

**BOROUGH OF OCEANPORT  
MONMOUTH COUNTY**

**MASTER PLAN  
RE-EXAMINATION REPORT**

**May, 1997**

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## ***I. INTRODUCTION***

The documentation presented herein is intended to help the Borough of Oceanport satisfy its requirement to re-examine its Master Plan every six years in compliance with State statute. There have been several factors concerning land use and development which have occurred over the past six years which need to be addressed. These are discussed and analyzed in this report.

### ***A. CONTENT OF MASTER PLAN***

Since 1953 statutes have provided for the adoption of a master plan by the Planning Board. This provision was carried over into the 1976 Municipal Land Use Law. The Municipal Land Use Law increased the importance of the plan by requiring that zoning ordinances as they are adopted must reflect the plan, and if the zoning ordinance deviates from it in any way the governing body must give reasons for the deviation.

The plan, and the zoning and other development ordinances must be reexamined by the planning board at least every six years, and recommendations made to the governing body as to appropriate changes. Failure to adopt a reexamination report as required by the statute creates a rebuttable presumption that "the municipal development regulations are no longer reasonable".

The Master Plan is to generally comprise a report or statement of land use and development proposals with maps, diagrams and text which *must* contain at a minimum, two elements:

The first element is a statement of the objectives, principles, assumptions, policies and standards upon which the constituent proposals for the physical, economic and social development of the municipality are based.

The second element, the "land use element", must state its relationship to the principles in the first element, and any optional elements incorporated into the master plan and to natural conditions in the municipality; it must show existing and proposed development and state the relationship of this development to existing and proposed zone plans and ordinances; it must show the existing and proposed location of airports, and, finally, must include a statement of the standards of population density and development intensity recommended for the municipality.

The Borough of Oceanport prepared and adopted a full and complete Master Plan in 1974. Since then, and in keeping with the 1976 Municipal Land Use Law, the Borough has adopted reexamination reports on a regular six year basis. The 1974 Master Plan has served as the guiding document for the reexamination reports and for development and zoning decisions made since that time.

The New Jersey Statute also sets out ten optional elements which may be contained in a master plan, including a housing plan element, a "circulation plan" element showing roads and other transportation facilities, a utility service plan element, a community facilities plan element showing educational and cultural facilities and the like, a recreation plan element, a conservation plan element dealing with natural resources, an economic plan element, a

historic preservation plan element, appendices or reports containing technical information about the development of the plan and a recycling plan element.

Note that while the housing plan element is technically optional, a municipality may not pass a zoning ordinance until the housing plan element of a master plan has been adopted. Note also, that while the historic preservation plan element is optional, its inclusion in the plan is essentially a prerequisite for designation and regulation of historic sites or districts in a zoning ordinance.

It is also provided that the required storm water management plan which each municipality is obliged to enact shall be an integral part of any master plan prepared by that municipality. Closely related, though not required to be part of the master plan, is the waste water management plan for the municipality.

In addition, the statute provides that the master plan must include a specific policy statement indicating the relationship of the proposed development of the municipality to (1) the master plans of contiguous municipalities, (2) the master plan of the County, (3) the State Development and Redevelopment Plan and (4) the County's district solid waste management plan.

Although the Master Plan serves as the basis for the zoning ordinance it does not have the operative effect of a zoning ordinance. However, the statute requires that every zoning ordinance must either be substantially consistent with the land use plan element and the housing plan element of the master plan, or designed to effectuate that plan element.

In defining "substantial consistency" the Supreme Court in *Manalapan Realty v. Township Committee*, 140 N.J. 366, 384 (1995) made it clear that some inconsistency is permitted "provided it does not substantially or materially undermine or distort the basic provisions and objectives of the Master Plan." Where the Planning Board has determined that the Master Plan and proposed zoning ordinance are consistent, such a determination of consistency by the Board is entitled to "deference and great weight".

The governing body may adopt a zoning ordinance provision which is not in keeping with the master plan but only by the affirmative vote of a majority of the full authorized membership of the governing body and then only if the governing body adopts a resolution setting forth its reasons for deviating from the plan.

*B. CONTENT OF THE PLAN RE-EXAMINATION*

Because of the importance of the master plan, the statute requires its periodic reexamination. This has to be accomplished once every six years after August 1, 1988 and a report issued on the results. The report must state:

- a. The major problems and objectives relating to land development in the municipality at the time of the adoption of the last reexamination report.

- b. The extent to which such problems and objectives have been reduced or have increased subsequent to such date.
- c. The extent to which there have been significant changes in the assumptions, policies, and objectives forming the basis for the master plan or development regulations as last revised, with particular regard to the density and distribution of population and land uses, housing conditions, circulation, conservation of natural resources, energy conservation, collection, disposition, and recycling of designated recyclable materials, and changes in State, County and municipal policies and objectives.
- d. The specific changes recommended for the master plan or development regulations, if any, including underlying objectives, policies and standards, or whether a new plan or regulations should be prepared.
- e. The recommendations of the planning board concerning the incorporation of redevelopment plans adopted pursuant to the Local Redevelopment and Housing Law, N.J.S. 40A: 12A-1 et seq., into the land use plan element of the municipal master plan, and recommended changes, if any, in the local development regulations necessary to effectuate the redevelopment plans of the municipality.

