

FOURTH ROUND HOUSING ELEMENT AND FAIR SHARE PLAN

Bethlehem Township
Hunterdon County, New Jersey

June 2025

Adopted by the Land Use Board on June 23, 2025

Prepared By:



Heyer, Gruel & Associates
Community Planning Consultants
236 Broad Street, Red Bank, NJ 07701
(732) 741-2900

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Table of Contents

EXECUTIVE SUMMARY	5
GEOGRAPHICAL CONTEXT	5
ENVIRONMENTAL CONSIDERATIONS	5
POPULATION AND HOUSING OVERVIEW	6
AFFORDABLE HOUSING SUMMARY	6
INTRODUCTION	8
First and Second Rounds	9
Third Round	9
Fourth Round	10
BETHLEHEM TOWNSHIP'S HISTORY OF AFFORDABLE HOUSING	11
PLANNING FOR AFFORDABLE HOUSING	12
PART 1: HOUSING ELEMENT	15
DEMOGRAPHIC CHARACTERISTICS	15
Population	15
Population Composition by Age	16
Households	17
Income	19
Poverty Status	20
Household Costs	21
EXISTING HOUSING CONDITIONS	22
Housing Unit Data	22
Housing Type and Size	23
Housing Growth and Projections	24
Housing Values and Contract Rents	25
Housing Conditions	27
EMPLOYMENT DATA	28
Employment Status	29
Class of Worker and Occupation	30
Commuting to Work	31
Covered Employment	32
In-Township Establishments and Employees by Industry: 2023	33
Probable Future Employment Opportunities	34
PART 2: FAIR SHARE PLAN	35
INTRODUCTION	35
CURRENT STANDARDS	35
Age-Restricted Housing	35
Transitional Housing	35
Veterans Housing	35
Families with Children	35
Rental Units	35
Very-Low Income Requirement	35

Low/Moderate Income Split	36
Affordability Controls	36
Affirmative Marketing	36
Uniform Housing Affordability Controls (UHAC).....	36
Unit Adaptability	36
Bonus Credits	37
BETHLEHEM TOWNSHIP AFFORDABLE HOUSING OBLIGATIONS.....	38
REVIEW OF PREVIOUS ROUND COMPLIANCE	38
Prior Round Compliance (1987-1999)	38
Third Round Compliance (1999-2025).....	42
FOURTH ROUND PRESENT NEED / REHABILITATION NEED	42
FOURTH ROUND PROSPECTIVE NEED OBLIGATION.....	42
Highlands Build Out Update.....	43
Fourth Round Summary	44
CONSISTENCY WITH STATE PLANNING REQUIREMENTS	44
State Plan.....	44
Highlands Regional Master Plan Conformance	45
Multigenerational Family Housing Continuity Commission	46
SUMMARY OF FAIR SHARE COMPLIANCE.....	47

Appendices

Appendix A: Bethlehem Township Third Round JOR

Appendix B: Bethlehem Township Third Round Settlement Agreement with FSHC

Appendix C: Bethlehem Township Resolution 2025.29 Establishing Fourth Round Obligation

Appendix D: Court Order Fixing Bethlehem Township's Obligations for "Present Need" and "Prospective Need" for the Fourth Round Housing Cycle

Appendix E: Highlands Affordable Housing Ordinance

EXECUTIVE SUMMARY

The following Fourth Round Housing Element and Fair Share Plan has been prepared for the Township of Bethlehem in the County of Hunterdon in accordance with the Fair Housing Act as most recently amended (P.L.2024, c.2).

GEOGRAPHICAL CONTEXT

Bethlehem Township is a 20.8 square mile community located in the northwest corner of Hunterdon County in the western portion of the State, directly abutting Warren County to the north. The Township has proximity to major highways, as Interstate 78 and State Route 173 run through the western portion of the Township and State Route 31 abuts the Township to the east. Additionally, County Routes 643 and 635 run through the Township, providing regional access. The Township can be characterized as a rural municipality.

The Township shares boundaries with a number of municipalities, including: Alexandria Township and Union Township to the south; Holland Township and Bloomsbury Borough to the west; Franklin Township and Washington Township (both of which are in Warren County); and Hampton Borough, Glen Gardner Borough, and Lebanon Township to the east. Further, nearly the entire length of the Borough's northern border is bound by the Musconetcong River.

ENVIRONMENTAL CONSIDERATIONS

Bethlehem Township is located in the Highlands Region, which is an environmentally rich area that provides approximately 70% of the State's potable drinking water. More specifically, 91% (12,146 acres) of the Township's land falls in the Highlands Preservation Area and 9% (1,141 acres) of the Township's area falls in the Highlands Planning Area. As of December 16, 2010, Bethlehem is a fully conforming municipality meaning it is consistent with the Highlands Regional Master Plan in both the Preservation Area and Planning Area.

The Highlands Preservation and Planning Areas are further divided into subzones referred to as Land Use Capability Zones ("LUCZ"). Approximately 60.2% of the Township's land area falls within the Protection Zone, in which development activities are extremely limited and land acquisition is prioritized by the Highlands Council. Another 33.8% (4,520 acres) of Bethlehem's land falls within a LUCZ where non-agricultural or non-recreational development is constrained and land preservation is a key priority, including within the Conservation Environmentally Constrained Subzone, the Wildlife Management Subzone, the Conservation Zone, and the Existing Community Environmentally Constrained Subzone.

A small portion (2.0% or 263 acres) of Bethlehem's land falls within the Existing Community Zone ("ECZ"), which is generally recognized by the Highlands Council as the most appropriate zone outside of a designated Center for development within the Highlands region. This is due to a number of factors, one

such being that the ECZ is typically correlated with the boundaries of existing sewer service areas, although this is not the case in Bethlehem. In fact, it is notable that just 0.1% (1 acre) of the Township's land falls within the sewer service area, which significantly limits the scope and extent of development that can occur within Bethlehem.

Due to Bethlehem's unique geographic makeup, a large portion of the Township's land area is environmentally sensitive in one or more capacities. Notable highlights include the Township's:

- 7,394 acres (55.6%) of forest area
- 5,525 acres (41.6%) of land categorized as prime groundwater recharge area
- 4,968 acres (37.4%) of preserved land
- 4,158 acres (31.3%) of land within the steep slope protection area
- 4,099 acres (30.8%) of agricultural land

Further, the Township's land area encompasses 5 surface springs, 108 waterbodies, and 37.6 miles of Category 1 Waterways, including the Mulhockaway Creek, Musconetcong River, West Portal Creek, and Turkey Hill Brook amongst others. Approximately 31% (4,126 acres) of Bethlehem's area falls within the Highlands Open Water Protection Area and 25.5% (3,395 acres) falls within a Riparian Area as a result of these waterways. Bethlehem's land area also contains 14.4 miles of New Jersey Statewide trails, reinforcing its environmental significance.

POPULATION AND HOUSING OVERVIEW

According to the 2020 Census, Bethlehem Township's population was 3,745, which represents a decrease of 6% from 2010. In 2020, the Township's median age was 47.7 years, representing a 7.9% increase from the median age of 44.2 years in 2010. The Township's average household size in 2020 was 2.8 persons, which was slightly higher than the average at the County level (2.52 persons).

The housing stock of the Township is predominantly single-family detached dwelling units. Approximately 26% of the housing stock was built prior to 1970, making just over one-quarter of the Township's housing older than fifty years. The Township is located in Housing Region 3, a region that consists of Hunterdon, Middlesex, and Somerset counties. Based on the 2025 Regional Income Limits (released by the New Jersey Housing and Mortgage Finance Agency on May 16, 2025), the median income in Region 3 for a four-person household is \$153,400, the moderate-income is \$122,720, the low-income is \$76,700, and the very-low-income level is \$46,020.

AFFORDABLE HOUSING SUMMARY

Affordable housing obligations in New Jersey are divided into "housing rounds," as will be discussed in detail later in this Plan. Each municipality in New Jersey has a constitutional obligation to provide their fair share of the calculated regional need for affordable housing within the respective housing round. These

obligations to construct new affordable housing are known as the Prospective Need obligation. Municipalities also have an obligation to rehabilitate units that are deemed substandard, pursuant to the criteria of the Fair Housing Act. This obligation is known as the Present Need, or Rehabilitation Share. The housing rounds are as follows: Prior Round (1987-1999); Third Round (1999-2025); and Fourth Round (2025-2035).

The Township of Bethlehem has participated in New Jersey's previous housing rounds. In the Third Round, the Township entered into a Settlement Agreement with Fair Share Housing Center to establish its Third Round affordable housing obligation.

The Township was able to fully meet its Prior Round and Third Round obligations through credit-worthy mechanisms including: a Regional Contribution Agreement with New Brunswick; supportive and special needs housing; an accessory apartments program; and inclusionary zoning overlays as part of a durational adjustment.

The Township has a Fourth Round obligation as follows:

Rehabilitation Share: 0 units

Prospective Need: 51 units

Bethlehem Township submitted a Petition for Plan Conformance on December 7, 2009 for both its lands within both the Preservation and Planning Area. The Highlands Council subsequently approved the Township's petition via Resolution 2010-12 dated December 16, 2010.

As a fully conforming municipality, Bethlehem Township utilized the Highlands Build Out Update and Build Out Portal to calculate its realistic development potential ("RDP"). Although the Build Out analysis yielded an RDP of 0 units and an unmet need of 51 units, the Township recognizes the Highland Council's goals to simultaneously protect the Region's environmental resource and also provide opportunities for affordable housing. This analysis is discussed in further detail in the "Highlands Build Out Update" section of this Plan.

The Township will fully address its Fourth Round unmet need through the following mechanisms:

- The continuation of its Accessory Apartment Program
- Mandatory Affordable Housing Set-Aside Ordinance

INTRODUCTION

The need to provide a realistic opportunity for the construction of affordable housing in New Jersey, the country's most densely populated state, has been recognized for decades. In the case of Southern Burlington County NAACP v. the Township of Mount Laurel 67 N.J. 151 (1975) (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 create a realistic opportunity for their fair share of low and moderate income housing.

In Southern Burlington County NAACP v. Township of Mount Laurel, 92 N.J. 158, 456 A.2d 390 (1983), decided on January 20, 1983 (commonly known as Mount Laurel II), the Supreme Court acted to address the response of municipalities to Mount Laurel I. The builder's remedy created a mechanism for developers to sue non-compliant municipalities and force them to comply. Mount Laurel II also created the Judgment of Repose to incentivize municipal compliance. A Judgment of Repose protected municipalities from potential lawsuits and those who would claim entitlement to a builder's remedy or other relief based upon the claim that the municipality was noncompliant.

In the wake of Mount Laurel II, developers sued municipalities seeking builder's remedies. The wave of builder's remedy lawsuits created the impetus for legislation to protect municipalities from builder's remedies. A decision by Judge Serpentelli, one of three judges appointed by Chief Justice Wilentz to implement Mount Laurel II, increased the need for a legislative cure. More specifically, in 1984, Judge Serpentelli issued the "AMG decision" (AMG Realty Co. v. Warren Twp.), which established a formula for any developer to determine the fair share obligation of any municipality.

The pressure of builder's remedy suits, combined with the ease in determining the fair share of any municipality through the AMG formula, culminated in the enactment of the New Jersey Fair Housing Act in 1985. The Fair Housing Act (FHA) is found at N.J.S.A. 52:270-301, et seq. The FHA established the Council on Affordable Housing (COAH) as an administrative alternative to builder's remedy lawsuits and the concomitant jurisdiction of 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.

In 2008, the Legislature amended the FHA to add requirements for very low-income housing. 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% of the region's median household income. Moderate-income households are those with incomes no greater than 80% and no less than 50% 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.

FIRST AND SECOND ROUNDS

The First and Second Rounds under COAH are collectively referred to as the “Prior Round.” The Prior Round obligation is the cumulative 1987-1999 fair share obligation. The First Round consists of the six-year period between 1987 and 1993 for which COAH first established a formula for determining municipal affordable housing obligations (N.J.A.C. 5:92-1 *et seq.*). Then in 1994, COAH established amended regulations (N.J.A.C. 5:93-1.1 *et seq.*) and produced additional municipal affordable housing obligations for the years 1993 to 1999. This second round of obligations is known as the Second Round. When COAH adopted regulations for the Second Round, it made the First and Second Round obligations cumulative for both periods.

THIRD ROUND

Housing rounds were originally established by the Fair Housing Act as six-year periods, but in 2001 the Legislature extended the rounds to 10-year periods. This should have meant that the Third Round ran from 1999 to 2009. However, COAH didn’t establish new rules for the Third Round until the end of 2004 (N.J.A.C. 5:94-1 and 95-1 *et seq.*). The Third Round time period was therefore extended to 2014. The Third Round rules established a new method for calculating a municipality’s affordable housing obligation, known as “growth share.” This method required municipalities to project future residential and non-residential development, and then derive their obligation from that growth.

After the New Jersey Appellate Court invalidated several components of the Third Round rules, COAH released revised rules in 2008. The Third Round was once again extended to 2018 to provide municipalities with the time to apply the amended rules and establish mechanisms to meet their obligations. The revised Third Round rules, like the initial Third Round rules, established the obligations based on a growth share approach.

On October 8, 2010, in response to numerous legal challenges to the second iteration of COAH’s Third Round regulations, the Appellate Divisions ruled that COAH could not allocate obligations through a “growth share” formula and directed COAH to use similar methods to those used in the First and Second Rounds. COAH proposed Third Round regulations a third time in 2014 using a formula similar to the ones it had used in the First and Second Rounds. However, when COAH met to consider adopting these rules on October 20, 2014, it deadlocked.

On March 10, 2015, the New Jersey Supreme Court decided 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), wherein it responded to COAH’s failure to adopt defensible rules for the Third Round. This decision changed the landscape by which municipalities are required to comply with their constitutional obligation to provide their fair share of affordable housing. 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 temporary immunity and ultimately a Judgment of Compliance and Repose (“JOR”) from a Court, which was the “judicial equivalent” of Substantive Certification from COAH.

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 rather than the Prospective Need. The Supreme Court held that there is an obligation with respect to 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 and Prospective Need had not been fully adjudicated at that time, various trial judges issued opinions on the appropriate methodology and 354 municipalities reportedly settled with Fair Share Housing Center wherein they negotiated their obligations for the Third Round.

Municipal obligations were therefore broken down in Round Three Housing Element and Fair Share Plans as Present Need/Rehabilitation, Prior Round (1987-1999), and Third Round and Gap Period (1999-2015). Municipalities that received their Final Judgement of Compliance and Repose were guaranteed immunity from builders’ remedy lawsuits through the end of the Third Round, June 30, 2025.

FOURTH ROUND

On March 18, 2024, the affordable housing legislation known jointly as Senate Bill S50 and Assembly Bill A4 passed both houses of the legislature. Governor Murphy signed the bill (P.L.2024, c.2) into law on March 20, 2024, establishing a new methodology for determining municipalities’ affordable housing obligations for the Fourth Round and beyond. The new legislation, which comprehensively amends the FHA, overhauled the process that municipalities undertake to establish and plan for their constitutionally mandated affordable housing obligation. Most notably, this legislation formally abolished COAH while transferring its functions to the New Jersey Department of Community Affairs (DCA) and Housing Mortgage and Finance Agency (HMFA). As a result, the legislation codified the method for calculating regional and municipal affordable housing needs and returned most of the process from the Courts to state administrative departments.

The amended FHA called on the DCA to issue a non-binding report on the new Present Need Obligation (commonly referred to as the rehab obligation) and the Prospective Need for the Fourth Round (2025-2035) and subsequent rounds. The amended FHA requires the DCA to base its analysis of the obligations for each municipality based upon the standards set forth in the amended FHA. Accordingly, on October 18, 2024 the DCA released a report outlining the Fourth Round Fair Share methodology and its calculations of low- and

moderate-income obligations for each of the State's municipalities. The amended FHA gave municipalities until January 31, 2025 to review the obligation reported by the DCA and perform their own analysis of their obligation based on the methodology in the legislation and previously established by the Courts.

If any municipality wished to commit to an obligation different from the one reported by the DCA, the amended FHA required the municipality to adopt a resolution by January 31, 2025, committing to the number that it contended was the appropriate obligation. If a municipality wished to commit to the numbers that the DCA reported, the amended FHA required the municipality to adopt a resolution committing to the DCA numbers.

