# EXHIBIT 1

*#R-2025-51*

### RESOLUTION OF THE COMMITTEE OF THE TOWNSHIP OF READINGTON COMMITTING TO ROUND 4 PRESENT AND PROSPECTIVE NEED AFFORDABLE HOUSING OBLIGATIONS

**WHEREAS**, the Township has a demonstrated history of voluntary compliance as evidenced by its Round 3 record; and

**WHEREAS**, pursuant to In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1 (2015) (Mount Laurel IV), on July 2, 2015, the Township of Readington (hereinafter "Readington" or the "Township") filed a Declaratory Judgment Complaint in Superior Court, Law Division seeking, among other things, a judicial declaration that its Housing Element and Fair Share Plan (hereinafter "Fair Share Plan"), to be amended as necessary, satisfies its "fair share" of the regional need for low and moderate income housing pursuant to the "Mount Laurel doctrine;" and

**WHEREAS**, that culminated in a Court-approved Housing Element and Fair Share Plan and a Final Judgment of Compliance and Repose, which precludes builder's remedy lawsuits until July 1, 2025; and

**WHEREAS**, on March 20, 2024, Governor Murphy signed into law P.L. 2024, c.2 (hereinafter "A4" or "Amended FHA"); and

**WHEREAS**, A4 calculates the size of the regional affordable housing need as follows "projected household change for a 10-year round in a region shall be estimated by establishing the household change experienced in the region between the most recent federal decennial census, and the second-most recent federal decennial census. This household change, if positive, shall be divided by 2.5 to estimate the number of low- and moderate-income homes needed to address low- and moderate-income household change in the region, and to determine the regional prospective need for a 10-year round of low- and moderate-income housing obligations…"; and

**WHEREAS**, this means that the regional need equates to 40% of regional household growth; and

**WHEREAS**, the 1985 version of the Fair Housing Act and A4 both prohibit a result that would compel a municipality to spend its own money on compliance; and

**WHEREAS**, the theory which permits a municipality to meet its obligations without municipal subsidy is zoning for "inclusionary zoning"; and

**WHEREAS**, inclusionary zoning most typically requires a 15% or 20% set aside; and

**WHEREAS**, it is not clear how a regional need predicated upon 40% of anticipated growth can be met with 15-20% set asides and without municipal subsidy; and

**WHEREAS**, this is exacerbated by the fact that certain other municipalities in the region have an allocation of 0% of the prospective need (new construction obligation), irrespective of the growth in that particular municipality; and

**WHEREAS**, A4 yields a statewide new construction obligation of over 8,400 affordable units per year; and

**WHEREAS**, this is a substantially higher annual number than was imposed by COAH in the "Prior Round" or any iteration of its Round 3 regulations; and

**WHEREAS**, A4 determines the size of the regional need, but does not calculate allocation of the need to individual municipalities; and

**WHEREAS**, instead, A4 required the Department of Community Affairs ("DCA") to produce non-binding estimates of need on or before October 20, 2024, which it did provide on October 18, 2024 ("DCA Report"); and

**WHEREAS**, the DCA Report calculates the Township's Round 4 (2025-2035) obligations as follows: a Present Need or Rehabilitation Obligation of 45 units and a Prospective Need or New Construction Obligation of 561 units; and

**WHEREAS**, the Township further notes that the link to the DCA GIS data that the DCA belatedly made available to municipalities includes the following language: The land areas identified in this dataset are based on an the best available data using publicly available data enumerated in N.J.S.A. 52:27D-304.3c.(4) to estimate the area of developable land, within municipal and regional boundaries, that may accommodate development. **It is important to note that the identified areas could be over or under inclusive depending on various conditions and that municipalities are permitted to provide more detailed mappings as part of their participation in the Affordable Housing Dispute Resolution Program.**" (emphasis added); and

**WHEREAS**, the DCA maintains that the areas the DCA identified as developable are indeed overinclusive and, consequently, the Township's Professional Planner, has prepared a report, attached hereto as Exhibit A; and

**WHEREAS**, the Township of Readington has commissioned its Township Planner of the firm Clarke Caton Hintz, P.C., to create a state-wide model and Region 3 allocations of Present Need and Prospective Need utilizing the formulas in Sections 6 and 7 of P.L. 2024, c. 2, in accordance with the provisions thereof; and

**WHEREAS**, through meticulous adherence to P.L. 2024, c. 2, , the Township Planner determined that Readington's Present Need is 50 units and its Prospective Need is 315 units/credits; and

**WHEREAS**, based on the foregoing, Township of Readington accepts the alternative calculations prepared by Clarke Caton Hintz, P.C., for the Township of Readington's fair share obligations and commits to its fair share of__50__ units of Present Need and ___315__

