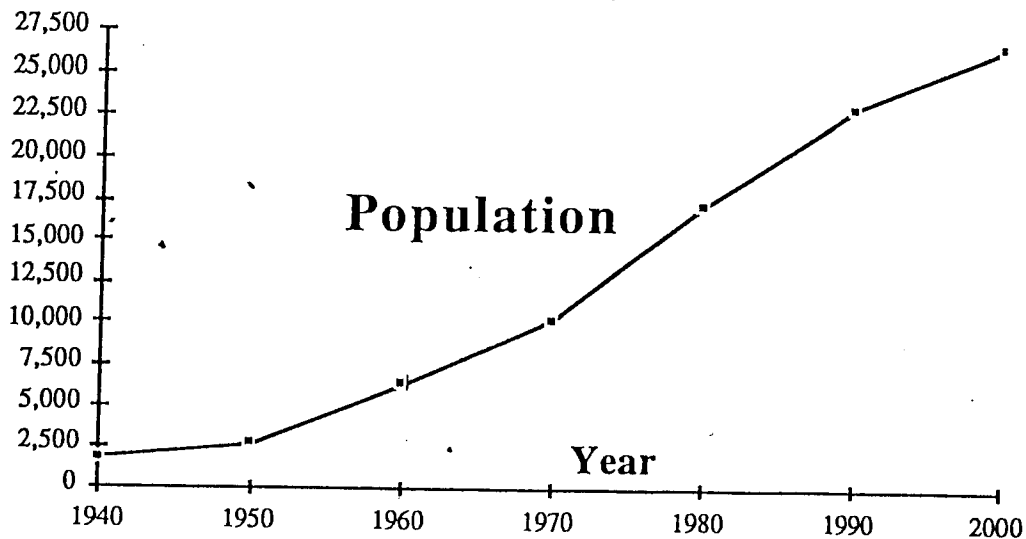
Source: United States Census, 1940-1980
New Jersey Department of Labor, 1988

Cape May County's 208 Water Quality Management Plan predicted that during 1989 Lower Township's summer population would swell to 58,811 persons. This represents a three-fold increase over the permanent

population. With the exception of Woodbine, all municipalities in Cape May County see a tremendous increase in population during the summer months. As previously noted, Lower Township is the most populous municipality in Cape May County; however, it is estimated to be only the third populous during the summer months since the ocean resort communities witness a greater influx of visitors.

The population density of Lower Township in 1980 was 615 persons per square mile compared to the County average density of 313 persons per square mile. Lower Township ranked 9th out of 16 municipalities in Cape May County in population per square mile and is the most densely populated mainland community. However, it should be noted that the higher density is attributable to specific areas of the Township; namely, the North Cape May and Villas areas. These two areas represent over half of the total population of Lower Township. It is estimated that the population density for Lower Township jumps to 1,916 persons per square mile during the summer months due to campers and summer home occupants.

Cape May County is expected to remain one of the fastest growing counties in the State. The New Jersey Department of Labor estimates that the County's population may reach 98,800 by 1990. By the year 2000, the County population should rise to 113,100. By way of comparison, the Cape May County Planning Board has projected the permanent population of the county to exceed the projections of the State. A population of 109,170 is expected by 1990, 133,050 in the year 2000. The Planning Board also projects Lower Township to grow to 23,000 persons in 1990 and to 26,500 in the year 2000. Figure 3.2 graphically depicts the population trends of the Township.

Figure 3.2: Lower Township Population Trends, 1940-2000

Source: Cape May County Planning Board

The number of persons 65 years of age and older living in Cape May County is significantly higher than that of the State. Over 20 percent of the County's residents are senior citizens as compared to 11.7 percent of the population of New Jersey. According to the 1980 census, Lower Township has a high percentage of elderly with 20.5 percent or 3,503 residents being over 64 years old. These individuals usually have lower incomes than most residents and have special needs, such as convenient shopping and medical services. These factors should be considered if the Township considers zoning an area for senior citizen housing to meet its affordable housing needs.