The amended FHA required any municipality that wished to participate in the new process that the Act created to file a declaratory relief action within 48 hours of adopting the resolution committing to the numbers the municipality deemed appropriate. Further, the amended FHA gave any interested party who wished to oppose the numbers to which any municipality committed until February 28, 2025 to file an Answer, which included a particularized objection to the numbers to which the municipality committed.

As established in the amended FHA, the "Affordable Housing Dispute Resolution Program" ("the Program") was given until March 31, 2025 to try to resolve any disputes over the fair share numbers to which a municipality committed. The program is a new entity created by the amended FHA. It is staffed with seven current or retired judges who have the authority to use adjudicators to assist in mediating disputes over the obligations of municipalities.

The amended FHA gives municipalities until June 30, 2025, to file a Housing Element and Fair Share Plan and related documents showing how the municipality will comply with its obligations. The Fourth Round Plans will follow the same general format as plans from previous rounds, with certain updates to their requirements dealing with various types of housing and the bonus credit calculation system. Notably, HEFSPs are required to be consistent with the State Development and Redevelopment Plan (SDRP) (a new draft SDRP was released in late 2024 and has yet to be adopted) and the Highlands Regional Master Plan for conforming municipalities. As part of the HEFSP, municipalities shall include an assessment of the degree to which the municipality has met its fair share obligation from the prior rounds of affordable housing (i.e. First, Second, and Third Rounds).

BETHLEHEM TOWNSHIP'S HISTORY OF AFFORDABLE HOUSING

Bethlehem Township has a long history of compliance with COAH's regulations. In regard to the First Round, the Township executed settlement agreements with two separate builder's remedy litigants; one in 1990 and the other in 1995. Bethlehem filed a First Round Housing Element/Fair Share Plan on March 14, 1995, although the Township did not petition for substantive certification. The Township petitioned COAH for Second Round Certification on October 23, 1998, and subsequently re-petitioned COAH in February 2000

after adopting an amended Second Round HEFSP. Bethlehem was granted substantive certification on June 6, 2001, which then expired on June 6, 2007.

The Township also participated in the Third Round Certification process. The Township's Planning Board adopted a Third Round Housing Element and Fair Share Plan on May 17, 2010.

In response to Mount Laurel IV, the Township filed a declaratory judgement action ("Action") with the New Jersey Superior Court seeking a declaration of its compliance. The Township was granted temporary immunity from builder's remedy actions until its Third Round obligations could be determined by the Court. The Township entered into a shared services agreement with a group of municipalities now referred to as the municipal consortium, with the purpose of retaining an expert to calculate affordable housing obligations under the First and Second Round methodologies. These calculations were prepared to refute the obligations calculated by Dr. David Kinsey on behalf of the Fair Share Housing Center ("FSHC").

Bethlehem Township subsequently agreed to enter into mediation discussions with FSHC, and a settlement agreement was prepared. On February 16, 2017, the Township Council passed Resolution #2017.39 authorizing Mayor Paul Muir to execute the agreement. The settlement agreement was subsequently executed on February 27, 2017. In August 2020, an amended Third Round Housing Element/Fair Share Plan was prepared in accordance with the requirements of the Settlement Agreement. On March 3, 2021, the Township received a Third Round Final Judgement of Compliance and Repose.

More recently, the Township has remained active in preparing for the Fourth Round of affordable housing. The Township adopted binding Resolution #2025.29 establishing its Fourth Round Present Need and Prospective Need obligations as calculated by the Department of Community Affairs ("DCA"). Further information on this can be found in the "Fair Share Plan" section of this Plan.

This Fourth Round Housing Element and Fair Share Plan outlines mechanisms implemented to address the Township's affordable housing obligations, and has been prepared in accordance with the Fair Housing Act as most recently amended (P.L.2024, c.2).

PLANNING FOR AFFORDABLE HOUSING

Pursuant to both the FHA (N.J.S.A. 52:27D-310, et seq.) and the Municipal Land Use Law (MLUL) (N.J.S.A. 40:55D-28), 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 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 the next 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, as established pursuant to section 3 of P.L.2024, c.2 (C.52:27D-304.1);
 - 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;
 - g. An analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c.273 (C.52:27D-329.20);
 - h. For a municipality located within the jurisdiction of the Highlands Water Protection and Planning Council, established pursuant to section 4 of P.L.2004, c.120 (C.13:20-4), an analysis of compliance of the housing element with the Highlands Regional Master Plan of lands in the Highlands Preservation Area, and lands in the Highlands Planning Area for Highlands conforming municipalities. This analysis shall include consideration of the municipality's most recent Highlands Municipal Build Out Report, consideration of opportunities for redevelopment of existing developed lands into inclusionary or 100 percent affordable housing, or both, and opportunities for 100 percent affordable housing in both the Highlands Planning Area and Highlands Preservation Area that are consistent with the Highlands regional master plan; and
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- i. An analysis of consistency with the State Development and Redevelopment Plan, including water, wastewater, stormwater, and multi-modal transportation based on guidance and technical assistance from the State Planning Commission.

PART 1: HOUSING ELEMENT**DEMOGRAPHIC CHARACTERISTICS****Population**

Table 1 below depicts the population trends that occurred in Bethlehem Township, Hunterdon County, and the State of New Jersey in the 93-year period between 1930 and 2023. In 2023, there were 3,753 residents in Bethlehem Township, which indicates an increase of 8 people (0.2%) from 2020. Overall, Bethlehem Township has experienced steady growth over the past 93 years, with one minor decrease of 5.9% between 2010 and 2020. The Township has seen an overall growth of 3,018 residents during this time frame, reflecting a 410.6% increase in its population.

Proportionally speaking, the Township's most significant period of growth occurred in the decade between 1970 and 1980 when Bethlehem saw a 119.9% increase in its population. This population boom occurred in the midst of a larger positive trend exhibited in the five-decade period between the 1950s and 2000s, in which the Township's population exhibited a net gain of 2,963 residents. Proportionally speaking, the population increase over this 50-year period alone accounts for 98% of the Township's 2023 population.

These overall trends are reflected at the County and State level as well, which saw a similarly significant increase in population beginning in the mid-century. Since 1930, overall growth at the County level (272.7% increase) and State level (129.3% increase) has been steady but has seen a less exaggerated proportional increase as compared to Bethlehem.

Table 1: Population Trends, 1930-2023									
Bethlehem Township, Hunterdon County, and New Jersey									
Year	Bethlehem Township			Hunterdon County			New Jersey		
	Population	Change		Population	Change		Population	Change	
		Number	Percent		Number	Percent		Number	Percent
1930	735	-	-	34,728	-	-	4,041,334	-	-
1940	791	56	7.6%	36,766	2,038	5.9%	4,160,165	118,831	2.9%
1950	857	66	8.3%	42,736	5,970	16.2%	4,835,329	675,164	16.2%
1960	1,090	233	27.2%	54,107	11,371	26.6%	6,066,782	1,231,453	25.5%
1970	1,385	295	27.1%	69,718	15,611	28.9%	7,171,112	1,104,330	18.2%
1980	3,045	1,660	119.9%	87,361	17,643	25.3%	7,365,011	193,899	2.7%
1990	3,104	59	1.9%	107,776	20,415	23.4%	7,730,188	365,177	5.0%
2000	3,820	716	23.1%	121,989	14,213	13.2%	8,414,350	684,162	8.9%
2010	3,979	159	4.2%	128,349	6,360	5.2%	8,791,894	377,544	4.5%
2020	3,745	-234	-5.9%	128,947	598	0.5%	9,288,994	497,100	5.7%
2023	3,753	8	0.2%	129,448	501	0.4%	9,267,014	-21,980	-0.2%
Total Change	-	3,018	410.6%	-	94,720	272.7%	-	5,225,680	129.3%

Source: 1930-2020 U.S. Decennial Census; 2023 ACS 5-Year Estimates, Table S0101

Population Composition by Age

The median age of the residents in Bethlehem Township in 2020 was 47.7 years, which represents a 7.9% increase from the 2010 median age of 44.2 years. Analysis of age group characteristics provides insight into the actual changes in a population. As a general tool, this comparison is helpful in determining the impacts age group changes have on housing needs, community facilities, and services for the municipality.

As detailed in Table 2 below, the majority of age groups in Bethlehem Township experienced notable shifts in the years between 2010 and 2020. The most significant shift occurred in the population groups: aged 55 and over, which collectively saw a 436-person (44%) increase; and aged 25 to 34, which saw a 115-person (59.9%) increase. Simultaneously, the Township experienced a decrease in its population aged 5 to 14 years old (-41.6%) and between the ages of 35 to 54 (-37.2%).

Table 2: Population by Age, 2010 to 2020 Bethlehem Township						
Population	2010		2020		Change (2010 to 2020)	
	Number	Percent	Number	Percent	Number	Percent
Under 5 years	169	4.2%	180	4.8%	11	6.5%
5 to 14	682	17.1%	398	10.6%	-284	-41.6%
15 to 24	495	12.4%	524	14.0%	29	5.9%
25 to 34	192	4.8%	307	8.2%	115	59.9%
35 to 44	527	13.2%	351	9.4%	-176	-33.4%
45 to 54	926	23.3%	561	15.0%	-365	-39.4%
55 to 64	602	15.1%	779	20.8%	177	29.4%
65 and over	386	9.7%	645	17.2%	259	67.1%
Total population	3,979	100.00%	3,745	100.00%	-234	-5.9%
Median Age	44.2	-	47.7	-	3.5	7.9%

Source: 2010 and 2020 U.S. Decennial Census

Hunterdon County similarly experienced population fluctuation in this decade. The County also saw the greatest shift of roughly 38.8% in its population aged 55 and over, which was proportionally slightly lower than the increase experienced at the Township level. The County experienced rather significant decreases in its population aged 14 and below (-19.5%) as well as those aged 35 to 54 (-25.4%), directly mirroring shifting age trends occurring in the Township. This data is displayed in Table 3 below.

**Table 3: Population by Age, 2010 to 2020
Hunterdon County**

Population	2010		2020		Change (2010 to 2020)	
	Number	Percent	Number	Percent	Number	Percent
Under 5 years	6,023	4.7%	5455	4.2%	-568	-9.4%
5 to 14	18,084	14.1%	13951	10.8%	-4,133	-22.9%
15 to 24	15,022	11.7%	16,058	12.5%	1,036	6.9%
25 to 34	10,588	8.2%	12496	9.7%	1,908	18.0%
35 to 44	17,938	14.0%	13,878	10.8%	-4,060	-22.6%
45 to 54	25,862	20.1%	18779	14.6%	-7,083	-27.4%
55 to 64	18,488	14.4%	23,491	18.2%	5,003	27.1%
65 and over	16,344	12.7%	24,839	19.3%	8,495	52.0%
Total population	128,349	100.0%	128,947	100.0%	598	0.5%
Median Age	43.5	-	46.8	-	3.3	7.6%

Source: U.S. Decennial Census, 2010 and 2020

Households

A household is defined as one or more persons, either related or not, living together in a housing unit. In 2020 there was a total of 1,347 households in Bethlehem Township. Just under half (48.9%) of the Township's households comprised two or less people. In fact, two-person households were the most common household size at both the Township (34.2%) and County (34.8%) levels, followed by three-person households at the Township level (20.9%) and one-person households at the County level (23.1%). According to this data, the Township had a higher percentage of three- and four-person households than Hunterdon County as a whole. This may partially explain why the Township's average household size of 2.8 persons was slightly higher than the County's average of 2.52 people.

**Table 4: Household Size of Occupied Housing Units, 2020
Bethlehem Township and Hunterdon County**

	Bethlehem Township		Hunterdon County	
	Number	Percent	Number	Percent
1-person household	198	14.7%	11,311	23.1%
2-person household	461	34.2%	17,056	34.8%
3-person household	281	20.9%	8,368	17.1%
4-person household	249	18.5%	7,756	15.8%
5-person household	104	7.7%	2,989	6.1%
6-person household	39	2.9%	993	2.0%
7-or-more-person household	15	1.1%	505	1.0%
Total Households	1,347	100.0%	48,978	100.0%
Average Household Size (2023)	2.8		2.52	

Source: U.S. Decennial Census 2020, H9; 2023 ACS 5-Year Estimates, Table S1101

According to the United States Census, family households are defined as two or more persons living in the same household, related by birth, marriage, or adoption. As shown in Table 5, the vast majority (93%) of all households in the Township in 2023 were categorized as family households, with roughly half (51%) of the Township's family households considered to be married-couple families without children.

In providing more detail on American households, the 2020 Census includes the sub-groups of non-traditional households, including "Other Family" and "Non-Family" households. "Other Family" households include those in which two or more persons are living in the same household, related by birth, marriage, or adoption, without a married couple heading the family. "Non-Family" households, on the other hand, are defined as those that consist of a householder living alone or sharing the home exclusively with people to whom he/she is not related.

In 2023, "Other Family" households accounted for 12% of all households in Bethlehem Township, broken down into 4% female householders with no spouse or partner present and 8% male householders with no spouse or partner present. Approximately 7% of the Township's households were considered "Nonfamily Households," with female householders living alone (4%) and male householders living alone (3%) collectively accounting for the entirety of this subcategory.

Table 5: Household Size and Type, 2023 Bethlehem Township		
	Number	Percent of Total Households
Total Households	1,340	100%
Family Households	1252	93%
Married Couple Family	1088	81%
With Children	401	30%
Without Children	687	51%
Other Family	164	12%
Male Householder, No Spouse	104	8%
With Children	97	7%
Without Children	7	1%
Female Householder, No Spouse	60	4%
With Children	38	3%
Without Children	22	2%
Nonfamily Household	88	7%
Male Householder	34	3%
Living Alone	34	3%
Not Living Alone	0	0%
With Children	0	0%
Female Householder	54	4%
Living Alone	54	4%
Not Living Alone	0	0%
With Children	0	0%

Source: 2023 ACS 5-Year B110005 and B11010

Income

As measured in 2023, Bethlehem Township had a significantly higher median household income compared to Hunterdon County and the State of New Jersey. More specifically, the median income in Bethlehem Township was \$163,021, which was roughly \$25,746 more than that of the County and \$61,971 more than that of the State. The per capita income in Bethlehem Township was also higher than that of the County and State, but on a less exaggerated scale. Bethlehem's per capita income of \$72,063 reflected a \$2,204 gap over the County per capita income and a starker \$18,946 gap over the State per capita income. This data is outlined in Table 6 below.

Table 6: Per Capita and Household Income, 2023 Bethlehem Township, Hunterdon County, and New Jersey		
	Per Capita Income	Median Household Income
Bethlehem Township	\$72,064	\$163,021
Hunterdon County	\$69,860	\$137,275
New Jersey	\$53,118	\$101,050

Source: 2023 ACS 5-Year Estimates, Tables S1901 and S1902

In 2023 roughly three-quarters (74.4%) of all households in the Township earned an income of \$100,000 or more, which was higher than the 64.3% of County households earning within the same range. The income range that accounted for the most Township households was the \$200,000 or more bracket, which comprised 28.7% of households in Bethlehem; this was also the case across Hunterdon County as a whole, at a greater percentage of 31.4%. The second largest income bracket in the Township was the \$150,000 to \$199,999 range, which comprised 23.9% of households. At the County level, this same income bracket accounted for a lower 14.0% of households.

In 2023, the County had 35.7% of its households earning below \$100,000, which was approximately 10% greater than the portion of the Township's population earning the same income (25.6%). Although the County has a greater percentage of its households earning \$200,000 or more than at the Township level, it is likely that the County's greater concentration of households earning less than \$100,000 may at least partially help explain the gap between the median income reported at the Township and County levels.