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units/credits of 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**, Section 3 of A4 provides that: "the municipality's determination of its fair share obligation shall have a presumption of validity, if established in accordance with sections 6 and 7" of A4; and

**WHEREAS**, Township's calculation of need is entitled to a "presumption of validity" because it complies with Sections 6 and 7 of A4; and

**WHEREAS**, the Township specifically reserves the right to adjust those numbers based on one or any of the foregoing adjustments: 1) a windshield survey or similar survey which accounts for a higher-resolution estimate of present need; 2) a Vacant Land Adjustment predicated upon a lack of vacant, developable and suitable land; 3) a Durational Adjustment (whether predicated upon lack of sewer or lack of water); and/or 4) an adjustment predicated upon regional planning entity formulas, inputs or considerations, including, but not limited to the Highlands Regional Master Plan and its build out, the Pinelands or Meadowlands regulations and planning document; and

**WHEREAS**, in addition to the foregoing, the Township specifically reserves all rights to revoke or amend this resolution and commitment, as may be necessary, in the event of a successful challenge to A4 in the context of the Montvale case (MER-L-1778-24), any other such action challenging A4, or any legislation adopted and signed into law by the Governor of New Jersey that alters the deadlines and/or requirements of A4; and

**WHEREAS**, in addition to the foregoing, the Township reserves the right to take a position that its Round 4 Present 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**, in light of the above, the Mayor and Committee finds that it is in the best interest of Township to declare its obligations in accordance with this binding resolution and in accordance with the Act 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 Act shall file an action in the form of a declaratory judgment complaint . . . within 48 hours after adoption of the municipal resolution of fair share obligations, or by February 3, 2025, whichever is sooner; and

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WHEREAS, nothing in this Resolution shall be interpreted as an acknowledgment of the legal validity of the AOC Directive and the Township reserves any and all rights and remedies in relation to the AOC Directive; and

WHEREAS, the Township seeks a certification of compliance with the Act and, therefore, directs its Affordable Housing Counsel to file a declaratory relief action within 48 hours of the adoption of this resolution; and

**NOW, THEREFORE, BE IT RESOLVED** on this 29th day of January, 2025, by the Committee of the Township of Readington, Hunterdon County, State of New Jersey, as follows:

1.      All of the Whereas Clauses are incorporated into the operative clauses of this resolution.

2. The Mayor and Committee hereby commit to a Present Need Obligation of 50 units and the Round 4 Prospective Need Obligation of 315 units as described in this resolution subject to all reservations of rights, which specifically include:

> a) The right to adjust the number based on a windshield survey, lack of land, sewer, water, regional planning inputs, or any combination thereof;

> b) As described in the WHEREAS section, all rights to revoke or amend this resolution in the event of a successful legal challenge, or legislative change, to A4;

> c) All rights to take any contrary position in the event of a third party challenge to the obligations.

3.      The Township hereby directs its Affordable Housing Counsel to file a declaratory judgment complaint within 48 hours after adoption this resolution attaching this resolution.

4.      The Township hereby directs its Affordable Housing Counsel to file this Resolution with the "Program" pursuant to the requirements on A4.

5.      The Township hereby directs that this Resolution be published on the municipal website within forty-eight (48) hours of its passage, pursuant to A4.

6.      This resolution shall take effect immediately, according to law.

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## CERTIFICATION

I, **KARIN M PARKER,** Clerk of the Township of Readington, County of Hunterdon, State of New Jersey, do hereby certify the foregoing to be a true and correct copy of a Resolution adopted by the Township Committee on the 29th day of January, 2025, a quorum being present voting in the majority.

**IN WITNESS WHEREOF,** I have hereunto set my hand and the official seal of this body this 29th day of January, 2025.

Karin Parker, RMC
Municipal Clerk

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EXHIBIT A

**MEMORANDUM**

**Clarke Caton Hintz**

Architecture
Planning
Landscape Architecture

| | |
|---|---|
| To: | Readington Township Committee |
| From: | Michael Sullivan, ASLA, AICP |
| | Eric Harris, MCRP |
| | Clarke Caton Hintz |
| | Township Planner |
| **Re:** | **Present and Prospective Need Obligations** |
| | Fourth Round Affordable Housing |
| | Readington Township |
| Date: | January 29, 2025 |