III-2. Housing Characteristics

The housing stock of Lower Township has increased dramatically in recent years. According to the U. S. Census, the number of total housing units increased 36.8 percent from 7,220 in 1970 to 10,560 in 1980. The number of year-round housing increased from 5,124 in 1970 to 7,730 in 1980, a 50.8

percent increase. In both cases, the percentage of increase for Lower Township exceeded the percentage increase for the County as a whole. The percentage of year-round housing units to total housing increased slightly from 1970 to 1980, as depicted in Table 3.3.

Table 3.3: Total and Year-Round Housing Units 1970 and 1980
Lower Township and Cape May County

	Total Housing Units			Year-Round Housing Units		
	1970	1980	% Change	1970	1980	% Change
Lower Township	7,720	10,560	36.8	5,124	7,730	50.8
Cape May County	53,152	72,107	35.7	27,804	38,817	39.6

Source: United States Census of Population and Housing, 1970 - 1980

From 1980 to 1988, 2,107 residential building permits were authorized. This represents 14.4 percent of the permits issued in Cape May County, as depicted in Table 3.4.

Table 3.4: Building Permits Issued in Cape May County
and Lower Township, 1980-1988

<u>Year</u>	<u>Cape May County</u>	<u>Lower Township</u>	<u>Percentage of County Permits Issued In Lower Township</u>
1980	1,564	147	9.4
1981	1,651	109	6.6
1982	1,059	120	11.3
1983	1,247	176	14.1
1984	1,599	176	11.0
1985	1,938	254	13.1
1986	1,851	248	13.4
1987	2,072	482	23.3
1988	1,690	395	23.4
Total	14,671	2,107	14.4

Sources: Cape May County Planning Board, 1980-1986
New Jersey Department of Labor Building Permits Summary, 1987-1988

The overwhelming majority of these permits were authorized from 1985 through 1988. A detailed review of the New Jersey Department of Labor's building permit summaries indicates that 1,379 permits were authorized between 1985 and 1988. Of these 1,379 permits, 901 were for single-family dwellings and 478 were for multi-family units. Hence, more than 34 percent of these units were multi-family buildings, representing a significant change in the housing mix in Lower Township. Less than 7 percent of the homes in the Township were found in multi-family structures prior to 1980. Figure 3.5 indicates dwelling units authorized by building permits 1985-1988 for Lower Township.

Table 3.5: Lower Township
Dwelling Units Authorized by Building Permits, 1985-1988

<u>Year</u>	<u>Total Permits</u>	<u>Single Family</u>	<u>2 to 4 Family</u>	<u>5 or More Family</u>
1985	254	206	24	24
1986	248	228	20	0
1987	482	241	25	216
1988	395	226	10	159
Total	1,379	901	79	399

Source: New Jersey Department of Labor Building Permits Summary, 1985-88

Most recently, in 1987 and 1988 more housing units were permitted in Lower Township than in any other municipality in Cape May County. This is a result of the availability of sewerable, vacant land, as well as the fact that regulatory and infrastructure constraints limited the growth of the barrier islands in Cape May County.

In the last five years, the demolition has not had a significant effect on the housing stock in Lower Township. A total of 32 units were demolished between 1984 and 1988.

A review of the 1980 Census of Population and Housing reveals that the homes in Lower Township are small by comparison to the County housing stock. More than 68 percent of the homes have five rooms or less.

Median housing values in Lower Township are lower than the median for the County. The 1980 census indicates that the median value for an owner-occupied, non-condominium housing unit was \$35,800. The Cape May County median was \$47,200. In terms of 1980 median rent, the Township and County median were very close, with the Township median being \$219 and the County \$216. Table 3.6 indicates the 1980 housing value and contract rent for Lower Township and Cape May County.

**Table 3.6: Housing Values and Contract Rent
of Occupied Housing Units
in Lower Township and Cape May County, 1980**

Owner Occupied Non-Condominium Housing Unit By Value	Lower Township Number of Units	Cape May County Number of Units
Less than \$10,000	28	116
\$10,000 to \$14,999	80	281
\$15,000 to \$19,999	313	681
\$20,000 to \$24,999	647	1252
\$25,000 to \$29,999	667	1396
\$30,000 to \$34,999	714	1634
\$35,000 to \$39,999	662	1532
\$40,000 to \$49,999	1072	2842
\$50,000 to \$79,999	770	4653
\$80,000 to \$99,999	89	1423
\$100,000 to \$149,999	49	1296
\$150,000 to \$199,999	12	451
\$200,000 or more	3	295

