

# HOUSING ELEMENT

## Overview

This Housing Element has been prepared in accordance with the Municipal Land Use Law (MLUL) at N.J.S.A. 40:55D-28b(3) to address Haddonfield's cumulative housing obligation for the period 1987- 2014. This Plan includes the minimum requirements presented at N.J.S.A. 52:27D-310, the Fair Housing Act, and the supplementary information required pursuant to N.J.A.C. 5:94-2.2(b) and 3.3.

According to the Fair Housing Act, municipalities that choose to enact and enforce a zoning ordinance are obligated to prepare a Housing Element as part of the community's Master Plan. The Fair Housing Act established the Council on Affordable Housing (COAH) as the State agency to administer municipal implementation of municipal Housing Elements and Fair Share Plans and to create rules and regulations regarding the development of low- and moderate-housing in the State.

COAH has established both Procedural and Substantive Rules for municipalities to address their affordable housing obligations. Municipal land development regulations are now entitled to a ten-year presumption of validity against an exclusionary zoning builders remedy challenge where the community's Housing Element/Fair Share Plan either receives (and maintains) Substantive Certification from COAH or a Judgment of Compliance and Repose from a Court.

The First Round regulations of COAH covered the time period from 1987 to 1993. In 1994, COAH adopted new Substantive Rules establishing the requirements for the Second Round of affordable housing plans, covering the cumulative twelve year period from 1987 to 1999.

The Substantive Rules for COAH's Third Round were adopted on December 20, 2004 and cover the period from January, 2000 to December, 2013, although compliance is to be achieved during the period from January, 2004 to December, 2013. The Third Round Rules are based on a new "growth share" methodology, whereby the regional housing need is to be met by communities based on their projected growth. The municipal obligation is to provide one new affordable housing unit for every eight market-rate homes that are constructed and one new affordable housing unit for every twenty-five new jobs imputed to new non-residential floor area. The obligation is calculated based upon net increases in market-rate housing and the square footage of new non-residential construction based on the UCC classification assigned to the building by the local Construction Official. The Housing Element is designed to achieve the goal of providing affordable housing to meet the total 1987-2014 affordable housing need comprised of the estimated growth share, any remaining balance of the Prior Round Obligation from the municipality's 1987-1999 affordable housing obligation and the rehabilitation share based on the 2000 Census.

## Summary of Haddonfield's Past Affordable Housing Performance

Haddonfield was granted Substantive Certification of its second round Housing Element and Fair Share Plan by the Council on Affordable Housing (COAH) in July of 1999, based upon a Master Plan Housing and Fair Share Elements document originally adopted in 1997 and amended in 1999.

Haddonfield's second round fair share obligation had been determined by COAH in 1993 to be 255 units, of which 192 units represented the Borough's new construction component and 63 units represented the Borough's rehabilitation obligation. However, in certifying the Borough's second round Housing Element and Fair Share Plan, COAH granted Haddonfield an adjustment for insufficient vacant land, reducing the new construction component, based upon Realistic Development Potential, to zero. COAH also reduced the rehabilitation component from 63 units to 56 units based on the Borough's submission of a structural conditions survey. The compliance plan that received Substantive Certification from COAH in 1999 encompassed a rehabilitation obligation of 56 units, addressed in part through seven (7) credits for previously rehabilitated units, in part through 12 units of senior citizens housing and in part through a 37 unit rehabilitation program. The zero second round new construction component arising from the adjustment for insufficient land left an "unmet need" of 192 units.

COAH's resolution granting second round Substantive Certification to Haddonfield included no requirements for overlay zoning, for the enactment of a development fee ordinance or for an accessory apartments program, which are some of the techniques listed in COAH's second round Rules that "may" be required of municipalities with an unmet need due to insufficient land to address the entire second round obligation.