100 Barrack Street
Trenton NJ 08608
clarkecatonhintz.com
Tel: 609 883 8383
Fax: 609 883 4044

As we have been discussing with the Township Committee over the past several months, Readington's affordable housing obligations for the Fourth Round are dependent on a multitude of factors, many of which are being interpreted for the first time.  Pursuant to the amended Fair Housing Act, Prospective Need (aka future new construction) is determined based on three overarching factors which are commonly called the economic, the income and the land capacity factors.  The formulas attributable to the economic and the income factors are straightforward and not subject to interpretation or the introduction of more specific data.  The land capacity factor, however, requires significant and sophisticated demographic, geographic, environmental and property records research.  Clarke Caton Hintz has undertaken such an analysis on behalf of the Township.  The firm has have analyzed the factors contributing to the land capacity factor in order to understand what constitutes Readington's Prospective Need for the Fourth Round.  This memorandum summarizes our analysis and recommended Prospective Need obligations for Readington's Fourth Round affordable housing planning purposes.

John Hatch, FAIA
George Hibbs, AIA
Brian Slaugh, AICP
Michael Sullivan, AICP
Michael Hanrahan, AIA
Mary Beth Lonergan, AICP

**NJDCA's Advisory Obligations for Readington**

The land capacity factor has been discussed in the context of affordable housing obligations published[1] by the NJ Department of Community Affairs (DCA) of Present Need (substandard housing occupied by low- and moderate-income housing currently) and Prospective Need for the entire state.  According to DCA, Readington Township has a Present Need of 45 units and Prospective Need obligation of 561 units/credits.

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[1] -   *Affordable Housing Obligations for 2025-2035 (Fourth Round) Methodology and Background,* prepared by DCA, document undated however published October 18, 2024. October 2024 via https://www.nj.gov/dca/dlps/pdf/FourthRoundCalculation_Methodology.pdf

**Clarke Caton Hintz**

**Readington's Obligations Determined by Clarke Caton Hintz**

- **Present Need = 50:** The determination of Present Need is based on Clarke Caton Hintz's statewide model[2].

- P**rospective Need= 315**: The determination of Prospective Need is based on Clarke Caton Hintz's statewide model, but is further refined to utilize more detailed, current and site-specific information within the Township.

This report outlines the legislative and judicial background regarding the land capacity factor, briefly explains how the firm's statewide model differs from the DCA version[3], details how more detailed and specific information was utilized in the calculation of Readington's land capacity factor and, ultimately, Readington's Fourth Round Prospective Need obligation.

## Legislative and Judicial Background

Readington Township is in Housing Region 3, which consists of Hunterdon, Somerset and Middlesex Counties.  These housing regions have remained consistent since the NJ Fair Housing Act was first passed in 1985.  There are six regions altogether.  The new law which amended the Act, P.L. 2024, c.2, which came into effect in March 2024, established how to calculate the demand for affordable housing for the ten-year period starting in July 2025 and also indicated how it would be assigned to the housing regions.  Region 3 has an obligation to address 11,604 units which are spread among 72 municipalities.

Effectively, the land capacity factor is intended as a measure of developable land in a municipality, but the law is unclear as to this is defined.  It is only generally explained the land capacity factor as "undeveloped land in the community that can accommodate development."[4]  In the law, municipalities are directed to use the NJ Department of Environmental Protection's land use/land cover database, which was issued in 2024 but covers the year 2020, demographic information from the American Community Survey (U.S. Census Bureau) and the Comprehensive Housing Affordability Survey (U.S. Dept. of Housing and Urban Development), the MOD-IV Property Tax data (NJ Division of

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[2] - Clarke Caton Hintz has prepared an in-depth explanation of its methods and rationale of its model, *Determination of the Allocation of Fourth Round Affordable Housing numbers to New Jersey Municipalities: Methodology and Rationale,* dated January 10, 2025, included as Appendix H of this memo.
[3] - *ibid.*
[4] - Refer to 26 <u>N.J.R</u>. 2346, June 6, 1994

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**Clarke Caton Hintz**

Taxation) and construction permit data (NJ Dept. of Community Affairs).  Some of these are geographically based, some are not, and most are not directly compatible with each other.

Under the new law, any method for calculating the allocations and the datasets that are not explicitly addressed by the law, are directed to generally utilize the March 8, 2018 unpublished decision *In Re Application of Municipality of Princeton*, decided under the Honorable Mary C. Jacobson, A.J.S.C.  See Appendix H for an explanation of the components of the Jacobson Decision that informed the development of the firm's model.