Table 7: Household Income, 2023 Bethlehem Township and Hunterdon County				
	Bethlehem Township		Hunterdon County	
	Number	Percent	Number	Percent
Less than \$10,000	46	3.4%	1,536	3.0%
\$10,000 to \$14,999	12	0.9%	819	1.6%
\$15,000 to \$24,999	25	1.9%	1,740	3.4%
\$25,000 to \$34,999	0	0.0%	1,331	2.6%
\$35,000 to \$49,999	94	7.0%	2,355	4.6%
\$50,000 to \$74,999	62	4.6%	5,375	10.5%
\$75,000 to \$99,999	105	7.8%	5,119	10.0%
\$100,000 to \$149,999	292	21.8%	9,674	18.9%
\$150,000 to \$199,999	320	23.9%	7,166	14.0%
\$200,000 or more	385	28.7%	16,072	31.4%
Total Households	1,340	100.0%	51,186	100.0%
Median Household Income	\$163,021		\$137,275	

Source: 2023 ACS 5-Year Estimates, Table S1901

Poverty Status

Of the 3,753 people in Bethlehem Township for which poverty status was determined, 193 (5.1%) individuals lived in poverty in 2023; this was slightly higher than the County's poverty rate of 3.8%. Of Bethlehem Township's population that fell below the poverty level in 2023, over half (60.6%) were between the ages of 18 to 64. This trend was mirrored at the County level as well, where 58.6% of the population living in poverty fell within this same age range. Proportionally the Township had a greater percentage of children living in poverty (26.9%) as compared to senior citizens (12.4%). The County showed a directly opposite trend, with youth comprising 15.9% of its impoverished population and senior citizens comprising a greater 25.5% of the impoverished population. This data is presented in Table 8 below.

Table 8: Poverty Status, 2023 Bethlehem Township and Hunterdon County				
	Bethlehem Township		Hunterdon County	
	Number	Percent	Number	Percent
Total persons	3,753	100.0%	127,179	100.0%
Total persons below poverty level	193	5.1%	4,894	3.8%
Under 18	52	1.4%	780	0.6%
18 to 64	117	3.1%	2,867	2.3%
65 and over	24	0.6%	1,247	1.0%

Source: 2023 ACS 5-Year Estimates, Table S1701

Household Costs

Tables 9 and 10 below outline the expenditures for housing as a percentage of household income for those who own and rent in Bethlehem Township and Hunterdon County. In 2023, the majority (95.6%) of the Township's households lived in homes they owned, which was higher than that of the County level (84.8%). General affordability standards set a limit of 30% of gross income to be allocated for owner-occupied housing costs and 28% of gross income to be allocated for renter-occupied housing costs.

Approximately 24.3% of Township households that owned the units they occupied spent 30% or more of their household income on housing, as compared to 39.0% of Township households that rented the units they occupied. These figures were comparable to those at the County level, in which 24.2% of households occupying units they owned and 40.9% of households occupying rental units spent 30% or more of the household income on housing.

Table 9: Selected Monthly Owner Costs as a Percentage of Household Income, 2023 Bethlehem Township and Hunterdon County				
	Bethlehem Township		Hunterdon County	
	Number	Percent	Number	Percent
Total Owner-Occupied Housing Units	1,281	100.0%	42,667	100.0%
Less than 20.0%	683	53.3%	21,690	50.8%
20.0 to 24.9%	191	14.9%	6,396	15.0%
25.0 to 29.9%	80	6.2%	3,902	9.1%
30.0 to 34.9%	111	8.7%	2,583	6.1%
35.0% or more	200	15.6%	7,750	18.2%
Not computed	16	1.2%	346	0.8%

Source: 2023 ACS 5-Year Estimates, Table DP04

Table 10: Gross Rent as a Percentage of Household Income, 2023 Bethlehem Township and Hunterdon County				
	Bethlehem Township		Hunterdon County	
	Number	Percent	Number	Percent
Total Renter-Occupied Housing Units	59	100.00%	7,652	100.00%
Less than 10.0%	0	0.0%	223	2.9%
10.0 to 14.9%	7	11.9%	731	9.6%
15.0 to 19.9%	0	0.0%	939	12.3%
20.0 to 24.9%	7	11.9%	887	11.6%
25.0 to 29.9%	22	37.3%	1,008	13.2%
30.0 to 34.9%	0	0.0%	371	4.8%
35.0 to 39.9%	0	0.0%	305	4.0%
40.0 to 49.9%	0	0.0%	596	7.8%
50.0% or more	23	39.0%	1,859	24.3%
Not computed	0	0.0%	733	9.6%

Source: 2023 ACS 5-Year Estimates, Table B25070

EXISTING HOUSING CONDITIONS**Housing Unit Data**

The vast majority (85.7%) of Bethlehem Township's housing stock consists of structures built prior to the year 2000. In 2023, Bethlehem Township had a total of 1,340 occupied housing units, roughly 95.6% of which were owner-occupied and 4.4% of which were renter-occupied. The Township experienced housing booms in the 1970s, 1980s, and 1990s, during which approximately 21.2%, 20.4%, and 18.2% of the Township's housing structures were constructed, respectively. As reflected in the 2023 American Community Survey data, a significantly lower rate of residential development has occurred since 2010. The median year of construction for the housing stock in Bethlehem Township is 1981. This data is outlined in Tables 11 and 12 below.

Table 11: Housing Data, 2023 Bethlehem Township			
	Number	% of Total Housing Units	% of Occupied Housing Units
Total Housing Units	1,380	100.0%	-
Occupied Housing Units	1,340	97.1%	100.0%
Owner Occupied	1,281	92.8%	95.6%
Renter Occupied	59	4.3%	4.4%
Vacant Housing Units	40	2.9%	-

Source: 2023 ACS 5-Year Estimates, Table DP04

Table 12: Year Structure Built, 2023 Bethlehem Township		
	Number	Percent
Total Housing Units	1,380	100.00%
Built 1939 or earlier	205	14.9%
Built 1940 to 1949	7	0.5%
Built 1950 to 1959	109	7.9%
Built 1960 to 1969	37	2.7%
Built 1970 to 1979	292	21.2%
Built 1980 to 1989	282	20.4%
Built 1990 to 1999	251	18.2%
Built 2000 to 2009	174	12.6%
Built 2010 to 2019	23	1.7%
Built 2020 or later	0	0.0%
Median Year Structure Built	1981	

Source: 2023 ACS 5-Year Estimates, Tables B25034 and B25035

In 2023, Bethlehem Township had a high occupancy rate, with very few of its housing units vacant. Of the Township's 1,380 housing units, 97.1% were occupied and a mere 2.9% were vacant. Nearly two-thirds (62.5%) of vacant units could be attributed to the "For Sale Only" category, with the "For Seasonal, Recreational, or Occasional Use" category accounting for the remainder of vacant units (37.5%). This data is represented in Table 13 below.

Table 13: Housing Occupancy, 2023
Bethlehem Township

	Total	% of Total Housing Units	% of Vacant Housing Units
Total Housing Units	1,380	100.0%	-
Occupied	1,340	97.1%	-
Vacant Housing Units	40	2.9%	100.0%
For Rent/Rented Not Occupied	0	0.0%	0.0%
For Sale Only	25	1.8%	62.5%
Sold, Not Occupied	0	0.0%	0.0%
For Seasonal, Recreational or Occasional Use	15	1.1%	37.5%
For Migrant Workers	0	0.0%	0.0%
Other Vacant	0	0.0%	0.0%

Source: 2023 ACS 5-Year Estimates, Tables DP04 and B25004

Housing Type and Size

In 2023, single-family detached housing made up nearly all of the Township's housing stock at 97.2%. Single-family attached homes (2.0%) and structures with 20 or more units (0.8%) accounted for the remaining housing stock. The median number of rooms within housing structures in the Township in 2023 was 7.8 rooms, with 95.9% of housing units having a minimum of 5 rooms and only 1.7% of housing units having 1 room.

Table 14: Housing Type and Size, 2023
Bethlehem Township

Units in Structure	Total	Percent
1, detached	1,341	97.2%
1, attached	28	2.0%
2	0	0.0%
3 or 4	0	0.0%
5 to 9	0	0.0%
10 to 19	0	0.0%
20 or more	11	0.8%
Mobile home	0	0.0%
Boat, RV, van, etc.	0	0.0%
Total Housing Units	1,380	100.00%
Rooms	Total	Percent
1 room	23	1.7%
2 rooms	0	0.0%
3 rooms	0	0.0%
4 rooms	34	2.5%
5 rooms	76	5.5%
6 rooms	175	12.7%
7 rooms	310	22.5%
8 rooms	254	18.4%
9 or more rooms	508	36.8%
Total Housing Units	1,380	100.00%
Median number of rooms	7.8	

Source: 2023 ACS 5-Year Estimates, Table DP04

Housing Growth and Projections

In terms of residential growth, the issuance of building permits serves as one of the indicators that help to determine housing needs in a given municipality. Table 15 below illustrates the number of building permits that were issued over the 10-year period between January 2013 through December 2023, when the Township issued building permits authorizing the development of 8 housing units.

Within this time frame, the only years in which building permits were issued include 2014, 2019, 2020, and 2023, with 95% of all building permits since 2013 having been issued in those years. All of the permits issued during this period were for one- and two-family units. Further, throughout the same 10-year period, Bethlehem Township issued permits authorizing the demolition of 9 units. The average demolition rate is approximately -12.5% of the abovementioned development rate.

If the license approval rate were to remain relatively constant over the next 10-year period, the Township could expect to see an additional 8 residential units authorized through the end of 2035. However, if the demolition rate were also to remain relatively constant over the next approximately 10-year period, an additional 9 residential units could be expected to be demolished through the end of 2035, resulting in a projected net decrease of 1 unit. External factors such as zoning, redevelopment, environmental constraints, and economic cycles could cause this projection to fluctuate.

Table 15: Housing Units Authorized by Building Permits, 2013-2023 Bethlehem Township				
Year	1 & 2 Family	Multi Family	Mixed-Use	Total
2013	0	0	0	0
2014	2	0	0	2
2015	0	0	0	0
2016	0	0	0	0
2017	0	0	0	0
2018	0	0	0	0
2019	3	0	0	3
2020	2	0	0	2
2021	0	0	0	0
2022	0	0	0	0
2023	1	0	0	1
Total 2013-2023	8	0	0	8
10-Year Average				0.8
10-Year Permit Projection (2025-2035)				8

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

Table 16: Housing Units Demolished by Building Permits, 2013-2023 Bethlehem Township				
Year	1 & 2 Family	Multi Family	Mixed-Use	Total
2013	1	0	0	1
2014	1	0	0	1
2015	1	0	0	1
2016	0	0	0	0
2017	1	0	0	1
2018	0	0	0	0
2019	1	0	0	1
2020	1	0	0	1
2021	2	0	0	2
2022	1	0	0	1
2023	0	0	0	0
Total 2013-2023	9	0	0	9
10-Year Average				0.9
10-Year Demolition Projection (2025-2035)				9

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

Housing Values and Contract Rents

According to the American Community Survey, nearly all (94.5%) of the owner-occupied housing stock in Bethlehem Township in 2023 was valued between \$300,000 to \$999,999, as compared to 80.4% of the County's housing stock. The Township had a slightly higher median home value (\$501,200) than the County (\$498,800) in 2023. This suggests that the value of the Township's housing stock is more or less equivalent to the County as a whole. This data is outlined in Table 17 below.

Table 17: Value for Owner-Occupied Housing Units, 2023 Bethlehem Township and Hunterdon County				
	Bethlehem Township		Hunterdon County	
	Number	Percent	Number	Percent
Total	1,281	100.0%	42,670	100.0%
Less than \$50,000	0	0.0%	517	1.2%
\$50,000 to \$99,999	7	0.5%	185	0.4%
\$100,000 to \$149,999	0	0.0%	206	0.5%
\$150,000 to \$199,999	5	0.4%	1,218	2.9%
\$200,000 to \$299,999	47	3.7%	4,276	10.0%
\$300,000 to \$499,999	579	45.2%	15,031	35.2%
\$500,000 to \$999,999	632	49.3%	19,265	45.1%
\$1,00,000 and greater	11	0.9%	1,972	4.6%
Median Value	\$501,200		\$498,800	

Source: 2023 ACS 5-Year Estimates, Tables B25075 and B25077

As shown on Table 18 below, it is estimated that 62.0% of owner-occupied units in the Township were financed by a mortgage, contract to purchase, or similar debt in 2023, while 38.0% did not. Of these units, approximately 17.3% were associated with multiple mortgages, another 4.7% were tied to a home equity loan without a primary mortgage, and the remaining 78.1% were associated with just a primary mortgage.

Proportionally there were slightly more owner-occupied housing units with a mortgage at the County level; more specifically, 66.6% of such units had a primary mortgage, while 33.4% of units did not. Of those units in the County tied to a housing-related debt, approximately 14.7% associated with multiple mortgages, another 4.5% were tied to a home equity loan without a primary mortgage, and the remaining 80.8% were associated with just a primary mortgage.

Table 18: Mortgage Status, 2023
Bethlehem Township and Hunterdon County

	Bethlehem Township			Hunterdon County		
	Number	% of Total Units	% of Mortgage Units	Number	% of Total Units	% of Mortgage Units
Total Owner-Occupied Units	1,281	100.0%	-	43,834	100.0%	-
Owner-Occupied Housing Units with a Mortgage, Contract to Purchase, or similar Debt	794	62.0%	100.0%	29,201	66.6%	100.0%
Housing Units with No Second Mortgage and No Home Equity Loan	620	48.4%	78.1%	23,607	53.9%	80.8%
Housing Units with Multiple Mortgages	137	10.7%	17.3%	4,278	9.8%	14.7%
Mortgage with Both Second mortgage and Home Equity Loan	17	1.3%	2.1%	252	0.6%	0.9%
Mortgage with Only Home Equity Loan	109	8.5%	13.7%	3,827	8.7%	13.1%
Mortgage with Only Second Mortgage	11	0.9%	1.4%	199	0.5%	0.7%
Home Equity Loan without a Primary Mortgage	37	2.9%	4.7%	1,316	3.0%	4.5%
Owner-Occupied Housing units without a Mortgage	487	38.0%	-	14,633	33.4%	-

Source: 2023 ACS 5-Year Estimates, Table B25081

As shown in Table 19 below, the median contract rent in Bethlehem Township in 2023 was \$2,008, which was roughly \$510 higher than the County median rent of \$1,498. Within the Township, just over half of renters paid between \$2,000 to \$2,499 for monthly rent (50.8%) and the remainder of renters paid between \$1,000 to \$1,499 (49.2%). At the County level just over half (59.2%) of renters paid between \$1,000 to \$1,999 for monthly rent, 28.09% of renter paid over \$2,000 for monthly rent, and 12.8% of renters paid less than \$1,000 for monthly rent. The data suggests that the Township's contract rents are far less diverse as compared to the County.

Table 19: Contract Rent, 2023
Bethlehem Township and Hunterdon County

	Bethlehem Township		Hunterdon County	
	Number	Percent	Number	Percent
Total Renter-Occupied Units	59	100.0%	7,652	100.0%
Less than \$500	0	0.0%	443	5.8%
\$500 to \$999	0	0.0%	533	7.0%
\$1,000 to \$1,499	29	49.2%	2,539	33.2%
\$1,500 to \$1,999	0	0.0%	1,991	26.0%
\$2,000 to \$2,499	30	50.8%	746	9.7%
\$2,500 to \$2,999	0	0.0%	472	6.2%
\$3,000 or More	0	0.0%	278	3.6%
No Rent Paid	0	0.0%	650	8.5%
Median Contract Rent	\$2,008		\$1,498	

Source: 2023 ACS 5-Year Estimates, Tables B25056 and B25058

Housing Conditions

Table 20 below details the conditions of the Township's housing stock in 2023. Overcrowding, plumbing, and kitchen facilities are used to determine housing deficiency. In 2023, just over half (50.4%) of the Township's housing stock relied on Fuel Oil, Kerosene, and similar materials for heating, followed by Bottled, Tank, or LP Gas (31.0%). A small percentage (1.7%) of the occupied housing units in the Township experienced overcrowding (more than one person per room). None of the occupied housing units in Bethlehem lacked complete plumbing or kitchen facilities, although a small number of housing units (0.9%), lacked telephone service.