The periodic six year review is nothing as extensive as the investigation required for passage of the Master Plan in the first instance, but must be enough to generate a report including identification of areas of concern specified in the statute. This would allow the Borough to bear the burden of proving the reasonableness of the regulations and that they still reflect the needs and condition of the Borough. In previous reexamination reports the Planning Board has found the base Master Plan of 1974 to be operable with no major problems or changes necessary relating to objectives and land development.

C. RELATION TO COUNTY PLAN AND STATE PLAN

The Municipal Land Use Law provisions require Municipal planning boards to consider the County master plan and to include a specific policy statement indicating the relationship of the proposed development of the municipality with the County master plan. Similarly, the Municipal master plan is to be consistent with the State Plan.

## **II. DEVELOPMENT AND LAND USE CONCERNS**

Over the past six years the Oceanport Planning Board has been faced with several development issues which dealt with relatively large land areas. Not the least of these are the lands owned by the New Jersey Sports and Exposition Authority which owns and controls the Monmouth Park Jockey Club. The Authority may have excess land which it desires to dispose of. Since any development of this land has the potential to affect many Oceanport services and facilities, they are included as a subject of this reexamination report.

### **A. PUBLIC INVOLVEMENT AND OBJECTIVES**

The recommendations and conclusions described here and in the chapter that follow are the result of three major steps:

- Extensive public discussions took place, in open forums, group meetings, and one-on-one conversations. They all included clear expressions of opinions and ideas, conflicts between ideas and ideals, and an extraordinary civil resolution of them all into specific recommendations.
- An analysis was developed that included a consideration of the past (i.e., the physical, social, and economic histories), the present (i.e., the physical, social, and economic existing conditions), and therefore of the possible alternative futures.
- The community reached the conclusion that it wanted to grow economically, while at the same time preserving its wonderful physical character and enriching the very quality of life that makes Oceanport so unique.

Prior to the preparation of this report, the community held a lengthy and intense process to determine a vision for its future. This re-examination Vision Plan of 1996 was broad in its statement of principles and detailed in its suggestions for specific actions; it, therefore, is an integral part of the Master Plan. It was in this "visioning process" that the three fundamental and profound conclusions were reached:

- Economic growth must take place, for several reasons: the business community must grow to increase its share of the tax burden and, therefore, to reduce the taxes required of the residents; shopping must continue to serve the needs of the residents as well as the region.
- The wonderful, comfortable, walkable, historic character must be preserved and improved as the new development and growth takes place.
- Quality of life throughout the community must be maintained: the town must retain its personal intimacy where neighbors and shop-keepers know each other, the neighborhoods must remain safe for everyone -- especially children, the location on the beautiful river must be seen and understood throughout the town, the cultural and entertainment life that makes Oceanport much more than a small hometown must thrive and grow, and it must remain a place where civility in both public and private life is the rule and not the exception.

The Master Plan consists of six distinct elements.

1. THE LAND USE PLAN gives direction concerning future development of all types, establishes the principles of preservation, and gives guidance for the determination of architectural and landscape character in new developments.
2. THE HOUSING PLAN identifies housing needs of all kinds, and recommends possibilities for their location.
3. THE CIRCULATION PLAN deals with through traffic as well as local traffic, with public transportation, as well as automobile, and yet encourages the continued dominance of the pedestrian.
4. THE COMMUNITY FACILITIES PLAN documents the Borough facilities dedicated to emergency and safety services, solid waste disposal/recycling, education, and recreation. The Plan describes opportunities for greater utilization of Borough facilities.
5. THE PUBLIC INFRASTRUCTURE PLAN assesses the status of water supply, stormwater management, and wastewater treatment in the Borough. Of special interest are the ongoing improvements of the water supply system.
6. THE CONSERVATION PLAN describes the features of the local environment, and identifies current and recommended actions that will protect Oceanport's natural and cultural resources.

B. LAND USE

1. CONSIDERATIONS

The Land Use Plan element of the 1996 Oceanport Master Plan is designed to guide development and redevelopment in the Borough, in order to realize the goals and intentions established in the 1996 Oceanport Vision Plan.

The Land Use Plan of a Master Plan is the most vital element of the required components of the Master Plan because it is the primary guide for all development, and because the State Municipal Land Use Law requires that the zoning ordinance either be substantially consistent with the Land Use Plan or be designed to effectuate such a plan. For this reason, the Land Use Plan Map is precise in its location of the various land use categories recommended.

2. THE CONCEPT LAND USE PLAN

In order to respond to new conditions in the economic climate, the overall Concept Land Use Plan builds on the foundations of the previous plans. Those plans include the previous Master Plan, past Reexamination Reports, the Vision Plan, and the 1992 State Development and Redevelopment Plan.