Renter-Occupied Housing by Contract Rent	Lower Township Number of Units	Cape May County Number of Units
Less than \$50	1	105
\$50 to \$99	21	491
\$100 to \$119	28	383
\$120 to \$139	51	473
\$140 to \$149	11	153
\$150 to \$159	49	482
\$160 to \$169	29	337
\$170 to \$199	132	887
\$200 to \$249	352	1879
\$250 to \$299	153	1328
\$300 to \$399	78	978
\$400 to \$499	3	215
\$500 or more	1	103

Source: United States Census of Population and Housing, 1980

The growth in population and employment in Lower Township and the entire County has exerted strong pressure on the housing market. This demand for housing resulted in a housing price increase as well as a demand for more units. In Cape May County average housing prices grew by 22.6 percent between 1984 and 1987. This represents an annual increase of 7 percent. Average housing prices for the entire State grew by 21.4 percent annually. Based on information obtained from the New Jersey Economic Policy Council, the average home in Cape May County was valued at \$95,050 in 1987, compared to an average value of \$146,812 throughout New Jersey. It should be noted that this value is skewed by valuable properties located on the barrier islands and waterfront homes and that the average price for mainland communities would be somewhat less. The 1990 census will provide a much better understanding of house cost, demographics and population growth in Lower Township.

III-3. Employment

Since employment information is not readily available on a municipal basis, we can gain a prospective on economic conditions in Lower Township by reviewing county-wide trends. In the years 1982-87, covered employment in Cape May County grew at an annual rate of 1.7 percent compared with 3.6 percent statewide. In terms of the total number of jobs created, the employment pool in the County rose from 32,344 in 1982 to 35,131 in 1987. The New Jersey Department of Labor has projected that job opportunities will continue to grow at a rate of 1.8 percent per year—creating 9,500 new jobs in Cape May County by the year 2000.

Cape May County's economy is geared toward tourism, which peaks in the summer months but continues year-round due to attractions such as Cape May City's Washington Street Mall and the casinos and entertainment available in nearby Atlantic City.

As a tourist area, the County is expected to continue to have the State's largest employment share in retail trade—almost 47 percent in 1987. By comparison, in the southern counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, and Salem, a total of 25 percent of the work force is in the retail trade. Table 3.6 provides employment by sector in the County.

Table 3.6: Employment By Sector
In Cape May County, 1987

<u>Employment Sector</u>	<u>Employment</u>	<u>Composition</u>
Retail Trade	16,555	47.12
Services	10,604	30.18
Construction	2,599	7.40
Manufacturing	865	2.46
Wholesale Trade	757	2.15
Other	<u>3,751</u>	<u>10.68</u>
Total	35,131	100.0

Source: New Jersey Office of Economic Policy, 1989

Cape May County has the smallest manufacturing sector in the State as measured by the share of manufacturing employment in total employment. However, during the period 1982-87, this sector has grown slightly. Construction employment, reflecting recent prosperity, grew 67 percent between 1982 and 1987.

The County's unemployment rate dropped to 6.3 percent in April 1989, a 7.3 percent decrease since 1984. Historically, Cape May County has witnessed unemployment rates that are above the State average. The continued growth in year-round employment opportunities both in Cape May and in nearby counties has reduced the dramatic seasonal shift in employment that was once prevalent.

A total of 2,384 persons from Cape May County were employed in the casinos in Atlantic City as of 1989. However, the majority of these workers reside in Ocean City, Upper Township, and Wildwood and few are residents of Lower Township.

The per capital personal income in Cape May County has more than doubled since 1978. The County's per capita income in 1986 was \$17,073 as compared to a statewide average of \$18,877. Lower Township's per capita income was \$6,188 in 1979, less than the County average of \$7,079. It would be reasonable to assume that this community's average income has also doubled.

IV. FAIR SHARE OBLIGATION

In 1986, the Council on Affordable Housing (COAH) published the number of low/moderate income homes that should be provided for in each municipality in New Jersey. The methodology adopted by the Council to

develop a municipality's "Pre-Credited Housing Need" is based on a combination of the area's past (indigenous), present and future (prospective) housing needs adjusted by such factors as demolitions, filtering, conversions, and rehabilitations. The prospective need is for a six-year period from 1987 to 1993. The figures presented in Table 4.1 reflect the unadjusted fair share calculations as determined by COAH.