Although there had been no changes in the availability of vacant land within the Borough of Haddonfield, and no material changes to the zoning and development requirements in the Borough since the grant of Substantive Certification,<sup>o</sup> there was, beginning in 2003, a spate of interest in the redevelopment of several previously developed commercial properties in and around the Borough's Central Business District, which is an historic district. This was not anticipated at the time COAH granted Substantive Certification to Haddonfield in 1999. In fact, the COAH Staff Report that preceded the grant of Substantive Certification specifically noted that "A site visit indicated no immediate area that may redevelop within six years." Nevertheless, in 2003, the unexpected and unanticipated occurred, and properties in the Borough's downtown began to be proposed for redevelopment with residential uses or for additional development with residential uses above the ground floor *consistent with the zoning for the Central Business District that has been in place since 1990, long before the grant of second round Substantive Certification*. The sudden interest in redevelopment within Haddonfield's downtown came about, not through any action by the Borough, but through the evolution of market forces that have begun to render the redevelopment of already developed sites in communities like Haddonfield an attractive option.

In response to this increased interest in redevelopment, the Fair Share Housing Center filed a motion with COAH to require the Borough to amend its Housing Element and Fair Share Plan to address these "changed circumstances". It also filed a lawsuit against the Borough and the various redevelopers. In 2004, COAH ordered Haddonfield to amend its Housing Element and Fair Share Plan so as to capture affordable housing opportunities to help meet the (192 unit) unmet need as redevelopment occurs.

In January of 2005, the Borough filed an Amendment to the Haddonfield Master Plan, Housing and Fair Share Elements, specifically targeted at capturing at least a portion of Haddonfield's 192

unit unmet need in response to the spontaneous redevelopment activity described above. A second Amendment was filed in July of 2005 addressing COAH's comments regarding the first Amendment. Also in July of 2005, the Borough adopted a resolution and submitted a request for extension of its second round certification pending the preparation and submission of a Third Round Housing Element and Fair Share Plan to COAH by December 20, 2005. This Third Round Housing Element and Fair Share Plan is intended to address the Borough's entire fair share obligation through the end of the year 2013.

There are three components of the third round fair share obligation. One is the growth share obligation calculated for the period from January, 2000, to January, 2014, although the delivery period for the production of affordable housing to satisfy the growth share obligation is January, 2004, to January, 2014. The calculation of the growth share is presented in Appendix C of this Housing Element. The second component of the third round obligation is any unmet need from the second round. The second round cumulative affordable housing obligations for each municipality have been recalculated by COAH for the third round. Haddonfield's unmet need from the second round is now 195 units, rather than 192 units. Finally, the rehabilitation obligation derived from the 2000 Census, consisting of one unit, is the third component of the Borough's total third round fair share obligation.

Haddonfield proposes to address its unmet need and its third round "growth share" obligation through various forms of redevelopment or additional development on already developed properties. Additionally, the Borough seeks rehabilitation credit for a unit that was rehabilitated in 2004 through the Camden County Community Development Block Grant Program. The Borough seeks a reassessment of the credits to which it may be entitled for past housing activities. It also seeks credits for a group home located in the Borough, for which credits had not previously been sought. Finally, it seeks credits for some new affordable housing units that are being created pursuant to a settlement agreement with two of the defendants in the lawsuit. With that, the Borough still expects to have an unmet need that will have to be addressed on a continuing basis, along with the growth share, as redevelopment occurs. What follows is a description of the Borough's third round plan.

## **Credits for Past Housing Activities**

### **Lincoln Commons**

In its second round plan, Haddonfield had proposed to address a portion of its rehabilitation component through credits for 12 of the 48 low and moderate income senior citizens housing units in the Lincoln Commons project originally proposed by Lutheran Social Ministries but ultimately developed by the Ingerman Group. The other 36 units were presumably applied against the 192 unit unmet need. All 48 units at Lincoln Commons were built and occupied in 2003. Since these are all new construction units and were built after the 2000 Census, Haddonfield is requesting credit for all 48 units at Lincoln Commons against its 195 unit unmet need from the second round.

## **Kings Court and Willits Court**

The settlement of the Kings Court and Willits Court lawsuits by the Fair Share Housing Center in May of 2005 resulted in an agreement for the construction of four (4) new low and moderate income housing units (all presumed to be for sale, and all required to be non-age-restricted units) at Kings Court. The developer of Willits Court also agreed to make a substantial contribution to the Borough's Affordable Housing Trust Fund to cover "affordability gaps" between the ability of the selected low and moderate income households to afford to purchase a home and the pricing levels for the low and moderate income units within the Kings Court development.