### 3. DETAILED PLAN DESCRIPTION

The specific land areas and uses considered at this time for the Land Use Plan Element are described below. In recommending that certain changes be made to the existing Zoning Code, regarding the locations and characteristics of uses, it is also essential to recommend that many of the design characteristics of the Code must be changed also.

#### a) Gooseneck Point

It is the recommendation of the Planning Board to leave Gooseneck Point unchanged.

To take any other action with respect to an upgrade of the area and to increase the lot size requirements, would create too many non-conforming lots.

The Planning Board sees no reason for a change at this time. It is believed that if there are any deviations from the zoning ordinance, they should be addressed on an individual basis before a Board of competent jurisdiction.

#### b) The area of Hillside, Springfield and Summerfield Avenues

This area is presently in the B-2 zone. There have been too many applications before the Zoning Board of Adjustment with respect to use variances and the area is essentially a residential area at this time. At the present time residential uses would be non-conforming.

The Planning Board further discussed the possibility of changing the area to an R-3 zone classification. The problem would be that there should be a consistent pattern of lot development in the area so that, as a result of the change to a residential zone, non-conforming lots are not created to such aggregious extent.

It is the recommendation of the Planning Board to create an entirely new zoning district to be called R-7.5 with its own set of use, height, area and bulk requirements for this area.

The recommendation to delineate a new R-7.5 zoning district would include the property immediately south of Summerfield Avenue to the Turtle Mill Brook (specifically Block 127 Lot 8) and to include the five (5) existing lots which are located on the east side of Oceanport Avenue (specifically Block 122 Lots 34, 35, 36, 37 and 38).

#### c) A New Proposed Village Center Designation Zone

This zone should ideally run for 350 feet on each side of East Main Street from Port-Au-Peck Avenue to Bridgewaters Drive, then along the rear of



the properties fronting on the south side of East Main Street and across Pemberton Avenue to include Block 113 Lot 2.02. It would also include the property fronting on the north side of East Main Street between the Oceanport Creek and Oceanport Avenue.

The plan would be essentially to upgrade existing uses, to create an anchor with a park at one end, and Port-Au-Peck Avenue at the other. Conditional usage should be considered and there should be architectural and visual enhancement of all existing commercial, retail, as well as public services, and amenities along the zone. The intent would be to establish retail, convenience and professional uses in this area by creating a village center designation. It would assist in the creation of a central identity for Oceanport, as well as a need that could be the focal point of community activities.

d) RMO Zone

The Planning Board would also seek the establishment of an RMO-Zone adjacent to Kimberly Woods. Transitional or step-down housing could also be considered in this particular zone with some assisted care and elderly housing. This new or expanded RMO zone would be close to and complement the Village Center zone.

The proposed new RMO zone would be ideal for assisted living facilities or senior housing. It is close to convenience goods needs, as well as existing elderly housing, and recreational and commercial activities. In addition, it is recommended that there be created a definition for senior or elderly housing, establishment of certain standards for elderly housing, and consideration of architectural standards in this particular zone.

e) Recreational

A recreational or public purpose zone was considered for Wolf Hill. However, this area is currently within a General and Recreational Commercial (B-2) zone. A simple change in the list of permitted principal uses to include public park areas, could satisfy the objective for this site.

f) COAH Plan

Since the last Master Plan Review, and issuance of the COAH obligation for the Borough of Oceanport, there have been substantial changes that merit a review and re-analysis of the Borough of Oceanport's obligation as it concerns COAH. Part of this review is triggered by the advance of wetland designations and how wetlands have impacted the original COAH numbers and obligation. In addition, other large land areas currently controlled by the New Jersey Sports Exposition Authority need to be considered should they change ownership. Finally, the property owned by the Federal government at Fort Monmouth is non-developable, and the

bulk of the property that is in the possession and control of the New Jersey Sports and Exposition Authority will be maintained by them for their own business purpose and, therefore, is exempt from consideration of future development. A detailed report with respect to the options considered by the Planning Board are included as an addendum to this report.

g) Additional N.J. Sports & Exposition Authority Property

Existing property also owned by the New Jersey Sports & Exposition Authority (Block 88 Lot 26) north of Port-Au-Peck Avenue and generally between East Main Street, the railroad, and Bridgewaters Drive is primarily in the industrial zone. The frontage on East Main Street is in a B-1 zone which is to be in the new Village Center zone discussed above. The Authority's land includes an area which is currently used for soccer fields. The recommendation would be to include these open fields, as the wetlands impact and encroach them, as well as the industrial designation in this area to permit a change in zone to a B-1 classification. It is recommended that the B-1 zone should include more permitted uses that would be of a recreational nature, allow for open area activities, and include elderly housing.

h) Myrtle Avenue

The area fronting on the east side of Myrtle Avenue from Port-Au-Peck Avenue to Asbury Avenue is presently zoned Professional Office (B-3). In consideration of the Planning Board's recommendation for Oceanport Avenue from Port-Au-Peck Avenue to Old Wharf Park, and the Planning Board's desire to create a business center climate in that area, it is recommended that the Myrtle Avenue area be rezoned to Single Family (R-1).

i) Riverside Avenue

There is a small area south of Riverside Avenue, approximately 450' from Oceanport Avenue and bounded by the Oceanport Creek which is currently zoned RM. All of the land area surrounding it is zoned R-1 or R-3. It is recommended that this Riverside Avenue Area also be zoned R-3.