Table 20: Housing Conditions, 2023 Bethlehem Township		
	Number	Percent
House Heating Fuel-Occupied Housing Units		
Total	1,340	100.0%
Utility Gas	51	3.8%
Bottled, Tank, or LP Gas	416	31.0%
Electricity	58	4.3%
Fuel Oil, Kerosene, etc.	675	50.4%
Coal or Coke	9	0.7%
Wood	110	8.2%
Solar Energy	0	0.0%
Other Fuel	21	1.6%
No Fuel Used	0	0.0%
Occupants per Room – Occupied Housing Units		
Total	1,340	100.0%
1.00 or Less	1,317	98.3%
1.01 to 1.50	0	0.0%
1.51 or More	23	1.7%
Facilities – Total Units		
Total	1,380	100.0%
Lacking Complete Plumbing Facilities	0	0.0%
Lacking Complete Kitchen Facilities	0	0.0%
Telephone Service – Occupied Housing Units		
Total	1,340	100.0%
No Service	12	0.9%

Source: 2023 ACS 5-Year Estimates, Tables DP04, B25047, and B25051

EMPLOYMENT DATA

Tables 21, 22, and 23 below detail the changes in employment between the years 2010 and 2023 in Bethlehem Township, Hunterdon County, and New Jersey, respectively. Throughout this thirteen-year period, the Township saw an overall 3.4% decrease in its unemployment rate. Although the Township experienced a 6.1% spike in unemployment between 2019 and 2020 due to the COVID-19 pandemic, it has rebounded to a considerably lower unemployment rate in recent years. This overall trend is mirrored at both the County and State level as well. In 2023, the Township's unemployment rate was 3.8%, which was 0.3% higher than the County (3.5%) and 0.6% lower than the State (4.4%).

Table 21: Employment and Residential Labor Force, 2010 to 2023 Bethlehem Township				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2010	2,159	2,003	156	7.2%
2011	2,130	1,928	202	9.5%
2012	2,208	2,052	156	7.1%
2013	2,156	2,037	119	5.5%
2014	2,134	2,030	104	4.9%
2015	2,110	2,025	85	4.0%
2016	2,110	2,029	81	3.8%
2017	2,143	2,073	70	3.3%
2018	2,157	2,078	79	3.7%
2019	2,185	2,131	54	2.5%
2020	2,106	1,972	134	6.4%
2021	2,137	2,030	107	5.0%
2022	2,199	2,124	75	3.4%
2023	2,239	2,154	85	3.8%

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates, Municipal Historical Annual Data, 2010-2023

Table 22: Employment and Residential Labor Force, 2010 to 2023 Hunterdon County				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2010	68,418	63,286	5,132	7.5%
2011	67,787	63,101	4,686	6.9%
2012	67,461	62,823	4,638	6.9%
2013	66,376	62,422	3,954	6.0%
2014	65,549	62,372	3,177	4.8%
2015	65,057	62,333	2,724	4.2%
2016	64,625	62,214	2,411	3.7%
2017	65,920	63,643	2,277	3.5%
2018	66,218	64,161	2,057	3.1%
2019	67,454	65,659	1,795	2.7%
2020	65,809	61,260	4,549	6.9%
2021	66,288	63,053	3,235	4.9%
2022	68,058	65,989	2,069	3.0%
2023	69,322	66,902	2,420	3.5%

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates, County Historical Annual Data, 2010-2023

Table 23: Employment and Residential Labor Force, 2010 to 2023				
New Jersey				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2010	4,559,778	4,118,982	440,796	9.7%
2011	4,561,786	4,134,708	427,078	9.4%
2012	4,576,286	4,147,221	429,065	9.4%
2013	4,528,019	4,147,661	380,358	8.4%
2014	4,493,894	4,191,318	302,576	6.7%
2015	4,494,606	4,237,876	256,730	5.7%
2016	4,492,821	4,271,201	221,620	4.9%
2017	4,614,953	4,406,151	208,802	4.5%
2018	4,604,787	4,420,713	184,074	4.0%
2019	4,687,390	4,525,044	162,346	3.5%
2020	4,638,386	4,200,980	437,406	9.4%
2021	4,648,814	4,337,793	311,021	6.7%
2022	4,736,213	4,552,563	183,650	3.9%
2023	4,829,671	4,615,722	213,949	4.4%

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates, State Historical Annual Data, 2010-2023

Employment Status

It is estimated that over two-thirds (69.8%) of Bethlehem Township's population over the age of 16 was in the labor force in 2023, which was on par with the County's rate of 65.2%. Of the Township's labor force, 100% of workers were civilians and a vast majority (99.2%) were employed. At the County level, 100% of workers were civilians and 95.4% of the labor force was employed, indicating that the Township and County exhibited similar trends. This data is shown in Table 24 below.

Table 24: Employment, 2023						
Bethlehem Township and Hunterdon County						
	Bethlehem Township			Hunterdon County		
	Number	% of 16+ Population	% of Labor Force	Number	% of 16+ Population	% of Labor Force
Population 16 years and over	3,070	100.0%	-	108,575	100.0%	-
In labor force	2,143	69.8%	100.0%	70,842	65.2%	100.0%
Civilian Labor Force	2,143	69.8%	100.0%	70,824	65.2%	100.0%
Employed	2,125	69.2%	99.2%	67,580	62.2%	95.4%
Unemployed	18	0.6%	0.8%	3,244	3.0%	4.6%
Armed Forces	0	0.0%	0.0%	18	0.0%	0.0%
Not in labor force	927	30.2%	-	37,733	34.8%	-

Source: 2023 ACS 5-Year Estimates, Table DP03

Class of Worker and Occupation

According to the American Community Survey Estimates, approximately two-thirds of workers (63.7%) living in Bethlehem Township in 2023 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. The next largest category was private not-for-profit wage and salary workers (18.1%) and local government workers (10.6%). This data is outlined in Table 25 below.

Table 25: Class of Worker, 2023 Bethlehem Township		
	Number	Percent
Employed Civilian Population 16 Years and Over	2,125	100.0%
Private Wage and Salary Worker	1,353	63.7%
Private Not-For-Profit Wage and Salary Workers	384	18.1%
Local Government Worker	226	10.6%
State Government Worker	45	2.1%
Federal Government Worker	19	0.9%
Self-Employed Worker or Unpaid Family Worker	98	4.6%

Source: 2023 ACS 5-Year Estimates, Table S2408

The occupational breakdown shown in Table 26 below includes only private wage and salary workers. Nearly three-quarters of the Township's residents who worked within the private wage field were concentrated in the Management, Business, Science and Arts Occupations (57.9%) and Sales and Office Occupations (15.6%). Collectively, the two fields accounted for 73.5% of the entire resident workforce over the age of 16.

Table 26: Resident Employment by Occupation, 2023 Bethlehem Township		
	Number	Percent
Employed Civilian Population 16 Years and Over	2,125	100.0%
Management, Business, Science and Arts Occupations	1,230	57.9%
Service Occupations	243	11.4%
Sales and Office Occupations	332	15.6%
Natural Resources, Construction and Maintenance Occupations	170	8.0%
Production Transportation and Material Moving Occupations	150	7.1%

Source: 2023 ACS 5-Year Estimates, Table DP03

As portrayed in Table 27, the industry that employed the greatest number of Bethlehem Township residents in 2023 was the Educational Services, and Health Care and Social Assistance sector, which accounted for 22.5% of the Township's resident workforce. The second most common industry during this time was the Professional, Scientific, and Management, and Administrative and Waste Management Services sector, which accounted for 18.5% of jobs occupied by Township residents.

Table 27: Employment by Industry, 2023 Bethlehem Township		
Industry	Number	Percent
Employed Civilian Population 16 Years and Over	2,125	100.00%
Agriculture, Forestry, Fishing and Hunting, Mining	42	2.0%
Construction	142	6.7%
Manufacturing	147	6.9%
Wholesale Trade	17	0.8%
Retail Trade	196	9.2%
Transportation and Warehousing, and Utilities	35	1.6%
Information	136	6.4%
Finance and Insurance, and Real Estate and Rental and Leasing	193	9.1%
Professional, Scientific, and Management, and Administrative and Waste Management Services	394	18.5%
Educational Services, and Health Care and Social Assistance	479	22.5%
Arts, Entertainment, and Recreation, and Accommodation and Food Services	122	5.7%
Other Services, Except Public Administration	86	4.0%
Public Administration	136	6.4%

Source: 2023 ACS 5-Year Estimates, Table DP03

Commuting to Work

In 2023, it is estimated that just over half (52.6%) of the employed population that did not work from home commuted up to 34 minutes to their place of work. Approximately 86% of the Township's workers commuted up to an hour, with the remaining 14% of workers traveling over an hour to get to work. Approximately 70.1% of the Township's working population drove alone as their primary means of travel to work. Less than 10% (7.8%) of workers carpooled or utilized public transportation, while the remaining 22.1% of the population worked from home. Notably, no workers living in Bethlehem reported walking or utilizing a taxicab, motorcycle, or other means as their primary mode of travel to work. This data is outlined in Tables 28 and 29 below.

Table 28: Travel Time to Work, 2023 Bethlehem Township		
	Number	Percent
Workers who did not work at home	1,646	100.0%
Less than 5 minutes	20	1.2%
5 to 9 minutes	74	4.5%
10 to 14 minutes	120	7.3%
15 to 19 minutes	218	13.2%
20 to 24 minutes	190	11.5%
25 to 29 minutes	129	7.8%
30 to 34 minutes	115	7.0%
35 to 39 minutes	110	6.7%
40 to 44 minutes	157	9.5%
45 to 59 minutes	286	17.4%
60 to 89 minutes	162	9.8%
90 or more minutes	65	3.9%
Mean Travel Time to Work (minutes)	34.3	

Source: 2013 ACS 5-Year Estimates, Tables DP03 and B08303

Table 29: Means of Travel to Work, 2023 Bethlehem Township		
	Number	Percent
Workers 16 years and over	2,113	100.0%
Car, Truck, Van - Drove Alone	1,481	70.1%
Car, Truck, Van - Carpooled	155	7.3%
Public Transportation	10	0.5%
Walked	0	0.0%
Taxicab, Motorcycle, Bike, or Other	0	0.0%
Worked at Home	467	22.1%

Source: 2023 ACS 5-Year Estimates, Table DP03

Covered Employment

There is currently very limited information available on actual job opportunities within municipalities. The Department of Labor and Workforce Development collects information on covered employment, which is employment and wage data for private employees covered by unemployment insurance. The following table provides a snapshot of private employers located within Bethlehem Township. The first table reflects the number of jobs covered by private employment insurance from 2013 through 2023.

According to data from the New Jersey Department of Labor and Workforce Development, the highest number of covered jobs in Bethlehem Township between 2013 and 2023 was in 2023 when 115 jobs were covered by unemployment insurance. While private employment has experienced overall growth since 2013, significant losses in employment occurred between 2015 and 2016 (-17.9%) and 2017 to 2018 (-13.8%). These losses were ultimately offset by a sudden increase of 144.1% between 2019 to 2020.

Bethlehem Township experienced a gain of 36 jobs between 2022 and 2023, representing an increase of 45.6%.

Table 30: Private Wage Covered Employment 2013 - 2023			
Bethlehem Township			
Year	Number of Jobs	Number Change	Percentage Change
2013	39	-	-
2014	39	0	0.0%
2015	39	0	0.0%
2016	32	-7	-17.9%
2017	29	-3	-9.4%
2018	25	-4	-13.8%
2019	34	9	36.0%
2020	83	49	144.1%
2021	79	-4	-4.8%
2022	79	0	0.0%
2023	115	36	45.6%

Source: NJ Dept. of Labor & Workforce Development, Labor Force Estimates

In-Township Establishments and Employees by Industry: 2023

Table 31 below depicts the average annual number of establishments and employees by industry sector that exist within the Township, as reported in the Quarterly Census of Employment and Wages ("QCEW") published by the New Jersey Department of Labor and Workforce Development ("NJDLWD"). The QCEW provides a quarterly accounting of employment, establishments, and wages throughout the State of New Jersey, and accounts for over 95% of available jobs in the state. The annual municipal reports group data according to the North American Industry Classification System ("NAICS"). The QCEW considers an establishment to be a single economic unit, which is located at one physical location and engaged in one type of economic activity. The NJDLWD specifies that establishments differ from firms or companies in the sense that the latter can have multiple establishments.

In 2023, the Township had an annual average of 15 establishments employing an average of 115 persons in the private sector. In the public sector, the local government sector had an average of 2 units employing an average of 42 people. The QCEW suppresses industry-specific data for those with too few units or where one employer accounts for a significant portion of the employment or wages within that industry, making it unclear which private industries are prominent in the Township.

Table 31: Average Number of Establishments and Employees by Industry, 2023 Bethlehem Township			
Industry ID and Description		2023 Average	
		Units	Employment
23	Construction	-	-
31	Manufacturing	-	-
42	Wholesale Trade	-	-
44	Retail Trade	-	-
48	Transp/Warehousing	-	-
54	Professional/Technical	-	-
56	Admin/Waste Remediation	-	-
62	Health/Social	-	-
72	Accommodations/Food	-	-
81	Other Services	-	-
Private Sector Totals		15	115
Local Government Totals		2	42

Source: NJ Dept. of Labor & Workforce Development Labor Force, Quarterly Census of Employment and Wages (QCEW), Municipal Report by Sector (NAICS Based), 2022

Data have been suppressed (-) for industries with few units or where one employer is a significant percentage of employment or wages of the industry.

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 population, households, and employment. The most recent report was released in 2021, documenting projections between 2015 and 2050. The 2021 report predicts that the Township's population, households, and employment will see steady annualized growths through 2050. It is estimated that the population will see an overall 7.6% increase, while households will increase by 11.4% and employment will increase by 4.5%.

Table 32: Population and Employment Projections, 2015 to 2050 Bethlehem Township					
Category	2015	2050 (Projected)	Annualized Percent Change	Overall Projected Change	
				Number	Percent
Population	3,908	4,204	0.2%	296	7.6%
Households	1,354	1,509	0.3%	155	11.4%
Employment	2,269	2,371	0.1%	102	4.5%

Source: NJTPA Municipal Forecasts, dated 9/13/2021

PART 2: FAIR SHARE PLAN

INTRODUCTION

The following Fair Share Plan ("Plan") details the Township's Prior Round (1987-1999), Third Round (1999-2025), and Fourth Round (2025-2035) Prospective Need obligations. It should be noted that the Township has no Present Need obligation for the Fourth Round.

This Plan proposes mechanisms by which the Township can realistically provide opportunities for affordable housing for those moderate-, low-, and very low- income households.

CURRENT STANDARDS

The below section outlines the current key standards applicable to the Township's Fourth Round obligation, including the various categories of credits.

Age-Restricted Housing

A municipality may not satisfy more than 30% of the affordable units, exclusive of bonus credits, to address its prospective affordable housing need through the creation of age-restricted housing.

Transitional Housing

Transitional housing units, which will be affordable for persons of low- and moderate-income, were not previously categorized by the Fair Housing Act as a standalone housing type. The amended legislation includes such transitional housing units as a new category which may be included in the HEFSP and credited towards the fulfillment of a municipality's fair share obligations. This is limited to a maximum of 10% of the municipality's obligations.

Veterans Housing

Up to 50% of the affordable units in any particular project may be prioritized for low- and moderate-income veterans.

Families with Children

A minimum of 50% of a municipality's actual affordable housing units, exclusive of bonus credits, must be made available to families with children.

Rental Units

A minimum of 25% of a municipality's actual affordable housing units, exclusive of bonus credits, shall be satisfied through rental units. At least half of that number shall be available to families with children.

Very-Low Income Requirement

At least 13% of the housing units made available for occupancy by low-income and moderate-income households shall be reserved for low-income households earning 30% or less of the median income

pursuant to the Fair Share Housing Act, N.J.S.A. 52:27D-301, et seq. Half of the very low-income units will be made available to families with children.

Low/Moderate Income Split

At least 50% of the units addressing the Township's obligation shall be affordable to very-low income and low-income households, and the remaining may be affordable to moderate-income households.

Affordability Controls

Newly created rental units shall remain affordable to low-and moderate-income households for a period of not less than 40 years, 30 years for for-sale units, and 30 years for housing units for which affordability controls are extended for a new term of affordability, provided that the minimum extension term may be limited to no less than 20 years as long as the original and extended terms, in combination, total at least 60 years.

Affirmative Marketing

The affordable units shall be affirmatively marketed in accordance with UHAC and applicable law, to include the community and regional organizations identified in the agreement as well as the posting of all affordable units on the New Jersey Housing Resource Center website in accordance with applicable law.

Uniform Housing Affordability Controls (UHAC)

All affordable units created through the provisions of this Plan shall be developed in conformance with the Uniform Housing Affordability Controls (UHAC) pursuant to N.J.A.C. 5:80-26.1 et seq. as amended.