The DCA's methodology must also be viewed in the context of their explicit recognition of the amended Fair Housing Act provisions:

> "The land areas identified in this dataset are based on the best available data using publicly available data enumerated in N.J.S.A. 52:27D-304.3c.(4) to estimate the area of developable land, within municipal and regional boundaries, that may accommodate development.  **It is important to note that the identified areas could be over or under inclusive depending on various conditions and that municipalities are permitted to provide more detailed mappings as part of their participation in the Affordable Housing Dispute Resolution Program."** (*emphasis added*)

Thus, our methodology built a comprehensive model based upon the best approach that we believe was most adherent to the statute. Then, we further refined the land capacity factor to reflect better and more accurate data consistent with the DCA's acknowledgement.

## Land Capacity Factor Calculation: DCA vs. Clarke Caton Hintz

DCA's land capacity factor for Readington Township resulted in a municipal Prospective Need obligation of 561. Our office has calculated Readington's land capacity factor through our statewide model, which was then adjusted through a series of steps that introduce more specific information to refine this calculation.  Each step represents a progression, building on the previous step, isolating each successive variable used in the calculation. The primary difference between DCA's and our approach concerned the choice of "base data" to identify developable and vacant land. For this base data, we used MOD-IV Property Tax data published by the NJ Division of Taxation, whereas DCA utilized Land Use/Land Cover data published by the Department of Environmental Protection.

MOD-IV identifies entire parcels as "developable" based on whether it has been assessed as Class I Vacant Land or Class 3A/3B Farmland. The image below from Branchburg
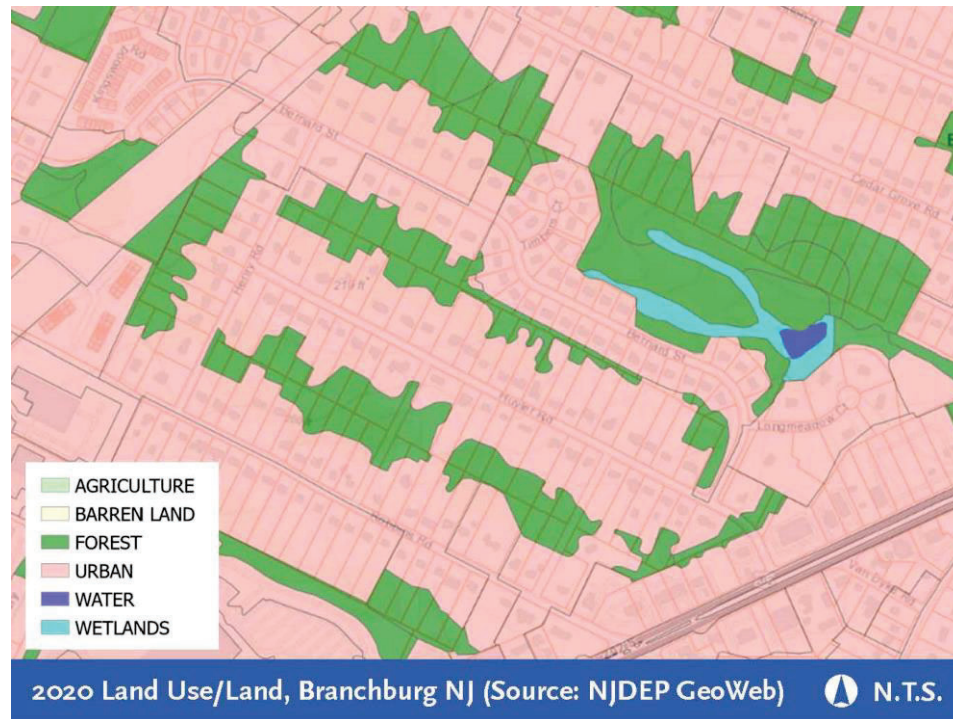
**Clarke Caton Hintz**

Township illustrates an example of a neighborhood with numerous residential lots containing wooded areas on the rear of various properties. NJDEP's LU/LC identifies these areas as containing similar environmental characteristics and as such these wooded areas all count towards a municipality's land capacity factor. From the perspective of whether the identified lands could be used for affordable housing purposes, clearly the answer is no since they are being utilized as residential yards of the subdivision – Class 2 from a municipal property classification viewpoint and are not developable.

In our opinion, the MOD-IV dataset offers greater potential for accuracy because it considers the entire parcel boundary and whether the parcel could be developed for housing. Consequently, the two key classifications: vacant (Class 1) and farmland (Class 3A and 3B) are utilized to initially determine developable lands, which are then further analyzed for other characteristics that may preclude rationale development. This database provides the most information about the use of land. In addition, at the time of completing our analysis, this dataset had been updated through May 2024, whereas the LU/LC information is based on remote sensing data collected in 2020. The amended Fair Housing Act specifically directs municipalities to utilize up-to-date information.