C. PROPOSED LAND USE

The Planning Board as part of its function to consider the future use of land and zoning in the Borough has examined the areas described above and sets forth the following recommendations. The analysis above indicates the thought process that the Planning Board went through in order to arrive at its recommendation.

*D. ZONING RECOMMENDATIONS*

As a result of the land use considerations analyzed in the previous sections, the following revisions to the zoning ordinance would help to implement the goals and objectives of the land use plan.

**1. CREATION OF VILLAGE CENTER (V-C) DISTRICT**

The purpose of the Village Center (V-C) district is to establish reasonable standards that permit and control limited commercial and office uses in the Borough. Furthermore, it is the intent of the district to:

- Encourage commercial and office uses that do not attract large volumes of traffic and continuous customer turnover.
- Limit and discourage development of strip-type, highway-oriented commercial uses that create traffic hazards and congestion because they require numerous individual curb cuts and generate higher traffic volumes.
- Permit uses that promote conversion of existing buildings in a manner that maintains the visual character and architectural scale of existing development within the district.
- Minimize visual and functional conflicts between residential and non-residential uses within and abutting the district.
- Encourage consolidation of curb cuts for vehicular access and promote more efficient and economical parking facilities.
- Encourage uses that minimize noise and congestion.

Illustrated in the following subsection are suggested regulations which are formatted to the existing zoning ordinance.

# SCHEDULE I

## PERMITTED LAND USES PER ZONING DISTRICT

District	Permitted Principal Uses	Permitted Accessory Uses	Special Exception Uses
V-C Village Center	<p>Retail stores and service establishments, including, but not limited to a grocery store, drug store, stationery store, the sale of gifts, antiques, flowers, books, jewelry, wearing apparel, tobacco and related supplies, or craft shops making articles exclusively for sale at retail on the premises provided a retail store in the V-C district shall not include a store in excess of ten thousand (10,000) square feet of floor area.</p> <p>Personal service shops including, but not limited to, tailor, barber, beauty salon, shoe repair, dressmaking, or similar service uses.</p> <p>General business and professional offices.</p> <p>Banks.</p> <p>Museums, galleries and studios for dance, art, music, photography, radio, or television.</p> <p>Fully enclosed restaurants and drinking establishments with or without outdoor dining areas. No drive-in restaurants shall be permitted.</p> <p>Elderly Housing.</p> <p>Municipal Uses.</p>	<p>Signs.</p> <p>Incidental Storage.</p> <p>Parking and loading facilities.</p> <p>Other accessory uses and structures customarily appurtenant to a principal permitted use.</p>	<p>Existing Single Family Homes</p> <p>Existing Elderly Housing in Excess of Fifty (50) Units</p>

## SCHEDULE II

### BULK AND COVERAGE CONTROLS

#### V-C Village Center

Minimum Lot Area (square feet)	6,000 <sup>1/</sup>
Minimum Lot Width (feet)	60
Minimum Lot Depth (feet)	100
Maximum Height (stories/feet)	2/30
Maximum Lot Coverage (percent)	
Principal Building	2/
Accessory Building	5
Maximum Dwellings per Acre	16
Minimum Yards (feet)	
Principal Building	
Front	15
Side (one/both)	10/20
Rear	25
Accessory Building	
Side	20
Rear	10

<sup>1/</sup> Elderly housing development shall have a minimum lot area of 15,000 square feet. Maximum number of elderly units per development is fifty (50).

<sup>2/</sup> Not more than 80 percent of any lot area may be covered by buildings and/or impervious paving materials, and not more than 40 percent of any lot area may be occupied by buildings. A minimum of 20 percent of each lot shall be landscaped.

## 2. CREATION OF RESIDENTIAL R-7.5 ZONE

The area commonly referred to as the Hillside, Springfield, Summerfield Avenues neighborhood is currently zoned B-1. The primary use of this area has always been for residential purposes. Although, initially, the residences were all track related. In recognition of the likelihood that some form of housing will continue in the area, the Planning Board is recommending that a new R-7.5 zone be created. It is suggested to read as follows:

### SCHEDULE I

#### PERMITTED LAND USES PER ZONING DISTRICT

District	Permitted Principal Uses	Permitted Accessory Uses	Special Exception Uses
R-7.5 Single Family	Single-family detached dwelling          Park, playground and open space		

SCHEDULE II  
BULK AND COVERAGE CONTROLS

R-7.5

	Single-Family
Minimum Lot Area (square feet)	7,500
Minimum Lot Width (feet)	75
Minimum Lot Depth (feet)	100
Maximum Height (stories/feet)	2/30
Maximum Lot Coverage (percent)	
Principal Building	25
Accessory Building	5
Maximum Dwellings per Acre	5.8
Minimum Yards (feet)	
Principal Building	
Front	30
Side (one/both)	10/20
Rear	25
Accessory Building	
Side	10
Rear	5

### 3. DEFINITIONS

The zoning ordinance does not currently define elderly housing. However, this type of housing is a principal permitted use in the proposed Village Center (V-C) zone and the expanded list of uses in the Multifamily (RMO) zone. The following definition is recommended for inclusion in Article II - Definitions section of the zoning ordinance as another subcategory to the definition of dwelling. It would be subcategory 4.