Unit Adaptability

All new construction units shall be adaptable in conformance with P.L.2005, c.250/N.J.S.A. 52:27D-311a and -311b and all other applicable laws.

Bonus Credits

Bonus credits shall not exceed 25% of a municipality's prospective need obligation, nor shall a municipality receive more than one type of bonus credit for any one unit. Bonus credits may be granted based on the following schedule:

Unit Type	Unit Credit	Bonus Credit
Each unit of low- or moderate-income housing for individuals with special needs or permanent supportive housing, as those terms are defined in section 2 of P.L. 2004, c.70 (C.34:1B-21.24).	1	1
Each low- or moderate-income ownership unit created in partnership sponsorship with a non-profit housing developer.	1	0.5
Each unit of low- or moderate-income housing located within a one-half mile radius, or one-mile radius for projects located in a Garden State Growth Zone, as defined in section 2 of P.L.2011, c.149 (C.34:1B-243), surrounding a New Jersey Transit Corporation, Port Authority Transit Corporation, or Port Authority Trans-Hudson Corporation rail, bus, or ferry station, including all light rail stations. ¹	1	0.5
A unit of age-restricted housing, provided that a bonus credit for age-restricted housing shall not be applied to more than 10 percent of the units of age-restricted housing constructed in compliance with the Uniform Housing Affordability Controls promulgated by the New Jersey Housing and Mortgage Finance Agency in a municipality that count towards the municipality's affordable housing obligation for any single 10-year round of affordable housing obligations.	1	0.5
A unit of low- or moderate-income housing constructed on land that is or was previously developed and utilized for retail, office, or commercial space.	1	0.5
Each existing low- or moderate-income rental housing unit for which affordability controls are extended for a new term of affordability, in compliance with the Uniform Housing Affordability Controls promulgated by the New Jersey Housing and Mortgage Finance Agency, and the municipality contributes funding towards the costs necessary for this preservation.	1	0.5
Each unit of low- or moderate-income housing in a 100 percent affordable housing project for which the municipality contributes toward the costs of the project. ²	1	1
Each unit of very low-income housing for families above the 13 percent of units required to be reserved for very low-income housing pursuant to section 7 of P.L.2008, c.46 (C.52:27D-329.1).	1	0.5
Each unit of low- or moderate-income housing created by transforming an existing rental or ownership unit from a market rate unit to an affordable housing unit. ³	1	1

¹ The distance from the bus, rail, or ferry station to a housing unit shall be measured from the closest point on the outer perimeter of the station, including any associated park-and-ride lot, to the closest point of the housing project property.

² This contribution may consist of: (a) real property donations that enable siting and construction of the project or (b) contributions from the municipal affordable housing trust fund in support of the project, if the contribution consists of no less than three percent of the project cost.

³ A municipality may only rely on this bonus credit as part of its fair share plan and housing element if the municipality demonstrates that a commitment to follow through with this market to affordable agreement has been made and: (a) this agreement has been signed by the property owner; or (b) the municipality has obtained ownership of the property.

BETHLEHEM TOWNSHIP AFFORDABLE HOUSING OBLIGATIONS

The Township's affordable housing obligations are as follows:

Prior Round Prospective Need	42
Third Round Prospective Need	155
Fourth Round Prospective Need	51
Fourth Round Present Need / Rehabilitation Obligation	0

REVIEW OF PREVIOUS ROUND COMPLIANCE

As part of any Housing Element and Fair Share Plan, a municipality shall include an assessment of the degree to which the municipality has met its fair share obligation from the previous rounds of affordable housing obligations as established by prior court approval or approval by COAH and determine to what extent this obligation is unfulfilled or whether the municipality has credits in excess of its previous round obligations. If a previous round obligation remains unfulfilled, or a municipality never received an approval from the court or COAH for any previous round, the municipality shall address such unfulfilled previous round obligation in its Housing Element and Fair Share Plan.

In addressing previous round obligations, the municipality shall retain any sites that, in furtherance of the previous round obligation, are the subject of a contractual agreement with a developer, or for which the developer has filed a complete application seeking subdivision or site plan approval prior to the date by which the Housing Element and Fair Share Plan are required to be submitted, and shall demonstrate how any sites that were not built in the previous rounds continue to present a realistic opportunity.

Prior Round Compliance (1987-1999)

The Township had a Prior Round obligation of 42 units. Per the Court-approved Third Round Settlement Agreement and the Township's Third Round JOR, Bethlehem has met their Third Round obligation through the following mechanisms:

Summary of Bethlehem Township's Prior Round of 42	
Regional Contribution Agreement <i>City of New Brunswick</i>	9
Proposed Group Home <i>ARC Group Home (Block 26, Lot 2.05)</i>	4
Accessory Apartment Program	3
Inclusionary Zoning	22
Total Units	38
Rental Bonus Credits <i>ARC Group Home (Block 26, Lot 2.05)</i>	4
Total Rental Bonus Credits	4
TOTAL THIRD ROUND	42

Regional Contribution Agreement

As indicated in the Township's Third Round Housing Element/Fair Share Plan, Bethlehem's regional contribution agreement with New Brunswick to fund nine units was paid out in 2004. Bethlehem paid a total of \$180,000 to the City of New Brunswick for these purposes.

ARC Group Home (Block 26, Lot 2.05)

The Towne Center Project is a proposed group home development located within the Bethlehem Avenue Core District of the Township's Downtown Redevelopment

Accessory Apartment Program

In the Township's 2017 Settlement Agreement with the Fair Share Housing Center, it was agreed that the Township would address a portion of its Prior Round obligation via an accessory apartment program. The Township's program was proposed to create three accessory apartments and is continuing to support this program.

Inclusionary Zoning (Durational Adjustment)

In the Township's 2017 Settlement Agreement with the Fair Share Housing Center, it was agreed that the Township would address a portion of its Prior Round obligation via a durational adjustment. To effectuate this agreement, the Township implemented the following overlays within the Planning Area to provide the opportunity for the development of affordable housing in the case that sewer service was to become available:

- **AH-16 Overlay:** Ordinance #447.2017 was adopted on December 7, 2017 to establish §102-16.2 entitled "AH-16 Affordable Housing Overlay District." This overlay applies to Block 26, Lots 6.05 and 6.06, and allows for the construction of up to 360 units with a mandatory 20% affordable housing set-aside.
- **AH-8 Overlay:** Ordinance #446.2018 was adopted on December 20, 2018 to establish §102-16.1.1 entitled "AH-8 Affordable Housing Overlay District," which was subsequently amended via Ordinance #446.2020 adopted on November 19, 2020. This overlay applies to Block 26, Lot 6, and allows for the construction of up to 372 units with a mandatory 20% affordable housing set-aside.

Since the adoption of these ordinances, sewer service has not become available and, therefore, no units have been developed as a result. The ordinances continue, however, to provide a realistic opportunity for future development if the appropriate infrastructure becomes available. These zoning overlays meet the criteria to be considered "available, suitable, developable, and approvable," as outlined below.

AH-16 Overlay (Block 26, Lots 6.05 and 6.06)

The AH-16 Overlay applies to Block 26, Lots 6.05 and 6.06, collectively comprising approximately 22.5 acres. The Overlay allows for the construction of up to 360 units with a 20% affordable housing set-aside, establishing a maximum density of 16 units/acre.

- *Available:* These parcels fall within the AH-16 Overlay, which permits the construction of attached dwelling units with a mandatory affordable housing set-aside upon the availability of sanitary sewer service. These parcels fall under common ownership and do not have any easements or title issues preventing development.
- *Suitable:* The site is surrounded by compatible land uses including single-family residential and agricultural and has frontage on Valley Station Road. The property is within the Highlands Planning Area, where development is encouraged.
- *Developable:* The site is not located within a FEMA 100-year flood plain, has no steep slopes, and does not fall within any wetlands areas. Upon the provision of sewer service, the site may be considered developable.
- *Approvable:* The AH-16 Overlay permits for the development of attached residential dwelling units, including townhomes and apartments. More specifically, it allows for the development of up to 360 units, 72 of which would be required to be affordable.

Additionally, the property aligns with the following core principles and guidelines as set forth in the Highlands Council's Affordable Housing Implementation Guideline document:

- *"The extent and capacity of existing infrastructure should be considered in site selection, zoning ordinance amendments, and total number of projected new units."* This Overlay permits residential development for the purpose of creating affordable units only under the condition that adequate sewer service is provided.
- *"Sites should avoid regulated environmental resources of the Highlands Region as set forth in the Highlands Act and/or the regulations of the New Jersey Department of Environmental Protection including but not limited to: Special Environmental Zones; Highlands Open Water Buffers; Prime Groundwater Recharge Areas; Vernal Pool Buffers; Significant Natural Areas; and Areas of Severe Steep Slopes (20%+)."* Although the lands that this Overlay apply to are within a prime groundwater recharge area, the remaining environmental considerations set forth by the Highlands are not located within the Overlay boundaries.
- *"Sites should not be located in close proximity to industrial or other uses with the potential for health and safety impacts."* The boundaries of the Overlay are not in proximity to uses with potential for hazardous impacts on health and safety. The immediate land surrounding the Overlay is agricultural in use.

AH-8 Overlay (Block 26, Lot 6)

The AH-8 Overlay applies to Block 26, Lot 6, which comprises approximately 46.5 acres. The Overlay allows for the construction of up to 372 units with a 20% affordable housing set-aside, establishing a maximum density of 8 units/acre.

- *Available:* These parcels fall within the AH-8 Overlay, which permits the construction of attached dwelling units with a mandatory affordable housing set-aside upon the availability of sanitary sewer service. This property does not have any easements preventing development.
- *Suitable:* The site is surrounded by compatible land uses including single-family residential and agricultural and has frontage on Valley Station Road. The property is within the Highlands Planning Area, where development is encouraged.
- *Developable:* The site is not located within a FEMA 100-year flood plain, has no steep slopes, and does not fall within any wetlands areas. Upon the provision of sewer service, the site may be considered developable.
- *Approvable:* The AH-8 Overlay permits for the development of attached residential dwelling units, including townhomes and apartments. More specifically, it allows for the development of up to 372 units, 75 of which would be required to be affordable.

Additionally, the property aligns with the following core principles and guidelines as set forth in the Highlands Council's Affordable Housing Implementation Guideline document:

- *"The extent and capacity of existing infrastructure should be considered in site selection, zoning ordinance amendments, and total number of projected new units."* This Overlay permits residential development for the purpose of creating affordable units only under the condition that adequate sewer service is provided.
- *"Sites should avoid regulated environmental resources of the Highlands Region as set forth in the Highlands Act and/or the regulations of the New Jersey Department of Environmental Protection including but not limited to: Special Environmental Zones; Highlands Open Water Buffers; Prime Groundwater Recharge Areas; Vernal Pool Buffers; Significant Natural Areas; and Areas of Severe Steep Slopes (20%+)."* The lands that this Overlay apply to do not contain any of these environmental considerations set forth by the Highlands.
- *"Sites should not be located in close proximity to industrial or other uses with the potential for health and safety impacts."* The boundaries of the Overlay are not in proximity to uses with potential for hazardous impacts on health and safety. The immediate land surrounding the Overlay is agricultural in use.

Third Round Compliance (1999-2025)

The Township had a Third Round obligation of 155 units. Per the Court-approved Third Round Settlement Agreement and the Township's Third Round JOR, Bethlehem has met their Third Round obligation through the following mechanisms:

Summary of Bethlehem Township's Third Round of 155	
Inclusionary Zoning	
<i>Durational Adjustment</i>	155
Total Units	155
TOTAL THIRD ROUND	155

Inclusionary Zoning (Durational Adjustment)

In the Township's 2017 Settlement Agreement with the Fair Share Housing Center, it was agreed that the Township would address the entirety of its Third Round obligation via a durational adjustment. More specifically, the Township adopted ordinances establishing the AH-16 and AH-8 Overlays to create the opportunity for the development of affordable housing units, on the condition that adequate sewer service is provided to the applicable parcels. See the "Prior Round Compliance" section above for further information.

FOURTH ROUND PRESENT NEED / REHABILITATION NEED

As previously noted, the Township has a Present/Rehabilitation Need of 0 units for the Fourth Round.

FOURTH ROUND PROSPECTIVE NEED OBLIGATION

On October 20, 2024, the New Jersey Department of Community Affairs ("DCA") released a report outlining the Fourth Round (2025-2035) Fair Share methodology and its calculations of low- and moderate-income obligations for each of the State's municipalities. The obligations were calculated in alignment with the formulas and criteria found in P.L.2024, c.2.

On February 6, 2025, the Township adopted Resolution #2025.29 accepting the DCA calculated Fourth Round Present/Rehabilitation Need of 0 units and Prospective Need obligation of 51 units. The Township subsequently received a Court Order dated March 27, 2025 regarding Docket No. HNT-L-97-25. This Order served to "fix" Bethlehem Township's established Fourth Round Present Need of 0 and Prospective Need of 51 and authorized the Township to prepare a Fourth Round HEFSP.

As outlined below, the Township proposes to meet its entire Fourth Round obligation through the following mechanisms.

Highlands Build Out Update

Due to the unique natural resources and environmental sensitivity of the Highlands region, the revised Fair Housing Act (“FHA”) (adopted March 2024) directs the DCA and Highlands municipalities to account for the Highlands Regional Master Plan (“RMP”) when considering affordable housing. The amendment specifically requires that a conforming municipality include a “consideration of the most recent Highlands Municipal Build Out report” in its Housing Element and Fair Share Plan. Following this, the Highlands Council adopted on April 18, 2024 a Highlands Affordable Housing amendment to the RMP establishing standards for the location of affordable housing based on the RMP and FHA. More specifically, Policy 607 of the RMP requires that conforming municipalities provide for a realistic opportunity for affordable housing while also complying with Highlands resource protection requirements.

In support of the goals, objectives, and policies of the RMP, the Highlands Council prepared and released a Highlands Municipal Build-Out Update and Build-Out Portal in November 2024 as a tool for fully conforming municipalities. The Build-Out functions similarly to a traditional Vacant Land Adjustment (“VLA”), which examines the amount of acreage available for development and determines a municipality’s Realistic Development Potential (“RDP”), or the portion of its affordable housing obligation that can be realistically addressed with inclusionary development. After subtracting out the RDP from the obligation, the remaining calculation is known as the “unmet need.”

As a fully conforming municipality, the Township utilized the Highlands Build-Out Portal as a tool to calculate its RDP and remaining unmet need. The Build-Out Portal indicated that none of the Township’s properties are large enough and environmentally appropriate to support inclusionary affordable housing development. Therefore, in utilizing this tool, the Township has a calculated RDP of 0 units and an unmet need of 51 units.

Realistic Development Potential (RDP)

As described above, the Township has a RDP of 0 units.

Unmet Need

The Township has an Unmet Need of 51 units, which it intends to address in its entirety through the following mechanisms:

Accessory Apartment Program

The Township will continue its Accessory Apartment Program that was previously established under the Third Round Housing Element/Fair Share Plan.

Mandatory Set-Aside Ordinance

The Township intends to adopt the Highlands Affordable Housing Ordinance in accordance with the timelines set forth in the FHA. This Ordinance will establish a Township-wide mandatory affordable housing

set-aside to implement the standards of the FHA. More specifically, this Ordinance stipulates that, “any development consisting of five or more newly constructed residential units shall reserve for occupancy at least 20 percent (20%) of the residential units constructed for low- or moderate-income households.”

The ordinance will not give any developer the right to any such rezoning, variance, redevelopment designation or other relief, or establish any obligation on the part of Bethlehem Township to grant such rezoning, variance, redevelopment designation or other relief.

Fourth Round Summary

Summary of Bethlehem Township’s Fourth Round of 51	
Realistic Development Potential	0
Unmet Need	51
<i>Accessory Apartment Program</i>	
<i>Mandatory Set-Aside Ordinance</i>	
TOTAL FOURTH ROUND	51

CONSISTENCY WITH STATE PLANNING REQUIREMENTS

State Plan

In accordance with the amended Fair Housing Act, Housing Elements and Fair Share Plans shall provide an analysis of consistency with the State Development and Redevelopment Plan (SDRP), including water, wastewater, stormwater, and multi-modal transportation based on guidance and technical assistance from the State Planning Commission.