## **Remaining Unmet Need**

*Based on the deductions of the four Kings Court units and 48 Lincoln Commons units from the 195 unit recalculated second round need, the extent of the unmet need from the second round is reduced to 143 units.* Appendix F of this Housing Element presents documentation regarding the absence of any vacant land within the Borough of Haddonfield that can be zoned for inclusionary development to help address the unmet need from the second round as well as the third round growth share obligation.

As part of the (yet to be approved by COAH) Amendment to its second round Housing and Fair Share Elements, Haddonfield has proposed to adopt a development regulation calling for any development of five (5) or more residential units to provide a 20 percent set-aside for affordable housing on-site. All residential developments of fewer than five (5) dwelling units and all non-residential developments would be required to pay development fees into the Borough's Affordable Housing Trust Fund.

It is not known at this time how many opportunities exist in the Central Business District for the creation of additional space above existing stores in the context of Haddonfield's historic district. The Borough has contracted with Brown & Keener Bressi of Philadelphia to come up with a Downtown Vision Plan. As part of this Downtown Vision Plan, a determination will be made as to whether opportunities exist for redevelopment and additional development on the existing developed sites within the CBD. If Haddonfield determines that such infill development is appropriate in the context of other objectives (including but not limited to parking and historic preservation), the Borough would expect to be able to project additional residential and non-residential development opportunities and to determine the number of affordable housing units that would be yielded by these opportunities. At this point, however, it is impossible to project the number of new residential units, if any, that might be created in the CBD within existing space or newly created space on existing developed lots. The Borough's proposed set-aside ordinance, should it meet with COAH's approval, would at least ensure that affordable housing is built (and at a higher set-aside rate than the growth share obligation would suggest) as new residential development occurs. Appendix D contains a copy of the Brown & Keener Bressi proposal that was accepted by the Borough of Haddonfield, with an appended amendment to the scope of services contemplated, as well as a copy of the resolution authorizing the contract with Brown & Keener Bressi.

## **New Group Home Credits**

Bancroft NeuroHealth, Inc., operates a group home located at 640 South Edge Park Drive (Lot 7, Block 1.01). The group home contains 4 bedrooms for developmentally disabled adults over the age of 18. The home is owned by Thomas and Elizabeth Bruno, 432 Kings Highway West, in Haddonfield, and has been leased to Bancroft for the last 10 years. The occupancy of the group home is funded by the New Jersey Department of Human Services, Division of Developmental Disabilities. Documentation concerning the funding of the group home is included in Appendix E to this Housing Element.

## **Additional Major Redevelopment Opportunities**

Appendix F of the Housing Element portion of this document contains a vacant land inventory and mapping of land uses and environmental conditions prepared by Heyer, Gruel and Associates. It is clear from this submission that Haddonfield does not now have any vacant land available for development, despite some errors in the classification of certain parcels on the Borough's Tax List, which are corrected and explained in the accompanying notes.

There are two significantly sized non-vacant sites in the Borough that might someday redevelop, although not necessarily during the next ten (10) years. These are discussed and addressed below:

### **PATCO Site**

The Port Authority Transit Corporation (PATCO) site is owned by the Delaware River Port Authority (DRPA) and consists of approximately 7.5 acres of parking lot in the vicinity of the Haddonfield Station for the train that provides commuter service to and from Philadelphia. It is identified on the Borough's Tax Map as Lot 14, Block 118 (5.46 acres) and Block 134, Lot 9 (2.3 acres). Recently, PATCO has been considering whether it might make available some portion of this parcel for some sort of redevelopment. While redevelopment of all or part of the PATCO site may present a unique opportunity to provide affordable housing in the context of a mixed use development, there is no certainty regarding this. The reason for this is that the DRPA is an independent governmental authority operating under a Federal compact involving both Pennsylvania and New Jersey. DRPA has represented to the Borough of Haddonfield that it does not believe it is bound by the regulations of the State of New Jersey.