The Council divided the state into six housing regions - with the Township of Lower being located in the South-Southwest Region. This region includes Atlantic, Cape May, Cumberland, and Salem Counties. The six housing regions are depicted in the figure shown on the following page.

The Indigenous Need consists of the actual number of deficient housing units occupied by low and moderate income persons. The number of deficient units is based on surrogates from the 1980 census, namely: housing age, overcrowding, access to unit, and plumbing, kitchen and heating facilities. COAH estimated that there were 304 deteriorated units in Lower Township and that 290 of these units are occupied by low and moderate income households. This represents the highest Indigenous Need requirement in the entire County of Cape May. This number is only an estimate and may not directly correspond to the actual number of deficient units occupied by low and moderate income persons; however, it is used for housing need purposes.

The Reallocated Present Need represents a portion of the housing region's present need which is redistributed to designated growth areas. Present need is reallocated based on the criteria of acreage in the designated growth areas from the 1980 State Development Guide Plan, the Pinelands Comprehensive Management Plan, and Coastal Zone Regulations; covered employment; and per capita aggregate income. COAH has estimated a

Reallocated Present Need of 63 units in the Township of Lower. Of the 68 municipalities in the South-Southwest Region, Lower Township has the fifth highest Reallocated Present Need.

Future low and moderate income housing needs or Prospective Need is based on the acreage in designated growth areas, covered employment, per capita aggregate income, and covered employment change. The prospective need for the Township of Lower for the six years from 1987 to 1993 is estimated at 297 units, the second highest future need allocation in Cape May County. Hence, the Township of Lower's total need is 650 units.

The total housing need is adjusted by four factors – demolition, filtering, conversions, and rehabilitations. Demolitions are a secondary source of housing demand since it is assumed that when a unit is torn down, it is lost from the housing stock. The COAH calculations show an adjustment of thirteen units in Lower Township.

Filtering is defined as those existing units that become available for lower income groups when middle and upper income families move up to larger, more desirable homes. This factor is based on the proportion of the region's multi-family units located in Lower Township and results in a 33-unit reduction in the Township's housing need.

Conversions are the addition of units to existing structures. This factor is based on the municipality's relative percentage of two- and four-family structures. Lower Township's conversion number is eleven.

Finally, rehabilitation represents the reduction of housing need by revitalizing homes to remove deficiencies. The Township can reduce its fair share by fifteen units due to rehabilitation. Hence, the Township's Pre-Credited Need number is 605 units, as depicted in Table 4.1.

**Table 4.1: Low and Moderate Income
Housing Needs for the Township of Lower**

Indigenous Need	290 units
Reallocated Present Need	<u>63</u>
Present Need	353
Prospective Need (1987-1993)	<u>297</u>
Total Need (1987 - 1993)	650
Demolitions	13
Filtering	-33
Residential Conversions	-11
Rehabilitation	<u>-15</u>
Pre-Credited Need	605 units

Source: New Jersey Council on Affordable Housing, 1986.

V. FAIR SHARE PLAN

The Fair Share Plan for the Township of Lower begins with a review of the Township's successful efforts to construct and rehabilitate affordable housing. Various housing credits will be derived from these projects. Secondly, development constraints that exist in the Township will be described as a basis for an adjustment to the Township's Present and Prospective Need. Finally, proposed amendments to the zoning ordinance are described in an effort to provide for affordable housing.

V-1 Credits for Affordable Housing Units Provided Since 1980

Affordable homes that were built or rehabilitated in the Township of Lower since the last census was conducted in April 1980 can be used as credits to reduce the Township's housing need number. The Township is entitled to

credits equaling 156 units due to its aggressive efforts to provide for affordable housing.

Since 1980, a total of 85 rehabilitated units qualify as a credit against the Indigenous Need of the Township. The Township has received and administered four grant programs for the purposes of renovating existing homes. The types of grants received are specified in Table 5-1.