New Jersey adopted its last SDPR in 2001. A draft amendment to the SDRP was prepared in 2011 but ultimately never adopted. The Office of Planning Advocacy released a new draft SDRP on December 4, 2024. The State is currently undergoing the cross acceptance process in relation to the draft SDRP.

The 2024 draft SDRP outlines the following overarching goals:

- **Economic:** Promote economic growth that benefits all residents of New Jersey.
- **Housing:** Provide an adequate supply of housing for residents of all ages and incomes in communities of their choosing that meet their needs and offer ready access to the full range of supportive goods and services.
- **Infrastructure:** Economic opportunity through nation leading infrastructure.
- **Revitalization and Recentering:** Revitalize and recenter the State’s underutilized developed areas.
- **Climate Change:** Effectively address the adverse impacts of global climate change.
- **Natural and Water Resources:** Protect, maintain, and restore the State’s natural and water resources and ecosystems.

-
- **Pollution and Environmental Clean-Up:** Protect the environment and prevent and clean up pollution.
 - **Historic and Scenic Resources:** Protect, enhance, and improve access to areas with exceptional archaeological, historic, cultural, scenic, open space, and recreational value.
 - **Equity:** Implement equitable planning practices to promote thriving communities for all New Jerseyans.
 - **Comprehensive Planning:** Foster sound and integrated planning and implementation at all level Statewide.

This Plan broadly aligns with the goals of the draft SDRP, specifically in the sense that it protects Bethlehem's natural resources by deferring development until the appropriate infrastructure can be put into place. The mechanisms discussed in this Plan do not necessitate the disturbance of undeveloped lands and, in turn, the Township's environmentally sensitive resources are not impacted. This protects the natural, water, and scenic resources within the Township as well as surrounding areas, effectively protecting the water quality of the State as a whole. These efforts promote resilience to climate change on an equitable scale throughout New Jersey.

Lastly, the Plan balances the State's goals of providing equitable opportunities for affordable housing while encouraging sound and comprehensive planning practices. The mechanisms in this Plan acknowledge the infrastructural constraints within Bethlehem, while also providing appropriately scaled opportunities for the creation of affordable housing units.

Highlands Regional Master Plan Conformance

The majority (91.4%) of Bethlehem Township's land falls within the Highlands Preservation Area, with the remaining land (8.6%) falling within the Highlands Planning Area wherein plan conformance is voluntary. Bethlehem Township is a fully conforming municipality within both the Preservation and Planning Area. Since 2010, the Township has been active in effectuating the goals and objectives of the Highlands Water Act and Highlands Regional Master Plan. These efforts have been realized through the adoption of a number of ordinances and plans, including but not limited to the following:

- Ordinance #403.2011 "Township of Bethlehem Ordinance to Petition the Highlands Council for Plan Conformance for the Planning Area" (adopted August 4, 2011)
- Highlands Element for Bethlehem Township Master Plan (adopted April 18, 2014)
- Ordinance #255.56.2014 "Township of Bethlehem Highlands Land Use Ordinance" (adopted September 18, 2014)

This Housing Element and Fair Share Plan was prepared with careful consideration of the Regional Master Plan. In particular, the Township's existing water and sewer availability and resource protection provisions were taken into account. Further, the mechanisms outlined in this Plan to address the Township's Fourth

Round obligation are consistent with the Highlands siting guidelines outlined in the October 2024 Affordable Housing Implementation Guide. More specifically, this Plan furthers the goals outlined in the Highlands Regional Master Plan including, but not limited to, the following:

- **2A:** Protection of the value of the Highlands Region as an “essential source of drinking water, providing clean and plentiful drinking water for one-half of the State’s population.”
- **2J:** All existing and future development in the Highlands Region that use public water supply systems are served by adequate and appropriate infrastructure.
- **2K:** All existing and future development in the Highlands Region that use public wastewater treatment systems are served by adequate and appropriate infrastructure.
- **6H:** Guide development away from environmentally sensitive and agricultural lands and promote development and redevelopment in or adjacent to existing developed lands.
- **6K:** Concentrate residential, commercial, and industrial development, redevelopment, and economic growth in existing developed areas in locations with limited environmental constraints, access to existing utility, and transportation infrastructure.
- **6N:** Use of smart growth principles, including low impact development, to guide development and redevelopment in the Highlands Region.
- **6O:** Market-rate and affordable housing sufficient to meet the needs of the Highlands Region within the context of economic, social, and environmental considerations and constraints.

Multigenerational Family Housing Continuity Commission

A previous amendment to the Fair Housing Act requires “an analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c.273 (C.52:27D-329.20).” As of the date of this Housing Plan there have been no recommendations by the Multigenerational Family Housing Continuity Commission for which to provide an analysis.

SUMMARY OF FAIR SHARE COMPLIANCE

Summary of Bethlehem Township's Obligation				
	Total	Very Low	Low	Moderate
Prior Round Obligation	42			
Regional Contribution Agreement	9	-	-	-
ARC Group Home (Block 26, Lot 2.05)	4	4	-	-
<i>Rental Bonus</i>	4	-	4	-
Accessory Apartment Program	3	-	3	-
Inclusionary Zoning (Durational Adjustment)	22	-	11	11
TOTAL PRIOR ROUND	42	4	18	11
Third Round Obligation	155			
Inclusionary Zoning (Durational Adjustment)	155	-	-	-
TOTAL THIRD ROUND	155	-	-	-
Fourth Round Obligation	51			
RDP	0	-	-	-
Unmet Need	51	-	-	-
<i>Accessory Apartment Program</i>	-	-	-	-
<i>Mandatory Affordable Set-Aside</i>	-	-	-	-
TOTAL FOURTH ROUND	51	-	-	-

Appendix A

Bethlehem Township Third Round JOR

BENBROOK & BENBROOK, LLC
Kevin P. Benbrook, Esq. – ID#049661990
1734 Route 31 North, Suite 1
Clinton, New Jersey 08809
(908) 735-8100
Attorneys for Plaintiff

IN THE MATTER OF THE APPLICATION OF
THE TOWNSHIP OF BETHLEHEM,

Petitioner.

SUPERIOR COURT OF NEW JERSEY
HUNTERDON COUNTY
LAW DIVISION

Docket No. HNT-L-316-15

Civil Action

**FINAL JUDGMENT OF
COMPLIANCE AND REPOSE**

THIS MATTER having come before the Court on the application of Benbrook & Benbrook, L.L.C., attorneys for Petitioner Township of Bethlehem (“Bethlehem”) and Adam M. Gordon, Esq., appearing for Interested Party, Fair Share Housing Center, Inc. (“FSHC”) at a fairness hearing held July 27, 2020 to approve a Second Amended Settlement Agreement dated December 23, 2019 between Petitioner and FSHC and sufficient notice having been provided by mail notice on June 24, 2020 to all Interested Parties on Petitioner’s service list and published notice in the Hunterdon Democrat Newspaper on July 30, 2020, and,

WHEREAS, and the Court having considered the testimony of the Petitioner’s Planner, James T. Kyle, AICP, PP, and the Court appointed Special Master, Elizabeth McKenzie, AICP, PP, having indicated her review and approval of the Second Amended Settlement Agreement, and FSHC having indicated its approval of the Second

Amendment, and no other party having provided any comments or objections to the Second Amended Settlement Agreement.

IT IS on this 3rd day of MARCH, 2021, ORDERED AS FOLLOWS:

1. Bethlehem's Third Round Housing Element and Fair Share Plan comports to the standards set forth in N.J.S.A. 52:27D-314 and satisfies the criteria for Bethlehem's compliance with its Third-Round affordable housing obligations.

2. Bethlehem is granted a Final Judgment of Compliance and Repose and is granted immunity and protection from any Mount Laurel builder's remedy actions for a period of ten (10) years, beginning on July 1, 2015 and ending on July 1, 2025.

3. As a continuing obligation and condition of this Judgment of Compliance and Repose, Bethlehem shall comply with the monitoring and reporting requirements identified in Paragraphs 16 and 17 of the December 23, 2019 Second Amended Settlement Agreement.

4. This Final Judgment of Compliance and Repose is herein made contingent upon the Township of Bethlehem updating as necessary its Fair Share Plan to incorporate the Ordinance Amendment contemplated in the Second Amended Settlement Agreement within sixty (60) days from the date of this Order.

5. This Final Judgment of Compliance and Repose is herein made further contingent upon the Township, within one hundred twenty (120) days of entry of this Final Judgment, issuing a new RFP for the development of a four-bedroom Group Home, in accordance with paragraph 5(b) of the Second Amended Settlement Agreement and shall report the results thereof to the Court and Fair Share Housing Center.

6. This Final Judgment of Compliance and Repose is a complete adjudication on Bethlehem's declaratory judgment action and is certified as a final judgment pursuant to R. 4:42-2.

7. A copy of the within Judgment shall be served on counsel for all persons and/or entities on the municipal service list within ten (10) days of receipt of this Order by counsel for Bethlehem.

/S/ THOMAS C. MILLER, A.J.S.C.
Hon. Thomas C. Miller, A.J.S.C.

Appendix B

Bethlehem Township Third Round Settlement Agreement with FSHC



Peter J. O'Connor, Esq.
 Kevin D. Walsh, Esq.
 Adam M. Gordon, Esq.
 Laura Smith-Denker, Esq.
 David T. Rammner, Esq.
 Joshua D. Bauers, Esq.

February 27, 2017

Robert G. Kenny, Esq.
 Hoagland, Longo, Moran, Dunst & Doukas, LLP
 40 Paterson Street
 New Brunswick, NJ 08901

**Re: In the Matter of the Township of Bethlehem, County of Hunterdon,
 Docket No. HNT-L-316-15**

Dear Mr. Kenny:

This letter memorializes the terms of an agreement reached between the Township of Bethlehem ("Bethlehem" or "Township"), the declaratory judgment plaintiff, and Fair Share Housing Center (FSHC), a Supreme Court-designated interested party in this matter in accordance with In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1, 30 (2015)(Mount Laurel IV) and, through this settlement, a defendant in this proceeding.

Background

Bethlehem filed the above-captioned matter on July 7, 2015 seeking a declaration of its compliance with the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq. in accordance with In re N.J.A.C. 5:96 and 5:97, supra. Bethlehem appeared for an initial case management conference before Judge Miller. On subsequent case management conferences with FSHC and other interested parties, Bethlehem participated in same as a member of the statewide municipal consortium and Vicinage 13 municipal consortium. On May 18, 2016, Bethlehem participated in mediation with FSHC and Court Master Elizabeth McKenzie. Through that process, Bethlehem and FSHC have agreed to settle the litigation and to present that settlement to the trial court with jurisdiction over this matter to review, recognizing that the settlement of Mount Laurel litigation is favored because it avoids delays and the expense of trial and results more quickly in the construction of homes for lower-income households.

Settlement terms

The Township and FSHC hereby agree to the following terms:

1. FSHC agrees that the Township, through the adoption of a Housing Element and Fair Share Plan ("the Plan") substantially in compliance with the attached "Summary of Plan for Total Fair Share Obligation", Exhibit A, and the implementation of the Plan and this agreement, satisfies its obligations under the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq., for the Prior Round (1987-1999) and Third Round (1999-2025).
2. At this time and at this particular point in the process resulting from the Supreme Court's Mount Laurel IV decision, when fair share obligations have yet to be definitively

determined, it is appropriate for the parties to arrive at a settlement regarding a municipality's Third Round present and prospective need instead of doing so through plenary adjudication of the present and prospective need.

3. FSHC and Bethlehem hereby agree that Bethlehem's affordable housing obligations are as follows:

Rehabilitation Share (per Kinsey Report ¹)	1
Prior Round Obligation (pursuant to N.J.A.C. 5:93)	42
Third Round (1999-2025) Prospective Need (per Kinsey Report, as adjusted through this settlement agreement)	155

For purposes of this Agreement, the prospective need shall be deemed to include the gap period present need, which is a measure of households formed from 1999-2015 that need affordable housing, as recognized by the Supreme Court in its January 18, 2017, decision in *In re Declaratory Judgment Actions Filed by Various Municipalities*, ___N.J. ___, 2017 WL 192895 (Jan. 18, 2017).

4. Bethlehem's efforts to meet its present need include the following: a County and/or Bethlehem-sponsored rehabilitation program, which shall be specified as part of the Element and Fair Share Plan adopted pursuant to paragraph 12. This is sufficient to satisfy the Bethlehem's present need obligation of 1 unit.
5. As noted above, Bethlehem has a Prior Round prospective need of 42 units, which will be met through the following compliance mechanisms:
- Regional Contribution Agreement with New Brunswick – 9 units (completed)
 - 100% affordable housing development on Township-owned land (10 acres) by a group home provider or non-profit housing sponsor, using septic systems - 12 units or bedrooms (proposed), subject to the requirements of N.J.A.C. 5:93-5.5, to be provided as part of the adopted Housing Element and Fair Share Plan adopted pursuant to paragraph 12
 - Accessory Apartment Program (proposed) 10 units
 - Rental bonuses – 11 credits

In accordance with N.J.A.C. 5:93-5.5, the Township recognizes that it must provide evidence that the municipality has adequate and stable funding for any non-inclusionary affordable housing developments. The municipality is required to provide a pro forma of both total development costs and sources of funds and documentation of the funding available to the municipality and/or project sponsor, and any applications still pending. In the case where an application for outside funding is still pending, the municipality shall provide a stable alternative source, such as municipal bonding, in the event that the funding request is not approved. The Township shall provide such information for the

¹ David N. Kinsey, PhD, PP, FAICP, NEW JERSEY LOW AND MODERATE INCOME HOUSING OBLIGATIONS FOR 1999-2025 CALCULATED USING THE NJ COAH PRIOR ROUND (1987-1999) METHODOLOGY, May 2016.

100% affordable development on Township-owned land as an attachment to its Housing Element and Fair Share Plan adopted pursuant to paragraph 12.

In accordance with N.J.A.C. 5:93-5.5, for non-inclusionary developments, a construction or implementation schedule, or timetable, shall be submitted for each step in the development process, including: preparation of a site plan, granting of municipal approvals, applications for State and Federal permits, selection of a contractor and construction. The schedule shall provide for construction to begin within two years of court approval of this settlement. The municipality shall indicate the entity responsible for undertaking and monitoring the construction and overall development activity. The Township shall provide such information for the 100% affordable development on Township-owned land as an attachment to its Housing Element and Fair Share Plan adopted pursuant to paragraph 12.

6. The Township will address its Third Round prospective need obligation through a durational adjustment:

a. As demonstrated by the following facts, the Township does not have any capacity for water or sewer to support inclusionary development and thus is entitled to a durational adjustment in accordance with N.J.A.C. 5:93-4.3. There are no existing or proposed sewer service areas within Bethlehem Township as shown on the Hunterdon County Wastewater Management Plan.

b. The Township will seek court approval for, and FSHC will support, a durational adjustment of 155 units and address the requirements of N.J.A.C. 5:93-4.3 through the following:

1. In accordance with N.J.A.C. 5:93-4.3(c), the requirement to address the Third Round prospective need obligation of 155 units shall be deferred until adequate water and/or sewer are made available. The Township shall reserve and set aside new water and/or sewer capacity, if and when it becomes available, for low and moderate income housing, on a priority basis. Municipal officials shall endorse all applications to the Department of Environmental Protection (DEP) or its agent to provide water and/or sewer capacity.

2. The Township has designated and will adopt overlay zoning provisions permitting inclusionary residential development at the following densities as a development option subject to the availability of adequate water and sewer services on the following sites that currently lack adequate water and sewer service:

Project	Density	Setaside	Market Rate Units	Affordable Units	Bonuses
Block 26, Lots 6.05 and 6.06 – Family Rentals	16 units/acre	20%	460	69	39
Block 26, Lots 6.01 and 6.02 – Family For-Sale	8 units/acre	20%	345	47	0

Total			805	116	39
Total Proposed				155	

3. Pursuant to the Fair Housing Act of 1985, N.J.S.A. 52:27D-329.9, a regional planning entity such as the Highlands Water Protection and Planning Council, may reallocate up to 50% of a municipality's affordable housing obligation to another municipality within the regional planning entity's jurisdiction. The Highlands Council is required to "identify and coordinate regional affordable housing obligations in cooperation with municipalities with convenient access to infrastructure, employment opportunities, and public transportation." N.J.S.A. 52:27D-329.9(c)(2). Infrastructure is the largest concern regarding Bethlehem's ability to meet its affordable housing obligations as there are no existing or proposed sewer service areas within Bethlehem Township as shown in the Hunterdon County Wastewater Management Plan.