If the PATCO site allows redevelopment (and this is entirely outside of the Borough's control), it is the intention of the Borough to work closely with PATCO to negotiate the components of that development. If there is to be a residential component, the Borough intends to seek a substantial number of affordable housing units that would not only meet residential and non-residential growth share obligations resulting from such redevelopment but would also address a portion of the unmet need from the second round.

At this time, PATCO officials have advised Haddonfield informally that, while they do not believe they are legally obligated to do so, they are willing to work with the Borough and to meet all Borough ordinances pertaining to the provision of affordable housing. Consequently, the Fair

Share Plan portion of this document includes a growth share ordinance that the Borough intends to introduce for consideration, with review and comment by the public as appropriate and as required by law, once COAH has certified Haddonfield's plan. The growth share ordinance, if and once adopted, would apply to any development or redevelopment site in the Borough over five (5) acres (the PATCO site is believed to be over seven (7) acres in size even after subtracting the railroad tracks and other railroad-related improvements). The growth share ordinance would require not only a 20 percent set-aside on all new residential redevelopment (15% if for rentals) but also a growth share set-aside on all net new non-residential redevelopment.

### **Bancroft Site**

Bancroft NeuroHealth, Inc., operates a non-profit school for severely developmentally disabled children on roughly 19 acres of land located on two separate tax lots (Lot 2, Block 14, and Lot 25, Block 13) straddling Hopkins Lane in the east central portion of the Borough of Haddonfield, adjacent to the Cooper River. Significant portions of this site are affected by the steep slopes, wetlands and flood plain land associated with the Cooper River. Additionally, the original buildings on the site, Lullworth Hall and the carriage house behind it, are affected by an easement to the New Jersey Historic Trust.

The Bancroft site was believed initially to be a potential redevelopment site after Bancroft issued a Request for Proposals regarding the potential sale of the property in July of 2005. However, the Bancroft site is still actively operated as a school, and there has been no action by Bancroft officials to terminate the current use or accept any of the sale proposals. Until Bancroft provides the Borough with more information about its intentions, Borough officials are not able to assume that this site will actually be available for redevelopment at this time or even within the third round certification period. If redevelopment appears likely down the road, the Borough will evaluate the redevelopment potential of this site based upon its environmental features, the restrictions created by the terms of the easement to the New Jersey Historic Trust, and the extent to which the site or any portions thereof will be made available for redevelopment.

Based on an earlier belief that the Bancroft site was being considered for redevelopment imminently, a report was commissioned by the Borough precedent to declaring the Bancroft site an area in need of redevelopment. That report has been submitted to Borough officials by the firm of Heyer, Gruel and Associates. The scheduling of a public hearing and the adoption of the report following a public hearing are pending.

The proposed growth share ordinance included in the Fair Share Plan would apply to any redevelopment that might eventually occur on the Bancroft site, provided the area available for redevelopment is five (5) acres or more. Otherwise, the "overlay" set-aside regulations proposed as part of the most recent second round Amendment to the Housing and Fair Share Plan Elements would be applicable.

Appendix G of this Housing Element contains maps identifying the PATCO and Bancroft sites and indicating the presence or absence of known environmental constraints.

## Rehabilitation Credits

Haddonfield has been participating in Camden County's Community Development Block Grant Program for rehabilitation of substandard housing units occupied by low and moderate income households. To date, eight units have been rehabilitated in Haddonfield pursuant to this program, including one unit in 2004. Haddonfield's new rehabilitation obligation for the third round is only one unit. Since a unit was rehabilitated in the Borough after the 2000 Census, Haddonfield has met its one unit rehabilitation obligation. Documentation concerning the unit rehabilitated in 2004 is presented in Appendix H of this Housing Element.