- (4) DWELLING, ELDERLY HOUSING - A building occupied or intended for occupancy as separate living quarters for up to fifty (50) households containing no more than two (2) persons in each living quarter. Each unit is to be occupied or intended for occupancy by at least one (1) person aged sixty-two (62) or older.

### 4. RECREATIONAL

#### a) Wolf Hill

No zoning district change is recommended for the Wolf Hill area. It is recommended that the list of Permitted Principal Uses within the General and Recreational Commercial (B-2) district be expanded to include:

- Park and playground
- Library
- Municipal Use

#### b) N.J. Sports & Exposition Authority Property

The area north of Port-Au-Peck Avenue, west of the railroad, south of Bridgewater Drive and generally east of Oceanport Avenue has historically been zoned industrial. It is not likely that industrial development will occur in this location given the past, present and expected business climate. Therefore, the Planning Board is recommending that this area be rezoned to Professional and Office (B-1) and that the list of permitted principal uses be expanded.



# SCHEDULE I

## PERMITTED LAND USES PER ZONING DISTRICT

District	Permitted Principal Uses	Permitted Accessory Uses	Special Exception Uses
B-1 Professional and Office	<p>Business or professional office buildings, including banks and financial institutions, but not including businesses which involve the retail sale of goods.</p> <p>Recreation Facilities, including public open space, public active and passive recreational uses, and private recreational uses such as miniature golf, a golf driving range and other similar uses or places of assembly.</p> <p>Elderly Housing.</p>	<p>Signs</p> <p>Off-street parking facilities</p>	

### 5. RMO ZONE

As currently constituted the Multifamily (RMO) zoning district only permits multifamily development with fee simple ownership. The controls for this zoning district have worked well for the Kimberly Woods housing. At this time the Planning Board recommends that transitional or step down housing (elderly housing) and assisted care (nursing home) uses also be included as permitted uses within this zone. Therefore, it is recommended that the zoning ordinance be revised as follows:

# SCHEDULE I

## PERMITTED LAND USES PER ZONING DISTRICT

District	Permitted Principal Uses	Permitted Accessory Uses	Special Exception Uses
RMO Multi-family	<p>Multi-family development (fee simple owner)</p> <p>Multi-family development (elderly housing)</p> <p>Assisted care facility (nursing home)</p>		Existing Single Family Homes

It is suggested that a definition for a nursing home be provided similar to the following: NURSING HOME - "Nursing home" or "nursing facility" means a facility that is licensed by the Department of Health to provide health care under medical supervision and continuous nursing care for 24 or more consecutive hours to two or more patients who do not require the degree of care and treatment which a hospital provides and who, because of their physical or mental condition, require continuous nursing care and services above the level of room and board.

In terms of bulk and coverage controls, the requirements set forth for multi-family development (fee simple owner) could be utilized or modified slightly to accommodate any particular objectives.

6. ELDERLY HOUSING IN B-2 ZONE

a) Concern

The B-2 General Commercial and Recreation Zoning District contains the bulk of the land currently controlled by Monmouth Park. As sections of this land become available for alternative uses, the Borough is concerned that these uses are compatible with the land use pattern in the area, adjacent land uses and traffic considerations.

b) Recommendations

It is recommended that the list of Permitted Principal Uses for the B-2 Zone, as shown in Schedule I of the Zoning Ordinance, be amended to add Elderly Housing. Elderly Housing would be defined within the definition presented in Item 3 page 14 of the text of this Re-examination Report. Elderly Housing does not include an assisted care facility (nursing home). An assisted care facility (nursing home) is proposed as a permitted principal use in the RMO Zone (See Item 5, page 15 of the text of this Re-examination Report).

7. BUFFER AREA FOR NURSING HOMES

a) Concern

Assisted care facilities (nursing homes), as mentioned in 6.b) above are recommended within the RMO Zone. Since a use of this type is relatively large in physical building size, there is a need to provide a buffer between such a use and adjacent properties which could include single family homes.

b) Recommendations

It is recommended that where an assisted care facility (nursing home) is proposed that a buffer area be provided on each side of the property, except at points of egress and ingress, as follows:

Perimeter buffer areas consisting of a landscape screen shall be provided on all sides for adjoining properties. The perimeter buffer areas shall be composed of plants and trees arranged to form both a low level and a high level screen. The high level screen shall consist of trees planted with specimens of at least four feet in height, and planted at intervals which will provide an overlapping foliage screen at maturity with a minimum mature height of 15 feet. The low level screen shall consist of shrubs or hedges planted at an initial height of not less than two feet and spaced at intervals of not less than five feet. The low level screen shall be placed in alternating rows to produce a more effective barrier. All plants not surviving two growing seasons after planting, shall be replaced. Perimeter buffer areas shall be a minimum of ten feet wide.