2020 Land Use/Land, Branchburg NJ (Source: NJDEP GeoWeb)   N.T.S.

**Clarke Caton Hintz**

The main limitation of the MOD-IV dataset is that numerous parcels have not been classified or have been incorrectly classified as Class 1 Vacant by municipal tax assessors. The number of "no data" parcels in the MOD-IV database is in excess of 450,000 lots totaling approximately 500,000 acres, approximately 10% of the entire acreage in New Jersey. "No data" parcels most typically occur when lots are "added assessed" lots to the main lot, and over time are no longer separately tracked as taxable properties – such lots have been subsumed into the main tax lot although still appear as separate properties on tax assessment maps.

In the development of the CCH Model, the firm specifically reviewed approximately 14,500 parcels and adjusted the database accordingly. For further information, see our more extended explanation in *Appendix H*.

Aside from the choice of "base data" to identify vacant/developable land, the remaining steps in our analysis and DCA's analysis are substantially similar and focus on excluding from each model areas not suitable for development. These include the following:

- Preserved Open Space, based on New Jersey Department of Environmental Protection (NJDEP) data;

- Preserved Farmland, based on State Agricultural Development Committee (SADC) data;

- Water, based on NJDEP LU/LC data;

- Wetlands plus 50-foot buffers, based on NJDEP LU/LC data;

- Category 1 Streams plus 300-foot buffers, based on NJDEP data;

- Steep Slopes greater than or equal to 15%, based on NJDEP data; and

- Construction permit data reported to DCA by municipalities. Although DCA does not fully explain their use of this data in its report, our analysis considered building permits for new construction between January 1, 2020 and November 7, 2024 (the date this information was accessed).

The above-listed factors are consistent with the environmental features considered in the Jacobson Decision and the new law's requirement to use DCA construction permit data. After excluding these features, the net remaining vacant and developable land was weighted according to the State Development and Redevelopment Plan's Planning Areas, as defined in the amended Fair Housing Act.

**Clarke Caton Hintz**

## CCH Model

Table 1 describes how Readington Township's percent share of developable land was determined comparing DCA's approach and our CCH Model. Based on DCA's analysis of the Land Use/Land Cover dataset, they identified over 10,000 acres of developable land in Region 3, of which Readington contains 12%. By contrast, CCH primarily evaluated MOD-IV property tax data and estimated that Region 3 contains between 15,280 acres and 21,471 acres of developable land. Our approach identifies a range of acres based on whether "no data" parcels are counted or not counted as developable land. In order to determine Readington's share of the region's developable land, our analysis considers two versions of this percentage calculation and then takes the average. In the first version, remaining parcels that had no data in the MOD-IV database were counted as developable land; in the second version, these parcels were not counted as developable land.

**Table 1. Readington Township Land Capacity Share Calculation. CCH Model**

| | DCA | CCH Model | | |
| | | "No Data" Parcels Not Counted as Developable | "No Data" Parcels Counted as Developable | Average |
|---|---|---|---|---|
| **Region 3** | 10,324 acres | 15,280 acres | 21,471 acres | – |
| **Readington Twp** | 1,239 acres | 1,802 acres | 1,983 acres | – |
| **Readington Share** | 12.00% | 11.80% | 9.24% | 10.52% |

Under these two versions, Readington's average share percentage of the region's developable land is 10.52%. Essentially, this approach assumes that the remaining "no data" parcels in a municipality are composed equally of developable and nondevelopable land. At the Statewide level, we found that including versus excluding "no data" parcels as developable land generally had a negligible effect on a municipality's land capacity factor – on average, the difference between the two versions was less than one percentage point. In Readington, the difference is 2.56 percentage points.

## Land Capacity Factor Calculation: CCH Model and Stepped Adjustments Based on Additional Data/Analyses

The prior section describes how Clarke Caton Hintz determined the land capacity for the entire State of New Jersey using a uniform approach in every municipality (CCH Model).

**Fourth Round Present and Prospective Need Obligations**
**Readington Township**

**Clarke Caton Hintz**

In addition to this approach, we performed five additional steps or iterations of this beyond the CCH model (Steps B, C and D, E and F) to incorporate more accurate data in the determination of Readington's land capacity factor.  As described below, the CCH Model and steps B through F in the determination of the land capacity factor are successive, with each one building upon the previous step by introducing a new variable. Table 2 summarizes the calculation of Readington Township's land capacity factor and Prospective Need obligation in DCA's model, the CCH Model and steps B through F.