## Analysis of Third Round Obligation and Ability to Meet It

**TABLE I**  
**THIRD ROUND TOTAL AFFORDABLE**  
**HOUSING OBLIGATION**

Remaining unmet need from recalculated prior round obligation	143
Rehabilitation obligation from 2000 Census	1
Growth share obligation	13
<b>Total</b>	<b>157</b>

The third round growth share calculation is presented in Appendix C to this Housing Element. The growth share calculation results in a growth share obligation, excluding the recalculated unmet need from the prior round and the rehabilitation obligation, of 13 affordable units. Most of this calculated growth share obligation is attributable to residential development that has already occurred or is proposed (but that is currently subject to the scarce resource constraints imposed by COAH).

A comparison between the growth share projections issued by the Delaware Valley Regional Planning Commission, which is the Metropolitan Planning Organization (MPO) encompassing Haddonfield, and the figures derived from an analysis of Haddonfield's development activity is presented in Table II, below.

**TABLE II**  
**COMPARISON OF MPO AND HADDONFIELD'S DEVELOPMENT**  
**PROJECTIONS AND GROWTH SHARE OBLIGATION**

	<b>MPO</b>	<b>Haddonfield</b>
Residential growth (new households)	-268	99
Units excluded from growth share calculation	0	0
<b>Subtotal</b>	-268	99
Residential growth share (affordable units) (Table R-8)*	0	12.375
Nonresidential growth (new jobs)	794	13.84
Nonresidential growth share (affordable units) (Table NR-7)**	32	.5536
<b>Total growth share***</b>	<b>32</b>	<b>13</b>

\*  $\text{New households (subtotal)} \div 8 = \text{residential component of affordable housing obligation.}$

\*\*  $\text{New jobs} \div 25 = \text{nonresidential component of affordable housing obligation.}$

\*\*\* Residential and nonresidential components combined.

Although Haddonfield's own growth projections are much less than those of the MPO covering its region, and are attributable to different sources, Haddonfield has elected to conditionally accept the higher MPO growth share number for planning purposes, on the presumption that the 32 unit affordable housing obligation derived from the DVRPC projection of job growth is grounded on anticipated redevelopment at the PATCO site. Although the Borough is not in a position to compel redevelopment of any kind, let alone residential development, on the PATCO site, due to PATCO's independence as a separate governmental authority involving more than one state, the Borough will be enacting a growth share ordinance that would establish benchmark affordable housing requirements as a first step in working with PATCO in the event the PATCO site is redeveloped.

Appendix F of this Housing Element contains documentation in the form of maps and notes regarding vacant land in the Borough of Haddonfield. It is clear that Haddonfield has no vacant sites that can be used to address its third round (or even second round) affordable housing obligations. This does not mean that such obligations will not be addressed by the Borough. What it means is that the Borough's success in meeting its unmet recalculated prior round obligation and its third round growth share obligation will be dependent, in part, upon the Borough's ability to negotiate with potential redevelopers, if the opportunity to capture affordable housing through redevelopment occurs.

## **Third Round Rental Obligation**

The calculated third round rental obligation using the MPO-based growth share obligation of 32 affordable units is 8 units. The calculated third round rental obligation using Haddonfield's locally projected growth share obligation of 13 affordable units is 3.25 (4) units. Haddonfield intends to address its third round rental obligation, in part, with credits for the existing four bedroom group home described above. It intends to address the remaining rental obligation as redevelopment occurs by providing more favorable set-aside requirements in the growth share ordinance for rental units versus sales units. This would potentially reduce the overall number of affordable units to be provided but would also increase the probability of obtaining rental units.

## **Third Round Age-Restricted Cap**

Up to 50% of the affordable units built in Haddonfield to meet the third round growth share obligation may be age-restricted. For the recalculated prior round obligation, the maximum number of age-restricted units permitted is, theoretically, 25% of 195 or 48 units, assuming no RCAs. However, credits amassed in fulfillment of the unmet need are blind as to age-restrictions as well as to tenure.

## **Development Fee Ordinance and Spending Plan**

Haddonfield has prepared and intends to adopt, subject to COAH's approval, a Development Fee Ordinance, a Development Fee Escrow Agreement and a Spending Plan. The proposed Development Fee Ordinance and Escrow Agreement as well as an updated Spending Plan are included in the Fair Share Plan portion of this document. The Spending Plan has as its primary objective the goal of making affordable units even more affordable.