8. OTHER CONSIDERATIONS FOR THE VILLAGE CENTER (V-C) ZONE

The Planning Board is concerned that the Village Center should be a visually attractive area. There are a number of approaches which can be taken to attempt to control aesthetics, keeping in mind what is pleasing to one person may not be attractive to another. Nonetheless, a unified theme or concept can be suggested if not totally enforceable. It is the stated objective of the Oceanport Planning Board to utilize a rustic New England nautical theme or look for signs in the Village Center. Examples are provided herein. Quite often, Planning Boards rely on such guidelines during site plan review. Areas which are generally supportable to the achievement of Master Plan objectives include the following:

a) *Design Guidelines for Commercial Signs*

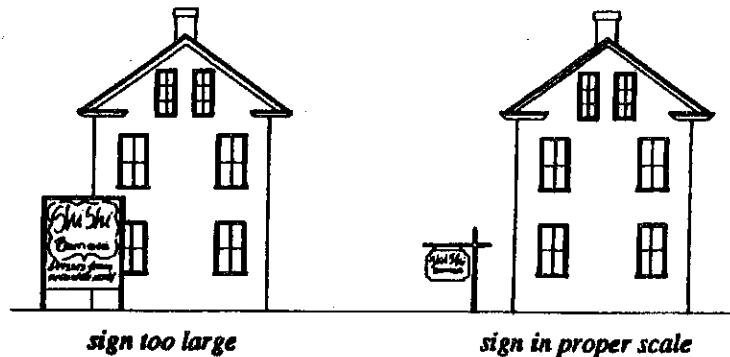
Commercial signs have a direct and immediate effect on the built environment. Commercial signs convey specific information about the name and location of the business. No facade should be damaged in the application of signs, except for mere attachment. Signs should not conceal architectural detail, clutter the building's image, or distract from the unit of the facade, but rather should compliment the overall design. Commercial sign design considerations include size, information, color, placement, uniformity versus individuality.

**Size.** The size of commercial signs are often determined by the speed and location of the people passing by and the size of the surrounding signs. Equally important, however, is the relationship of the sign to its background. Larger signs are often erected on the theory that "bigger means more business". This marketing approach is, however, generally inappropriate. The general appearance of the Village Center is more important than the sign size in relationship to the marketability of the area's businesses. Keeping the size of the signs in scale with the surrounding buildings and streets is a very important factor in maintaining a pleasant and attractive community. In addition, because of the proximity of the buildings to the street, motorists are able to read smaller signs without difficulty.

While traffic speed through the Village Center will be in the 15 to 30 MPH range, the following chart may also have appeal for use elsewhere in the Borough.

Relationship of Sign Size to Traffic Speed

Number of Lanes	Speed (MPH)	Reaction Time (Seconds)	Distance Traveled During Reaction Time (Feet)	Height from Ground (Feet)	Total Area of Commercial Sign (Square Feet)
2	15	8	176	12	8
	30		352	16	25
	45		528	20	50
	60		704	24	100
4	15	10	220	14	8
	30		440	18	40
	45		660	22	90
	60		880	26	150



**Information.** The information shown on signs should identify a business in a simple and straightforward manner. The message should be easy to read and direct. Too much information on a sign or group of signs is difficult for a viewer to absorb. Commercial signs should limit text to the name of the business and perhaps a secondary item such as a principal product or idea. A simple illustration is often the best way to convey a product or service.



*sign too busy  
with too much information*



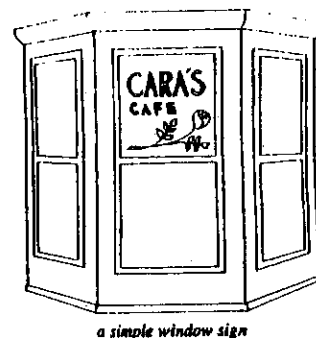
*simple effective sign*

**Placement.** Commercial signs in the Village Center should be located at their point of destination. The commercial signs should communicate immediate information about the business and add to the attractiveness of the entire street scene. On older commercial buildings a good clue to the appropriate sign placement is the original location of signs on the building. On many commercial buildings, the frieze panel over the entryway has historically been a sanctioned place for a signboard. The upper facade, cornice top or spaces between rows of windows are potential areas for effective and tasteful signs.