The Highlands Council has not yet established a mechanism for transferring affordable housing obligations from one municipality to another in furtherance of its regional planning and affordable housing goals. The parties agree that, if the Highlands Council does establish such a program, that Bethlehem may send up to 77 units of its affordable housing obligation to be reallocated by the Highlands Council. The parties agree that Bethlehem will likely never receive infrastructure approvals sufficient to provide a realistic opportunity that its assigned affordable housing need will ever be met and so these units will only ever be constructed through the transfer program outlined in the Fair Housing Act.

7. The Township agrees to require 13% of all units referenced in this plan, with the exception of units constructed as of July 1, 2008, and units subject to preliminary or final site plan approval, to be very low income units, with half of the very low income units being available to families. The municipality will comply with these requirements by requiring at least 2 units of the 4 very low income units required for the unsatisfied portion of the Prior Round Obligation to be available to very low income families and by requiring 13% of all rental units developed on the sites in paragraph 6(b)(2) of this Agreement to be family very low income rental units.
8. The Township shall meet its Third Round Prospective Need in accordance with the following standards, including units provided through the provisions related to the durational adjustment addressed in this agreement:
 - a. Third Round bonuses will be applied in accordance with N.J.A.C. 5:93-5.15(d).
 - b. At least 50 percent of the units addressing the Third Round Prospective Need shall be affordable to very-low-income and low-income households with the remainder affordable to moderate-income households.
 - c. At least twenty-five percent of the Third Round Prospective Need shall be met through rental units, including at least half in rental units available to families.
 - d. At least half of the units addressing the Third Round Prospective Need in total must be available to families.

- e. The Township agrees to comply with an age-restricted cap of 25% and to not request a waiver of that requirement. This shall be understood to mean that in no circumstance may the municipality claim credit toward its fair share obligation for age-restricted units that exceed 25% of all units developed or planned to meet its cumulative prior round and third round fair share obligation.
9. Bethlehem shall add to the list of community and regional organizations in its affirmative marketing plan, pursuant to N.J.A.C. 5:80-26.15(f)(5), Fair Share Housing Center, the New Jersey State Conference of the NAACP, the Latino Action Network, NORWESCAP, the Supportive Housing Association, and shall, as part of its regional affirmative marketing strategies during its implementation of this plan, provide notice to those organizations of all available affordable housing units. Bethlehem also agrees to require any other entities, including developers or persons or companies retained to do affirmative marketing, to comply with this paragraph.
10. With the exception of units created via the Accessory Apartment Program, which shall be exempt from the bedroom distribution requirement and which shall have 10 year controls on affordability, and which shall all be low or very low income units, all units shall include the required bedroom distribution, be governed by controls on affordability and affirmatively marketed in conformance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq., or any successor regulation, with the exception that, in lieu of 10 percent of affordable units in rental projects being required to be affordable to households earning at or below 35 percent of median income, 13 percent of affordable units in such projects shall be required to be affordable to households earning at or below 30 percent of median income.. Bethlehem as part of its HEFSP shall adopt and/or update appropriate implementing ordinances in conformance with standard ordinances and guidelines developed by COAH to ensure that this provision is satisfied.
11. All new construction units shall be adaptable in conformance with P.L.2005, c.350/N.J.S.A. 52:27D-311a and -311b and all other applicable law.
12. As an essential term of this settlement, within one hundred and twenty (120) days of Court's approval of this Settlement Agreement, Bethlehem shall introduce and adopt an ordinance providing for the amendment of Bethlehem's Affordable Housing Ordinance and Zoning Ordinance and adopt a final Housing Element and Fair Share Plan to implement the terms of this settlement agreement and the zoning contemplated herein.
13. The parties agree that if a decision of a court of competent jurisdiction in Hunterdon County, or a determination by an administrative agency responsible for implementing the Fair Housing Act, or an action by the New Jersey Legislature, would result in a calculation of an obligation for the Township for the period 1999-2025 that would be lower by more than twenty (20%) percent the total prospective Third Round need obligation established in this agreement, and if that calculation is memorialized in an unappealable final judgment, the Township may seek to amend the judgment in this matter to reduce its fair share obligation accordingly. Notwithstanding any such reduction, the Township shall be obligated to implement the fair share plan attached hereto, including by leaving in place any site specific zoning adopted or relied upon in connection with the Plan approved pursuant to this settlement agreement; taking all steps necessary to support the development of any 100% affordable developments referenced herein; maintaining all mechanisms to address unmet need; and otherwise

fulfilling fully the fair share obligations as established herein. The reduction of the Township's/Borough's obligation below that established in this agreement does not provide a basis for seeking leave to amend this agreement or seeking leave to amend an order or judgment pursuant to R. 4:50-1. If the Township prevails in reducing its prospective need for the Third Round, the Township may carry over any resulting extra credits to future rounds in conformance with the then-applicable law.

14. Bethlehem shall, within one hundred and twenty (120) days of the Court's approval of this Settlement Agreement, prepare a spending plan subject to the review and approval of FSHC and the Special Master. The parties to this agreement agree that this spending plan, if prepared in accordance with accepted standards may be approved by the Court, and that the expenditures of funds contemplated under the agreement constitute "commitment" for expenditure pursuant to N.J.S.A. 52:27D-329.2 and -329.3, with the four-year time period for expenditure designated pursuant to those provisions beginning to run with the entry of a final judgment approving this settlement in accordance with the provisions of In re Tp. Of Monroe, 442 N.J. Super. 565 (Law Div. 2015) (aff'd 442 N.J. Super. 563). On the first anniversary of the execution of this agreement, and every anniversary thereafter through the end of this agreement, Bethlehem agrees to provide annual reporting of trust fund activity to the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services, or other entity designated by the State of New Jersey. The reporting shall include an accounting of all housing trust fund activity, including the source and amount of funds collected and the amount and purpose for which any funds have been expended.
15. On the first anniversary of the execution of this agreement, and every anniversary thereafter through the end of this agreement, the Township agrees to provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website with a copy of such posting provided to Fair Share Housing Center, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC.
16. The Fair Housing Act includes two provisions regarding action to be taken by the Township during the ten-year period of protection provided in this agreement. The Township agrees to comply with those provisions as follows:
 - a. For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, the Township will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its implementation of its Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether any mechanisms to meet unmet need should be revised or supplemented. Such posting shall invite any interested party to submit comments to the municipality, with a copy to Fair Share Housing Center, regarding whether any sites no longer present a realistic opportunity and should be replaced and whether any mechanisms to meet unmet need should be revised or supplemented. Any interested party may by motion request a hearing before the court regarding these issues.
 - b. For the review of very low income housing requirements required by N.J.S.A. 52:27D-329.1, within 30 days of the third anniversary of this agreement, and every third year thereafter, the Township will post on its municipal website,

with a copy provided to Fair Share Housing Center, a status report as to its satisfaction of its very low income requirements, including the family very low income requirements referenced herein. Such posting shall invite any interested party to submit comments to the municipality and Fair Share Housing Center on the issue of whether the municipality has complied with its very low income housing obligation under the terms of this settlement.

17. FSHC is hereby deemed to have party status in this matter and to have intervened in this matter as a defendant without the need to file a motion to intervene or an answer or other pleading. The parties to this agreement agree to request the Court to enter an order declaring FSHC is an intervenor, but the absence of such an order shall not impact FSHC's rights.
18. This settlement agreement must be approved by the Court following a fairness hearing as required by Morris Cty. Fair Hous. Council v. Boonton Twp., 197 N.J. Super. 359, 367-69 (Law Div. 1984), aff'd o.b., 209 N.J. Super. 108 (App. Div. 1986); East/West Venture v. Borough of Fort Lee, 286 N.J. Super. 311, 328-29 (App. Div. 1996). The Township shall present its planner as a witness at this hearing. FSHC agrees not to challenge any Plan prepared in a manner consistent with the attached "Summary of Plan for Total Fair Share Obligation" (Exhibit A) at the fairness hearing. In the event the Court approves this proposed settlement, the parties contemplate the municipality will receive "the judicial equivalent of substantive certification and accompanying protection as provided under the FHA," as addressed in the Supreme Court's decision in In re N.J.A.C. 5:96 & 5:97, 221 N.J. 1, 36 (2015). The "accompanying protection" shall remain in effect through July 1, 2025. If the settlement agreement is rejected by the Court at a fairness hearing it shall be null and void.
19. If an appeal is filed of the Court's approval or rejection of the Settlement Agreement, the Parties agree to defend the Agreement on appeal, including in proceedings before the Superior Court, Appellate Division and New Jersey Supreme Court, and to continue to implement the terms of the Settlement Agreement if the Agreement is approved before the trial court unless and until an appeal of the trial court's approval is successful at which point, the Parties reserve their right to rescind any action taken in anticipation of the trial court's approval. All Parties shall have an obligation to fulfill the intent and purpose of this Agreement.
20. This settlement agreement may be enforced through a motion to enforce litigant's rights or a separate action filed in Superior Court, Hunterdon County. A prevailing movant or plaintiff in such a motion or separate action shall be entitled to reasonable attorney's fees.
21. Unless otherwise specified, it is intended that the provisions of this Agreement are to be severable. The validity of any article, section, clause or provision of this Agreement shall not affect the validity of the remaining articles, sections, clauses or provisions hereof. If any section of this Agreement shall be adjudged by a court to be invalid, illegal, or unenforceable in any respect, such determination shall not affect the remaining sections.
22. This Agreement shall be governed by and construed by the laws of the State of New Jersey.

23. This Agreement may not be modified, amended or altered in any way except by a writing signed by each of the Parties.
24. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same Agreement.
25. The Parties acknowledge that each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each party is the proper person and possess the authority to sign the Agreement, that this Agreement contains the entire understanding of the Parties and that there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.
26. Each of the Parties hereto acknowledges that this Agreement was not drafted by any one of the Parties, but was drafted, negotiated and reviewed by all Parties and, therefore, the presumption of resolving ambiguities against the drafter shall not apply. Each of the Parties expressly represents to the other Parties that: (i) it has been represented by counsel in connection with negotiating the terms of this Agreement; and (ii) it has conferred due authority for execution of this Agreement upon the persons executing it.
27. Any and all Exhibits and Schedules annexed to this Agreement are hereby made a part of this Agreement by this reference thereto. Any and all Exhibits and Schedules now and/or in the future are hereby made or will be made a part of this Agreement with prior written approval of both Parties.
28. This Agreement constitutes the entire Agreement between the Parties hereto and supersedes all prior oral and written agreements between the Parties with respect to the subject matter hereof except as otherwise provided herein.
29. No member, official or employee of the Township shall have any direct or indirect interest in this Settlement Agreement, nor participate in any decision relating to the Agreement which is prohibited by law, absent the need to invoke the rule of necessity.
30. Anything herein contained to the contrary notwithstanding, the effective date of this Agreement shall be the date upon which all of the Parties hereto have executed and delivered this Agreement.
31. All notices required under this Agreement ("Notice[s]") shall be written and shall be served upon the respective Parties by certified mail, return receipt requested, or by a recognized overnight or by a personal carrier. In addition, where feasible (for example, transmittals of less than fifty pages) shall be served by facsimile or e-mail. All Notices shall be deemed received upon the date of delivery. Delivery shall be affected as follows, subject to change as to the person(s) to be notified and/or their respective addresses upon ten (10) days notice as provided herein:

TO FSHC:

Kevin D. Walsh, Esq.
Fair Share Housing Center
510 Park Boulevard
Cherry Hill, NJ 08002
Phone: (856) 665-5444
Telecopier: (856) 663-8182

February 27, 2017
Page 9

E-mail: kevinwalsh@fairsharehousing.org

TO BETHLEHEM:

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40 Paterson Street
New Brunswick, NJ 08903
Telecopier: (732) 545-4579
Email: rkenny@hoaglandlongo.com

WITH A COPY TO THE MUNICIPAL CLERK:

Township of Bethlehem
405 Mine Road
Asbury, NJ 08802
Attention: Municipal Clerk

February 27, 2017
Page 10

Please sign below if these terms are acceptable.

Sincerely,

Kevin D. Walsh, Esq.
Counsel for Intervenor/Interested Party
Fair Share Housing Center

On behalf of the Township of Bethlehem with the authorization
of the Governing Body and Township Land Use Board:

By: Paul Muir, Mayor
Dated: February ___, 2017

Exhibit A

Bethlehem Township

**SUMMARY OF PLAN
FOR
TOTAL FAIR SHARE OBLIGATION**

MUNICIPALITY:

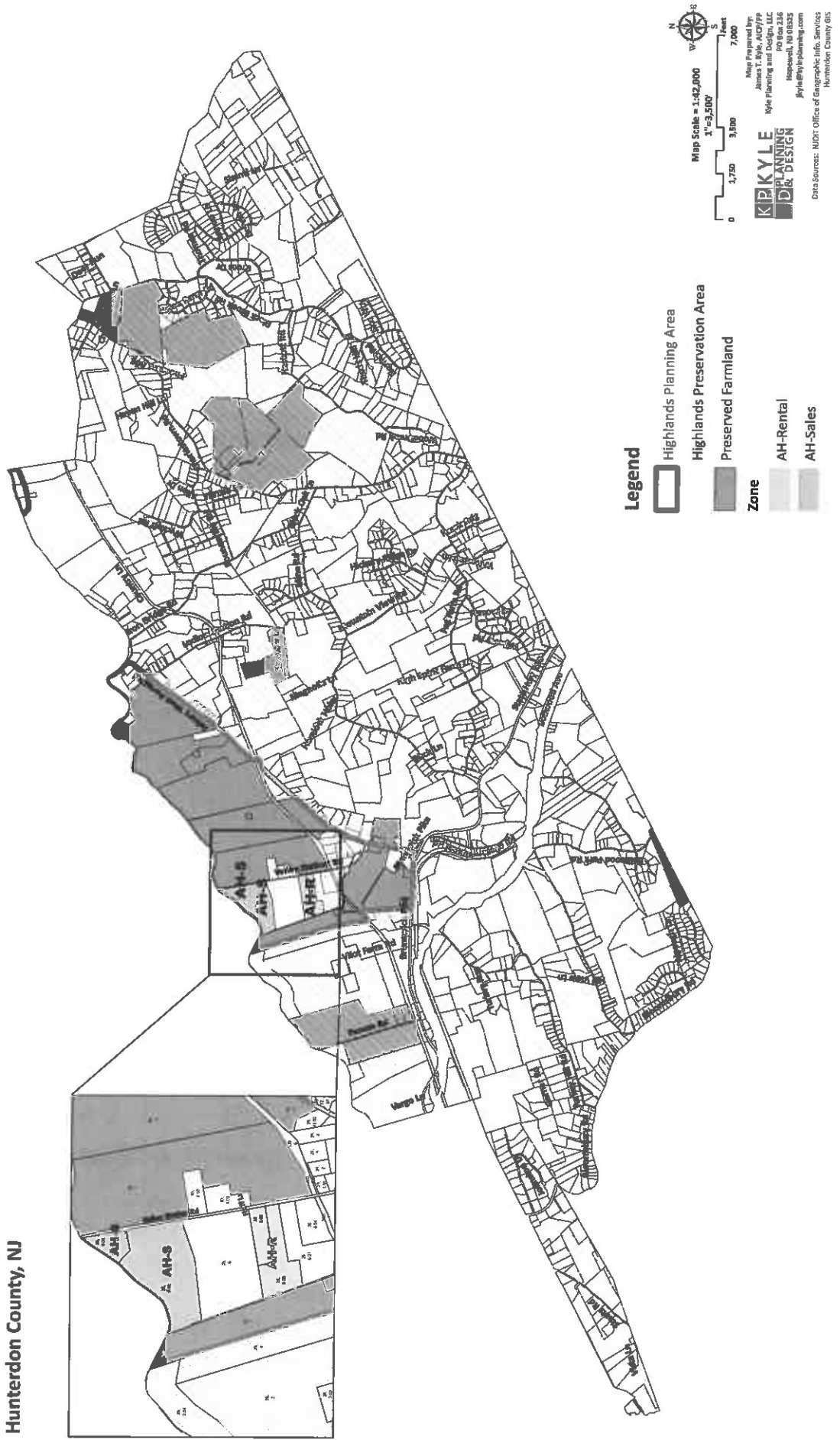
Hunterdon

COUNTY:

Note: Please see Addendum for additional information.	EST. OBLIG.	COMPLETED UNITS	PROPOSED UNITS	LOW	MOD	VERY LOW	TOTAL UNITS
Rehabilitation Share (per 2010 Census)	1						
<i>Rehabilitation Credits</i>							
Rehab Program(s)			1				
Remaining Rehabilitation Share	1						
1987-1999 Prior Round Obligation	42						
Mechanisms							
Inclusionary Zoning							
100% Affordable							
Accessory Apartments			10	3	5	2	10
Write Down-Buy Down/Market-to-Affordable							
Alternative Living/Supportive & Special Needs			12			12	12
RCA Units (previously approved)		9					9
Rental Bonuses			11				11
<i>Total Prior Round Credits</i>							
Units Addressing 1987-1999 Prior Round							42
1999-2025 Third Round Obligation	155						
<i>Durational Adjustment</i>	155						
Units Addressing 2015-2025 Fair Share							

TOTALS	#	% OF TOTAL OBLIGATION
LOW/MOD UNITS	22	52%
VERY LOW INCOME	12	29%
BONUS CREDITS	11	25%
AGE-RESTRICTED	0	0
NOT AGE-RESTRICTED	22	100%

**Potential Locations in Highlands Planning Area
for Inclusionary Zoning
Bethlehem Township
Hunterdon County, NJ**



Appendix C

Bethlehem Township Resolution 2025.29 Establishing Fourth Round Obligation

EXHIBIT A

February 6, 2025

Resolution #2025.29**RESOLUTION COMMITTING BETHLEHEM TOWNSHIP TO DCA'S FOURTH
ROUND AFFORDABLE HOUSING PRESENT NEED AND PROSPECTIVE NEED
NUMBERS**

WHEREAS, on March 20, 2024, Governor Murphy signed into law an Amendment to the Fair Housing Act (N.J.S.A. 52:27D-301 *et seq.*) (hereinafter "Amended FHA"); and

WHEREAS, the Amended FHA requires the Department of Community Affairs ("DCA") to produce non-binding estimates of fair share obligations on or before October 20, 2024; and

WHEREAS, the DCA issued a report on October 18, 2024 ("DCA Report") wherein it reported its estimate of the obligation for all municipalities based upon its interpretation of the standards in the Amended FHA; and

WHEREAS, the DCA Report calculates Bethlehem Township's Round 4 (2025-2035) obligations as follows: a Present Need or Rehabilitation Obligation of 51 units and a Prospective Need or New Construction Obligation of 51 units; and

WHEREAS, the Amended FHA provides that the DCA Report is non-binding, thereby inviting municipalities to demonstrate that the Amended FHA would support lower calculations of Round 4 affordable housing obligations; and

WHEREAS, the Amended FHA further provides that "[a]ll parties shall be entitled to rely upon regulations on municipal credits, adjustments, and compliance mechanisms adopted by COAH unless those regulations are contradicted by statute, including P.L. 2024, c.2, or binding court decisions" (N.J.S.A. 52:27D-311(m)); and

WHEREAS, COAH regulations authorize vacant land adjustments as well as durational adjustments; and

WHEREAS, based on the foregoing, Bethlehem Township accepts the DCA calculations of Bethlehem Township's fair share obligations and commits to its fair share of 51 units present need and 51 units prospective need subject to any vacant land and/or durational adjustments it may seek as part of the Housing Plan element and Fair Share Plan element it subsequently submits in accordance with the Amended FHA; and

WHEREAS, Bethlehem Township reserves the right to comply with any additional amendments to the FHA that the Legislature may enact; and

WHEREAS, in addition to the foregoing, the Township specifically reserves all rights to revoke this Resolution and commitment in the event of a successful challenge to the Amended FHA in the context of the Montvale case (MER-L-1778-24), any other such action challenging the Amended FHA, or any legislation adopted and signed into law by the Governor of New Jersey that alters the deadlines and/or requirements of the Amended FHA; and

WHEREAS, in the event that a third party challenges the calculations provided for in this Resolution, Bethlehem Township reserves the right to take such position as it deems appropriate in response thereto, including that its Round 4 Present or Prospective Need Obligations should be lower than described herein; and

WHEREAS, in light of the above, the Township Committee of Bethlehem Township finds that it is in the best interest of Bethlehem Township to declare its commitment to the obligations reported by the DCA on October 18, 2024, subject to the reservations set forth herein; and

WHEREAS, in addition to the above, the Acting Administrative Director issued Directive #14-24, dated December 13, 2024, and made the directive available later in the week that followed; and

WHEREAS, pursuant to Directive #14-24, a municipality seeking a certification of compliance with the FHA shall file an action in the form of a declaratory judgment complaint in Hunterdon County Superior Court in which the municipality is located within approximately 48 hours after adoption of the municipal resolution of fair share obligations, or by February 6, 2025, whichever is sooner; and

WHEREAS, in addition to the foregoing, the Township reserves the right to take a position that its Round 4 Present and/or Prospective Need Obligations are lower than described herein in the event that a third party challenges the calculations provided for in this Resolution (a reservation of all litigation rights and positions, without prejudice); and

WHEREAS, Bethlehem Township seeks a certification of compliance with the FHA and, therefore, directs its Savo, Schalk, Corsini, Warner, Gillespie, O'Grodnick & Fisher, through Township Counsel, Michael

P. O'Grodnick, Esq. to file a declaratory relief action within approximately 48 hours of the adoption of this resolution in Hunterdon County.

NOW, THEREFORE, BE IT RESOLVED on this 6th day of February 2025 by the Township Committee of Bethlehem Township as follows:

1. All of the above Whereas Clauses are incorporated into the operative clauses of this resolution.
2. Bethlehem Township hereby commits to the DCA Round 4 Present Need Obligation of 51 units and the Round 4 Prospective Need Obligation of 51 units described in this resolution, subject to all reservations of rights set forth above.
3. Bethlehem Township hereby directs Savo, Schalk, Corsini, Warner, Gillespie, O'Grodnick & Fisher, through Township Counsel, Michael P. O'Grodnick, Esq to file a declaratory judgment complaint in Hunterdon County within approximately 48 hours after adoption this resolution, attaching this resolution.
4. Bethlehem Township authorizes Savo, Schalk, Corsini, Warner, Gillespie, O'Grodnick & Fisher, through Township Counsel, Michael P. O'Grodnick, Esq., to attach this resolution as an exhibit to the declaratory judgment action that is filed and to submit and/or file this resolution with the Program or any other such entity as may be determined to be appropriate.
5. This resolution shall take effect immediately, according to law.

ATTEST:


Christine Dispenza, RMC/CMR
Municipal Clerk


PAUL MUIR, MAYOR

CERTIFICATION

I, Christine Dispenza, Clerk of Bethlehem Township, County of Hunterdon, State of New Jersey, do hereby certify that the foregoing is a true copy of a resolution adopted by the Bethlehem Township Committee at a meeting held on February 6, 2025.


Christine Dispenza, Clerk

Appendix D

Court Order Fixing Bethlehem Township's Obligations for "Present Need" and "Prospective Need" for the Fourth Round Housing Cycle

FILED

March 27, 2025

HUNTERDON COUNTY SUPERIOR COURT

WILLIAM G. MENNEN, J.S.C.

PREPARED BY THE COURT:

**IN THE MATTER OF THE
DECLARATORY JUDGMENT
ACTION OF THE TOWNSHIP
OF BETHLEHEM,
HUNTERDON COUNTY
PURSUANT TO P.L. 2024,
CHAPTER 2**

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION – CIVIL PART
HUNTERDON COUNTY
DOCKET NO. HNT-L-97-25

Civil Action

**ORDER FIXING MUNICIPAL
OBLIGATIONS FOR “PRESENT NEED”
AND “PROSPECTIVE NEED” FOR THE
FOURTH ROUND HOUSING CYCLE**

THIS MATTER, having come before the Court on its own motion, *sua sponte*, on the Complaint for Declaratory Judgment filed on February 7, 2025 (“DJ Complaint”) by the Petitioner, **TOWNSHIP OF BETHLEHEM** (“Petitioner” or “Municipality”), pursuant to N.J.S.A. 52:27D-304.2, -304.3, and -304.1(f)(1)(c) of the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301, *et seq.* (collectively, the “FHA”), and in accordance with Section II.A of Administrative Directive #14-24 (“Directive #14-24”) of the Affordable Housing Dispute Resolution Program (the “Program”), seeking a certification of compliance with the FHA;

AND IT APPEARING, that on October 18, 2024, pursuant to the FHA (as amended), the New Jersey Department of Community Affairs (“DCA”) issued its report entitled *Affordable Housing Obligations for 2025-2035 (Fourth Round)*,¹ therein setting forth the present need and prospective need obligations of all New Jersey municipalities for the Fourth Round housing cycle (the “DCA’s Fourth Round Report”);

¹ See https://nj.gov/dca/dlps/pdf/FourthRoundCalculation_Methodology.pdf

AND IT APPEARING that, pursuant to the DCA's Fourth Round Report, the present need obligation of the Petitioner has been calculated and reported as 0 affordable units, and its prospective need obligation of the Petitioner has been calculated and reported as 51 affordable units, and which calculations have been deemed presumptively valid for purposes of the FHA;

AND THE COURT, having determined that no interested party has filed a challenge to the Petitioner's DJ Complaint by way of an Answer thereto as provided for and in accordance with Section II.B of Directive #14-24 of the Program;

AND THE COURT, having found and determined, therefore, that the present need and prospective need affordable housing obligations of the Petitioner for the Fourth Round housing cycle as calculated and reported in the DCA's Fourth Round Report have been committed to by the Petitioner and are uncontested, and for good cause having otherwise been shown:

IT IS, THEREFORE, on this 27th day of MARCH 2025 ORDERED AND ADJUDGED as follows:

1. That the present need obligation of the Municipality, be, and hereby is fixed as zero (0) affordable units for the Fourth Round housing cycle.
2. That the prospective need obligation of the Municipality, be, and hereby is fixed as fifty-one (51) affordable units for the Fourth Round Housing cycle; and
3. That the Petitioner is hereby authorized to proceed with preparation and adoption of its proposed Housing Element and Fair Share Plan for the Fourth Round, incorporating therein the present need and prospective need allocations aforesaid (and which plan shall include the elements set forth in the "Addendum" attached to Directive #14-24), by or before June 30, 2025,

as provided for and in accordance with Section III.A of Directive #14-24, and without further delay.

IT IS FURTHER ORDERED, that a copy of this Order shall be deemed served on the Petitioner and Petitioner's counsel.

SO ORDERED:



HON. WILLIAM G. MENNEN, J.S.C.
Designated Mt. Laurel Judge – V13

(X) Uncontested.

Appendix E

Highlands Affordable Housing Ordinance

Highlands Municipal Affordable Housing Guidelines

- ECZ: Existing Community Zone (Planning Area)
- LCSZ: Lake Community Subzone (Planning Area)
- ECZ-ECSZ: Existing Community Zone – Environmentally Constrained Subzone (Planning Area)
- CZ: Conservation Zone (Planning Area)
- CZ-ECSZ: Conservation Zone - Environmentally Constrained Subzone (Planning Area)
- PZ: Protection Zone (Planning Area)
- PRES: Preservation Area

1.4 Land Use Ordinances

A. Highlands Conformance Ordinance

Any Highlands conforming municipality, including any that currently has adopted a “Highlands Referral Ordinance” or “Highlands Checklist Ordinance” but has not adopted the full Highlands Land Use Ordinance, is strongly advised to adopt the “Highlands Conformance Ordinance” (and associated master plan amendments) as part of the adoption of the required Housing Element and Fair Share Plan, to implement the Land Use Capability Zone and other RMP regulations directly through the municipality’s land use regulations. This will supply vital support to any adjustments made to the municipality’s fair share obligation and further confirm the municipality’s conformance status with the NJDEP, particularly related to wastewater management planning. The modified Highlands Conformance Ordinance is found at Appendix B of this document. A copy of the Conformance Ordinance may also be found on the Highlands Council’s website or by contacting the appropriate municipal liaison. Your municipal liaison can be found at this site: <https://www.nj.gov/njhighlands/planconformance/liaisons/>

B. Highlands Affordable Housing Ordinance

Any conforming municipality is required to adopt the following ordinance to implement the standards of the Fair Housing Act (C.52:27D-329.9). In accordance with the Fair Housing Act, all newly constructed residential developments within the Highlands Region (irrespective of conformance status) are required to reserve for occupancy by low- or moderate-income households at least 20 percent of the residential units constructed with appropriate affordability controls.

As the above 20 percent reservation requirement is found in the Fair Housing Act and not the Highlands Act, all municipalities located in the Highlands Region are responsible for the provision of the 20 percent reservation requirement, irrespective of plan conformance status. This includes developments exempt from the Highlands Act. Such compliance may be the subject of review at the mid-point, beginning, or end of any Fair Share period by the agency or court responsible for oversight of said review.

Highlands Region municipalities that conform to the RMP shall implement the following regulations consistent with the timelines for ordinance adoption found in the FHA consistent with requirements of the Highlands Act, the RMP, the MLUL, and the Fair Housing Act. A non-conforming municipality may adopt this ordinance but is not required to do so, and will not gain the legal protection benefits of a conforming municipality.

Highlands Municipal Affordable Housing Guidelines

Highlands Affordable Housing Ordinance

1. Any development consisting of five or more newly constructed residential units shall reserve for occupancy at least 20 percent (20%) of the residential units constructed for low- or moderate-income households.
2. Development exempt from the Highlands Act is not exempt from the 20% reservation requirement.
3. A minimum of 13% of the affordable units shall be reserved for very low-income households pursuant to section 7 of P.L.2008, c.46 (C.52:27D-329.1).
4. No density bonus or presumptive density increase over existing zoning shall be required to be granted by the municipality for the construction of the affordable housing units on site. Density bonuses or presumptive density increases may be provided through Fair Share Plans and implementing ordinances to address affordable housing needs of the municipality where inclusionary housing projects are selected as a compliance mechanism by the municipality.
5. Municipalities shall provide for the local review of the required 20% set aside of affordable units to be provided by requiring the submission of an Affordable Housing Production Plan in accordance with the following:
 - a. An Affordable Housing Production Plan shall detail all issues related to affordable units and must be submitted to the municipality's Development Review Board at the time application is made for any development requiring affordable housing pursuant to this ordinance.
 - b. The Affordable Housing Production Plan shall be a condition of the completeness determination and is hereby added to the submission requirements checklist for any new residential development or major residential subdivision proposing five or more new units.
 - c. The Affordable Housing Production Plan shall include at a minimum the anticipated bedroom distribution, income split, anticipated administrative entity, tenure, maintenance obligations and any other information pertinent to the creation and long-term support of the affordable housing units.
 - d. All Affordable Housing Production Plans shall be the subject of review by the municipality's Planning, Zoning, or Land Use Board for consistency with these guidelines, the RMP, and the municipality's certified Housing Element and Fair Share Plan.
 - e. Compliance with the RMP, the Fair Housing Act and the Affordable Housing Production Plan shall be a condition of any local approval.
 - f. Any approval shall be accompanied by a requirement for a development agreement between the applicant and the municipality.
 - g. The development agreement shall detail the responsibilities of all parties and shall include the phasing plan for the construction and occupancy of the affordable housing units.

1.5 Resources for Municipalities

Planning for and providing affordable housing opportunities within the constraints of the Highlands Act and the RMP can be challenging for the region's municipalities. In particular, the costs involved in 100% affordable projects for wastewater and water infrastructure in areas not served by existing utilities can be difficult to navigate. There are resources available to assist with this effort.

A. Highlands Council

1. **Planning Grants**-Conforming municipalities will have access to grant funding from the Highlands Council to underwrite the costs of preparing a new Fair Share Housing element that is consistent with these guidelines and with the new Affordable Housing legislation. The Highlands Council grants are awarded on a reimbursement basis. Municipalities seeking this grant funding will submit a scope of work for review and