Table 5-1: Rehabilitation Grants Administered Since 1980

<u>Type of Grant</u>	<u>No. of Units Rehabilitated</u>	<u>No. of Rehabs Over \$4500</u>	<u>No. of Units Sold</u>	<u>Total Credit</u>
Small Cities	43	38	5	33
Balanced Housing (87-178)	22	19	1	18
Small Cities (88-258)	30	23	0	23
Balanced Housing (88-9564)	19	11	0	11
Total	114	91	6	85

A total of 114 units were rehabilitated between 1980 and 1989. Of those units, 91 homes received at least \$4,500 – the threshold set by COAH for qualifying for a housing credit. An additional six units were sold, leaving a total rehabilitation credit of 85 units.

A credit is also permitted for a 55-unit senior citizen housing project which has been approved for funding assistance through the New Jersey Department of Community Affairs - Balanced Housing Program. This project, known as Yorkshire Place, is to be located on Towne Bank Road in southern Lower Township. All residents of Yorkshire Place must meet low income qualifications.

A second new housing project, Towne Bank Manor Apartments, is approved and will provide for 80 units, 20 percent of which must be

affordable to low and moderate income families. Hence, a total of 71 new affordable units has been approved in Lower Township – 63 low income units and 8 moderate income units.

In summary, these credits result in a 85-unit reduction of the Township's Indigenous Need to 190 units. The Future Need can be reduced by 71 units – to 259 units – a total credited housing need of 449 units.

**Table 5-2: Credited Housing Need
In Lower Township**

	<u>COAH Requirement</u>		<u>Credit</u>		<u>Housing Need</u>
Indigenous Need	275	-	85	=	190
Future Need	330	-	71	=	259
	—		—		—
Total	605 units		156 units		449 units

V-2. Adjustments to the Fair Share Obligation

Section IV of this Plan discusses the criteria for developing the Reallocated Present and Prospective Need for each municipality. This criteria includes the acreage that each municipality has in a designated growth area from the State Development Guide Plan and the Coastal Zone Regulations.

A review of the history of state, regional, and local planning as it affects Lower Township and the limits this places on development may be helpful in defining the extent of growth areas which exist in the Township of Lower.

In 1978, the Coastal Zone Regulations designated most of Lower Township as an Extension Region. The only portion of the Township that is not regulated by the Coastal Area Facilities Review Act (CAFRA) is the Cape

May County Airport. The Extension Region was designated to "promote nodal growth based on existing centers of development and to limit ribbon and scattered development." The Rules on Coastal Resources and Development further note that in Extension Regions development acceptability is more limited and environmental sensitivity is weighed more heavily.

Two years later, in 1980 the State Plan further discussed the development constraints of this area. As noted in the Lower Township Master Plan:

The State Development Guide Plan designates Lower Township, and indeed all of Cape May County, as a limited growth area. This classification is assumed to be due largely to the vast quantities of environmentally sensitive lands located in Cape May County. Such lands are incapable of handling major development.

The airport area, while exempt from CAFRA regulations, is affected by the Air Safety and Hazardous Zoning Act of 1983. This legislation effectively eliminates the potential for residential development at a density of less than three acres per unit in this area—further restricting housing growth.

Also in the early 1980s, the Cape May County Water Quality Management Plan was adopted. This State mandated Plan incorporates numerous environmental protection policies, including the designation of Sewer Service Areas for Lower Township. Sewerable areas are based on environmental sensitive lands, existing and proposed land use, septic problem areas, and other criteria. In essence, the Sewer Service Areas are the growth areas of the Township and will be further discussed in Section V-3.

To insure adequate nitrate dilution of wastewater, the 1985 Cape May County Comprehensive Plan established a minimum lot size requirement of

35,000 sq. ft. for the unsewered areas of Cape May County. Hence, limiting development density outside of the Sewer Service Areas.

The Township is further regulated by the Wetlands Act of 1970 and the Freshwater Wetlands Act of 1987. Significant portions of the Township are rendered undevelopable as a result of these regulations.

Most recently, the cross-acceptance process of the State Development and Redevelopment Plan has resulted in further discussion regarding the growth potential of Cape May County. In an effort to gain a consensus on future land use, a Cross-Acceptance Report and tier map have been prepared. These documents support past regional and local planning efforts by designating tiers where growth can occur consistent with the existing Sewer Service Areas.