- **Step A: CCH Model.**  MOD-IV property tax information was used as the "base data" to determine vacant and developable land. "No Data" and Class 1 Vacant parcels greater than 10 acres were manually verified for all municipalities. The remaining components in this model were substantively like DCA's land capacity model.  **The CCH Model results in a Prospective Need obligation for Readington of 504.**

- **Step B: CCH Model + Manual Classification of No-Data, Vacant Land.**  This step uses the CCH Model as the base, but within Readington all "no data" and Class 1 Vacant parcels within Planning Areas 2 and 3[5] were manually reviewed and reclassified to the correct property classification. During this process, several Class 3A/3B farmland parcels were also reclassified if noted to be incorrectly labeled. Research sources included input from the Township Zoning Office, Township Construction Office, Near Map Aerial imagery, captured in October 2024, Google Maps, and information from NJTaxMaps.Com. All MOD-IV tax parcels that were reclassified are listed in Appendix A along with the reason why they were reclassified. (SEE Appendix A and Appendix F).  **Step B results in a Prospective Need obligation for Readington of 501.**

- **Step C: Step B + Exclusion of Exceptional Resource Value Wetlands/Buffers:** This step adjusts the vacant developable land in Version B by utilizing NJ State GIS data coverage for the location of exceptional resource value wetlands (ERV) and buffers (150 feet) and removing these areas from the vacant developable land. ERV wetlands were not evaluated in either in DCA's model or CCH's Statewide model (Step A), despite being a environmental regulation required by NJDEP. (SEE Appendix B).  **Step C results in a Prospective Need obligation for Readington of 477.**

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[5] The remaining lands in Readington are located within Planning Areas 4 and 5, which have a weighting factor of zero and are therefore not counted towards the regional inventory of vacant and developable land.  No portion of Readington is located within Planning Area 1.

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- **Step D: Step C + Exclusion of Preserved Farmland and Open Space based on Readington's Data.** This step adjusts Version C by utilizing Readington's data for open space and preserved farmland, updated through July 2024, rather than NJDEP's open space data and SADC's preserved farmland data because it is more accurate and up-to-date than State data. These areas are excluded from vacant developable land. (SEE Appendix C). **Step D results in a Prospective Need obligation for Readington of 460.**

- **Step E: Step D + Exclusion of Areas Due to Site-Specific Factors Thwarting Development.** This step adjusts step D by excluding areas that are essentially undevelopable. Such areas include isolated and small upland leftovers of parcels remaining after excluding other factors, such as C-1 streams/buffers and Exceptional Resource Value wetland buffers. Small areas that were isolated from public thoroughfare access were also excluded. Small areas that were fragmented by steep slopes were also removed. Moreover, properties were removed for other site-specific reasons, such as if a site has an active building permit, an approved development application, or another condition that would make it no longer available for development. (SEE Appendix E and G). **Step E reduces Readington's obligation to 330.**

- **Step F: Step E + Exclusion of Non-Farmland Portion of Agriculturally Assessed Lands.** This step adjusts step E by excluding areas of agriculturally assessed parcels that have a "split-assessment". A "split-assessment" tax parcel is one where there is farmland assessment on the undeveloped portion of an agricultural lot and a separate non-agricultural assessment on the developed portion of the lot. This is typically done where the residence associated with the farm is located. Although these areas are treated from a tax assessment perspective differently, which is indicative of the developed vs. undeveloped status, they are not on separate lots. This step utilizes the sum of all of the non-farmland assessed areas on these lots provided by the Tax Assessor/Zoning Office and reduces the vacant developable land by that sum. (SEE Appendix D). **Step F reduces Readington's obligation to 315.**

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**Clarke Caton Hintz**

**Table 3 – Land Capacity and Prospective Need Calculations**

| Calculation Step | | NJDCA Land Capacity | Clarke Caton Hintz Land Capacity Analyses Summary | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | CCH Model (Step A) | Step B | Step C | Step D | Step E | Step F |
| Land Capacity Factor | Region 3 Developable Land | 10,324 acres | 15,280 – 21,471 acres | 15,341 – 21,351 acres | 15,221 – 21,231 acres | 15,133 – 21,143 acres | 14,500 – 20,511 acres | 14,432 – 20,443 acres |
| | Readington Developable Land | 1,239 acres | 1,802 – 1,983 acres | 1,863 acres | 1,743 acres | 1,655 acres | 1,023 acres | 955 acres |
| | Readington Share | 12.00% | 10.52% (avg.) | 10.44% (avg.) | 9.83% (avg.) | 9.38% (avg.) | 6.02% (avg.) | 5.64% (avg.) |
| Prospective Need Calculation | Equalized Nonresidential Factor | 0.67% | 0.67% | 0.67% | 0.67% | 0.67% | 0.67% | 0.67% |
| | Income Capacity Factor | 1.84% | 1.84% | 1.84% | 1.84% | 1.84% | 1.84% | 1.84% |
| | **Land Capacity Factor** | **12.00%** | **10.52%** | **10.44%** | **9.83%** | **9.38%** | **6.02%** | **5.64%** |
| | **Averaged Allocation Factor** | **4.84%** | **4.34%** | **4.32%** | **4.11%** | **3.96%** | **2.84%** | **2.72%** |
| | Regional Prospective Need | 11,604 | 11,604 | 11,604 | 11,604 | 11,604 | 11,604 | 11,604 |
| | **Municipal Prospective Need** | **561** | **504** | **501** | **477** | **460** | **330** | **315** |