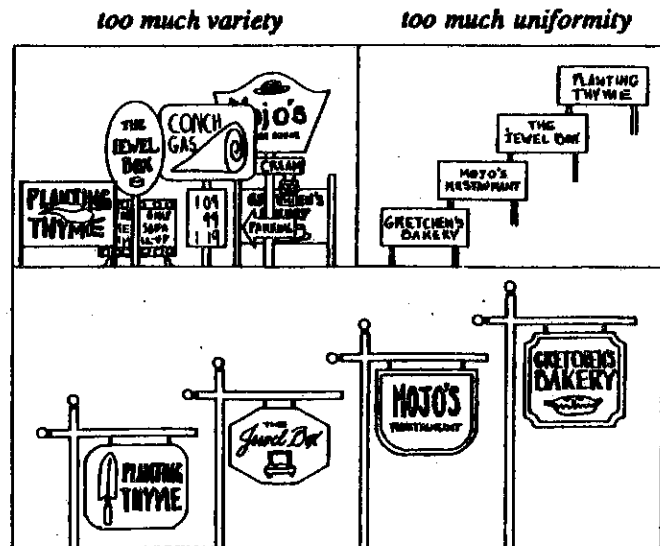
Second story display windows could also be an appropriate location for commercial signs. From across the street, the view of the first floor storefront is often blocked by parked cars, people and traffic signs. From this distance people often focus on the upper portions of the buildings. Attractive, small, well-designed signs on the upper stories are particularly useful in bay windows.

Projecting and freestanding signs along with awnings and non-metal canopies can be used to serve as extensions of the building over the sidewalk. Consideration for these signs require they not infringe into the pedestrian area or be oversize to compete with signs on adjoining businesses. Projecting and freestanding signs should be limited to eight to ten square feet in size. Projecting signs should not project more than two feet from the side of the building and should be at least ten feet above the ground.

Window signs can be used to add a subtle decorative touch to a store. When used on the display window, however, they should not obscure goods with size recommended to be limited to no more than 30 percent of the glass area of the building front.



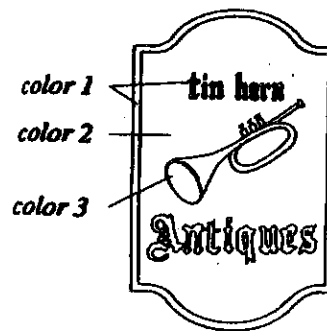
**Uniformity versus individuality.** Signs of many different sizes, shapes, and heights create a confusing scene as they compete for the attention of the viewer. Because every sign is part of the street scene, each should respect the broad boundaries of proportion and rhythm. No sign should be so large that it breaks the rhythm of the street. By using similar materials and lighting, the perception of a commercial hub in the Village Center as a distinct and unique place may be re-enforced. Too much uniformity, however, detracts from the street vitality. The guidelines for commercial signs allow individual expression while respecting the overall integrity of the Village Center.



*Though unified by common design elements, signs can still express the individual character of each business.*

**Color.** In general no more than two or three colors should be used. Colors used should match either the background or the trim color of the structure which it serves. This will link the sign to the business. In addition, when more than one sign is used, the colors on the sign should be coordinated with each other to present a unified image.

<i>color 1</i> <b>Letters</b>	<i>color 2</i> <b>Background</b>	<i>color 3</i> <b>Accent Colors</b>
Gold leaf, white, red, blue green, cream, straw yellow	Black	White, red, green, gold leaf, blue, dark yellow
White, red	Navy blue	Black, white, straw yellow, gold leaf
Navy blue, black	Gray	White, red
Gold leaf, white, red	Emerald green	White, gold leaf, black
Gold leaf, light blue	Brown	Red, white
Navy blue, red	Cream	Black
Gold leaf, white, mustard yellow	Red	Black
Navy blue, red	Mustard yellow	Red, black



b) *General Lot and Building Design Criteria*

- Any principal commercial building may contain more than one use and/or organization. Any lot may contain more than one principal structure, provided that each principal structure is located in a manner which will allow the possibility of subdividing the lot in a manner that each structure and resulting lot would conform to the zoning and subdivision requirements, including frontage on a public street.
- All building walls facing a street or residential district line shall be suitably finished for aesthetic purposes, which shall not include unpainted or painted cinder block or concrete block walls. Preferred building materials include brick, wood, stone or other natural materials.
- No merchandise, products, waste equipment or similar material or objects shall be displayed or stored outside.

- Minimum off-street parking shall be provided as follows:

- ◆ Retail sales of goods and services - five (5) spaces per 1,000 square feet of gross floor area or fraction thereof.
- ◆ Offices - six spaces for each 1,000 square feet of gross floor area or fraction thereof.
- ◆ Restaurants - one space for every three seats.
- ◆ Dwelling units - (elderly housing) - one space for every four dwelling units.
- ◆ Minimum space requirements for uses not specifically covered. In determining minimum parking space requirements for uses not covered in this section, the planning board shall be guided by the number of persons to be employed in said building or by the use; and the number of persons expected to visit, or patronize the building or use.
- ◆ Reverse parking, with off-street parking located in the rear yard, is preferred. Off-street parking or loading shall not be permitted within the first fifteen (15) feet of any front yard.