Another issue which deserves special mention is water quality and supply. Various studies are currently underway to find new sources of water to service Cape May County. Salt water intrusion continues to threaten existing wells servicing the coastal communities. As a result of this concern, density limits have been established.

As noted, there is a history of State, regional, and local planning efforts which has defined the areas of the Township where growth may be permitted. Growth, in this case described as development over one unit per 35,000 sq. ft., can only occur within the Sewer Service Areas of the Township. Section V-3 will consider how the Township may provide for its fair share obligation of affordable housing, given the development constraints that impact the municipality.

V-3. Alternative for Providing for Affordable Housing

The Township can choose from a number of alternatives to provide for affordable housing. The alternatives selected should represent sound

planning principles and provide for the maximum number of low and moderate income housing given the Township's regulatory, environmental, and infrastructure constraints.

The housing alternatives include:

1. Rehabilitation
2. Rental Housing
3. Senior Citizen Development
4. Rezoning
5. Inclusionary Zoning
6. Density Bonuses
7. Regional Contribution Agreements
8. Developer Contributions
9. Subsidized Housing

The Township of Lower has taken major steps to provide for affordable housing over the last decade. The Township intends to continue to pursue rehabilitation grants from the Department of Community Affairs to expand its efforts to rehabilitate homes of low and moderate income families. The Township will target various neighborhoods such as the Villas for rehabilitation. A total of approximately 190 units will be targeted for improvements by 1993. The program and processing will continue to be administered by the Township's Grants Coordinator. Affordability controls are already being used by the Township and will continue to be implemented.

As discussed in Section V-2, only the Sewer Service Areas of Lower Township can support growth. Given this phenomenon, a Vacant Land

Adjustment is requested in accordance with Subchapter 8 of the Substantive Rules of the New Jersey Council on Affordable Housing.

A vacant land inventory was conducted within the Sewer Service Areas as defined in the most recent County Water Quality Management Plan. Two areas of the Township were identified as having vacant parcels of greater than two (2) acres; namely: the Diamond Beach and the Canal area. The Diamond Beach area is zoned R-6, while the Canal area is zoned R-1, R-2, and R-5.

To meet the Reallocated Present and Prospective Needs for affordable housing, through inclusionary housing, the Township intends to revise the Zoning Ordinance to:

1. Require that all future development in the R-5 and R-6 Districts within the Sewer Service Areas provide a twenty percent (20%) set-aside and a minimum gross density of six (6) units per acre on vacant, developable land, either on- or off-site.
2. Require that all future development in the R-1 and R-2 Districts within the Sewer Service Areas provide for a twenty percent (20%) set-aside on-site. A thirty percent (30%) density bonus will be provided in these Districts.

Based on an inventory of vacant land within the Township's Sewer Service Area that will yield affordable housing units, 396 total units, and 79 affordable units may be provided. It should be noted that each of the parcels may contain environmentally sensitive areas; i.e., wetlands, wetlands buffers, endangered species, etc., and the developable acreage is estimated based on visual inspection and review of National Wetlands Inventory maps. The

development potential of these parcels may be altered when site specific environmental analyses are conducted.

Table 5.1: Inclusionary Component of the Fair Share Plan

<u>Zoning Districts</u>	<u>Total Units</u>	<u>Affordable Units</u>
R-5	61	12
R-6	185	37
R-1, R-2	150	30
	396 units	79 units

The Lower Township Zoning Ordinance will also be amended to address affirmative marketing, phasing of Present and Prospective Need, income guidelines, bedroom distribution, affordability controls, initial pricing, pricing stratification, and other regulations required to administer the low and moderate income units to be built as a result of this Fair Share Plan.

Table 5.2: The Township of Lower's Fair Share Plan

Inclusionary Component

Zoning Amendments	79 units
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Rehabilitation Component

Pre-Credited Indigenous Need	275 units
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Units Rehabilitated Since 1980	<u>85</u>
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Planned Rehabilitation 1989-1993	<u>190</u> units
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Total	<u>269</u> units
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Hence, a total of 269 affordable units will be provided for as a result of this Plan.

REFERENCES

- Cape May County Planning Board. Cape May County Comprehensive Plan, December 1985.
- Cape May County Planning Board. Population Characteristics of Cape May County, New Jersey, 1987.
- Lower Township Planning Board. Objectives of the Master Plan, March 1989.
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