In the CCH Model and steps B through F of the land capacity factors, the range of acreages reflect whether "No Data" parcels are counted as developable land versus not counted as developable. In each step, Readington's percent share of developable land represents is

**Clarke Caton Hintz**

the average of these two versions (as noted in the prior section). For example, in the CCH Model:

- No Data Parcels Counted as Developable: 1,802 ÷ 15,280 = 11.80%

- No Data Parcels Not Counted as Developable: 1,983 ÷ 21,471 = 9.24%

- Average of Two Versions: (9.24% + 11.80%) ÷ 2 = 10.52%

Lastly, Table 3 provides a full summary of all variables considered in DCA's land capacity factor and the CCH Model, steps B through F of our land capacity factor.

## Recommendation

This memorandum details the methodology used to determine Readington's land capacity factor and, thus, Readington's Fourth Round Prospective Need obligation. In my opinion, the method described herein is permissible under the new law and the approach utilized during the Jacobson Decision. It utilizes MOD-IV property data to identify vacant and developable land, which is authorized by the new law; and each step considers the same environmental factors that were used by Dr. Kinsey during the Third Round and endorsed by the Jacobson Decision (preserved open space, farmland, water, wetlands, Category 1 streams, and steep slopes).

While the CCH Model uniformly evaluates all municipalities in Region 3, the subsequent steps improve data accuracy in Readington Township by verifying the Property Classification of all vacant and "no data" parcels and by utilizing the Township's GIS data to verify preserved open space and farmland, which is more up-to-date and accurate inventory than the State's GIS data. Furthermore, this method removes land that is undevelopable based on site-specific factors, such as small, isolated fragments of developed parcels, and developed portions of farms.

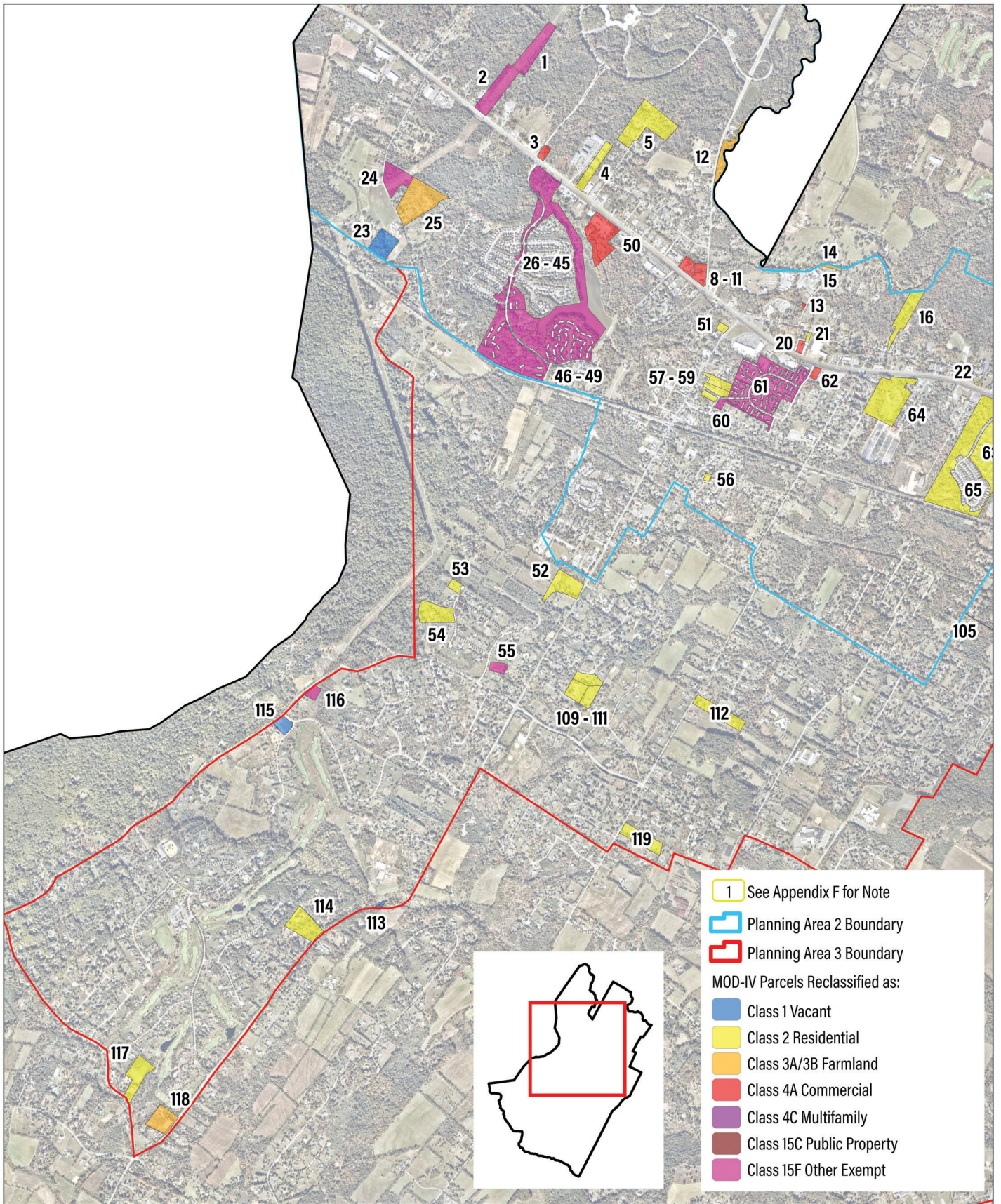*Based on the analyses summarized herein, it is recommended that Readington Township adopt a Prospective Need obligation of 315, based on a land capacity factor of 5.64%, along with the other factors upon which the Averaged Allocation Factor is based.*