## **Summary of Third Round Affordable Housing Obligation and Plan**

Haddonfield's third round affordable housing obligation is comprised of three parts.

The growth share obligation for the third round is 13 units based upon local growth projections and 32 units based on the MPO projections for growth. Haddonfield will only be able to satisfy the 32 unit growth share obligation resulting from the DVRPC projections if the PATCO site redevelops during the 10 year certification period, and then only with the cooperation of PATCO, which has stated its belief that it is not bound by the laws of the State of New Jersey with respect to land development but also its willingness to voluntarily comply with local affordable housing regulations. For this reason, Haddonfield is adopting a growth share ordinance targeted at large redevelopment sites.

The 13 unit locally projected growth share obligation and the 143 unit remaining unmet need will continue to be addressed through overlay zoning regulations designed to capture affordable housing whenever five (5) or more units are proposed to be built and through the collection and expenditure of development fees. Additionally, if credits are granted for the 4 bedroom group

home operated by Bancroft NeuroHealth, Inc., then both the rental component for the third round and four (4) units of the 13 unit growth share obligation would be satisfied already.

The one unit rehabilitation obligation has been met by the rehabilitation of a unit in 2004 through Camden County's Community Development Block Grant program.

The Appendices to this Housing Element include all of the documentation needed to fulfill the requirements of the Municipal Land Use Law for the preparation of a Housing Element and all of the supplementary information required by COAH. The Fair Share Plan that follows the Housing Element Appendices contains all of the implementation documents as well as a brief recap of the elements of the Borough's petition for Substantive Certification.

---

<sup>(1)</sup> *Haddonfield's first Zoning Ordinance (Ordinance #738) was enacted in 1939. At that time, the entire Borough was divided into just four zoning districts. All four districts permitted apartments.*

*Haddonfield's second Zoning Ordinance was enacted in 1957 (Ordinance #889). The number of zoning districts was increased to seven. Apartments were no longer permitted in two of the districts, but the R-2A, R-2B Residential and C-1 Commercial zones permitted dwellings for up to three families as a special exception (now conditional) use, and the C-2 and C-3 Commercial zones allowed an apartment for one family in conjunction with a permitted business use.*

*Haddonfield's third Zoning Ordinance was enacted in 1974 (Ordinance #1167). The number of zoning districts in the Borough was increased to nine. One of the residential zones still permitted apartments as a special exception use, a new townhouse zone was created, and two Special Development Districts allowing mixed uses were added. The Commercial Office district continued to allow one apartment in connection with a permitted business use. In the Commercial Retail district (the predecessor zone to the current Central Business District), an apartment for not more than one family per floor or retail store or offices were permitted on the second or third floor of a building.*

*The 1974 Zoning Ordinance was amended several times, but the significant amendments were Ordinance #1434, adopted in 1984, which removed offices as a permitted use of a second or third floor in the Commercial Retail district, and Ordinance #1606, adopted in 1990, which, among other zoning changes, renamed most of the Borough's zoning districts, recreating the Commercial Retail district as the Central Business District and the Commercial Office district as the Office District. It was Ordinance #1606 that also removed the limitation on the number of dwelling units permitted per floor or per retail store above the first floor in these districts.*

*In 1992, Ordinance #1661 was adopted, consolidating all of the existing land use regulations of the Borough into one Land Development Ordinance. The Land Development Ordinance was amended several times between 1994 and 1997 with respect to such items as sidewalk restaurants, air conditioning units, junk cars, private streets, lot coverage in residential zones, permitted conditional uses and signs, etc., and to create a new senior citizens housing district. The Land Development Ordinance was last amended in 2001 to refine the bulk requirements for the various residential zones so that they would more closely conform to existing conditions. There have been no substantive changes in the overarching land use policies of the Borough since the adoption of Ordinance #1606 in 1990, however. **All of the redevelopment interest that has surfaced since 2003 has been a spontaneous reaction to unanticipated market forces, not a reflection of any recent change in the Borough's land use policies.***