*Based on the CCH model, it is recommended that Readington Township adopt a Present Need obligation of 50.*

APPENDICES FOLLOW

# Appendix A:

# Reclassification of Parcels

# Map (1)

**Legend**

| | |
|---|---|
| 1 | See Appendix F for Note |
| ▭ (cyan) | Planning Area 2 Boundary |
| ▭ (red) | Planning Area 3 Boundary |

**MOD-IV Parcels Reclassified as:**

- Class 1 Vacant
- Class 2 Residential
- Class 3A/3B Farmland
- Class 4A Commercial
- Class 4C Multifamily
- Class 15C Public Property
- Class 15F Other Exempt

NearMap Aerial Imagery,
Captured October 2024

AFFORDABLE HOUSING LAND CAPACITY ANALYSIS

# MOD-IV Parcel Reclassifications (1)

LOCATION:
Readington Township, Hunterdon County, NJ

DATE:
January 2025

**Clarke Caton Hintz**
Architecture
Planning
Landscape Architecture

0    20,000    40,000 Ft

# Appendix A:

# Reclassification of Parcels

# Map (2)

Map IDs 66 through 91

**Legend**

| | |
|---|---|
| 1 | Refer to Appendix F for Note |
| | Planning Area 2 Boundary |
| | Planning Area 3 Boundary |

**MOD-IV Parcels Reclassified as:**

- Class 1 Vacant
- Class 2 Residential
- Class 3A/3B Farmland
- Class 4A Commercial
- Class 4C Multifamily
- Class 15C Public Property
- Class 15F Other Exempt

NearMap Aerial Imagery, Captured October 2024

**Clarke Caton Hintz**
Architecture
Planning
Landscape Architecture

AFFORDABLE HOUSING LAND CAPACITY ANALYSIS

# MOD-IV Parcel Reclassifications (2)

LOCATION:
Readington Township, Hunterdon County, NJ

DATE:
January 2025

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# Appendix A:

# Reclassification of Parcels

# Map (3)

**Legend:**

| | See Appendix F for Note |
| --- | --- |
| 1 | |

- Planning Area 2 Boundary
- Planning Area 3 Boundary

**MOD-IV Parcels Reclassified as:**

- Class 1 Vacant
- Class 2 Residential
- Class 3A/3B Farmland
- Class 4A Commercial
- Class 4C Multifamily
- Class 15C Public Property
- Class 15F Other Exempt

NearMap Aerial Imagery,
Captured October 2024

AFFORDABLE HOUSING LAND CAPACITY ANALYSIS

# MOD-IV Parcel Reclassifications (3)

**Clarke Caton Hintz**
Architecture
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LOCATION:
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# Appendix B:

# Exceptional Resource Value Wetlands Map