c) *Landscaping and Lighting*

- All portions of the property not utilized by buildings or paved surfaces shall be landscaped, with a combination of fencing, shrubbery, lawn area, ground cover, contours, existing foliage and the planting of conifers and/or deciduous trees native to the area in order to either maintain or re-establish the tone to the vegetation in the area and lessen the impact of the structures and paved areas. The established grades on any site shall be planned for both aesthetic and drainage purposes. The grading plan, drainage facilities and landscaping shall be coordinated to prevent erosion and silting, as well as assuring that the capacity of any natural or man-made drainage system is sufficient to handle the water generated and anticipated.
- Perimeter strips consisting of a landscape screen shall be provided between off-street parking areas and adjoining properties. The perimeter strip shall be composed of plants and trees arranged to form both a low level and a high level screen. The high level screen shall consist of trees planted with specimens of at least



four feet in height, and planted at intervals which will provide an overlapping foliage screen at maturity with a minimum mature height of 15 feet. The low level screen shall consist of shrubs or hedges planted at an initial height of not less than two feet and spaced at intervals of not less than five feet. The low level screen shall be placed in alternating rows to produce a more effective barrier. All plants not surviving two growing seasons after planting, shall be replaced. Perimeter strips shall be a minimum of ten feet wide and shall be protected by permanent curbing.

- Landscaping and buffer plan should be submitted for Planning Board site plan review showing what will remain and what will be planted indicating names of plants and trees and dimensions, approximate time of planting.
- There shall be at least one trash and garbage pick-up location provided by each building. It shall be separated from the parking spaces by either a location outside the building, which shall be a steel-like, totally enclosed container located in a manner to be obscured from view from parking areas, and adjacent residential uses or zoning districts by a fence, wall, planting or combination of the three. If located within the building, the doorway may serve both the loading and trash/garbage functions, and if located within the general loading area(s), provided that the container in no way interferes with or restricts loading and unloading functions.
- Lighting. For all uses within this district, adequate lighting to ensure safe pedestrian and vehicular travel shall be provided. The following standards shall apply.
  - a. Lights shall be directed toward the center and designed so as to prevent glare beyond the property line. No high pressure sodium lights shall be permitted.
  - b. The maximum height of free-standing light standards shall be 12 feet.
  - c. The following intensity standards shall apply:
    - (1) Parking areas: an average of one and five tenths (1.5) footcandles throughout.
    - (2) Intersections: three footcandles.
    - (3) Maximum at property lines: one and zero tenths (1.0) footcandles.

d) *Building and Paving Materials*

As part of the site plan review by the Planning Board, it is suggested the samples of building materials be submitted, such as:

- Sample submissions: stone and brick veneers, siding, roof shingles, pavers, and any other unique features that will require aesthetic considerations.
- Color submissions: stone and brick veneers, siding, roof shingles, trim, pavers, and any other unique features that will require aesthetic considerations.

9. ZONING DISTRICT NAMES

Since the proposed Village Center (VC) District essentially replaces the Retail Commercial (B-1) District there remains two commercial business districts with the letter B preceding the numbers 2 and 3. In order to eliminate any confusion to the casual reader of the zoning ordinance who may find the absence of a B-1 zone perplexing, it is suggested that the B-2 zone as currently known and called the General and Recreational Commercial zone be retained. However, the Professional and Office (B-3) zone should retain its name but be renumbered to (B-1).

10. ZONING MAP

A Proposed Zoning Map which takes into account all of the land use and zoning considerations recommended above has been prepared by the Borough Engineer.

### **III. HOUSING ANALYSIS**

#### **A. COMMUNITY PROFILE**

In this section of the report, the residential environment of the Borough as a whole will be portrayed through the provision of statistical information and a description of the factors that affect real estate investment decisions. This portrayal of the Borough as a whole will form the context in which a strategy for housing will be defined.

#### **■ Population**

Oceanport's population has continued to grow. Since 1950 the resident population has increased from 2,560 persons to 6,146 persons. While the resident population grew with each decennial census, the rate of increase has decreased dramatically. This is attributable to two basic factors. First, the availability of land for new development and secondly, decrease in family size.

#### **RESIDENT POPULATION**

<b>Year</b>	<b>Total</b>	<b>% Increase</b>
1950	2,560	----
1960	3,755	46.6
1970	5,007	33.3
1980	5,888	17.5
1990	6,146	4.3

SOURCE: U.S. Census

It is expected that the Borough's population will naturally see a very limited amount of growth by the year 2000 census. In other words the population will have stabilized. This factor has ramifications which go beyond simple population figures. It allows the Borough to assess and plan for community facility needs such as schools, police and fire protection and recreation and it makes capital improvement programming and budgeting more measurable.

As the population total has stabilized the Borough's residents have also aged.

## COMPARISON OF AGE OF RESIDENT POPULATION 1970 - 1990

Age	1970 % of Total	1980 % of Total	1990 % of Total
Under 5	7.8	4.9	6.3
5 to 19	32.0	26.5	18.3
20 to 24	5.6	8.3	7.7
25 to 44	26.5	28.9	32.8
45 to 54	13.9	13.0	13.4
55 to 64	7.9	9.2	10.0
65 to 74	3.8	6.1	7.1
75 and Over	2.5	3.1	4.4
	100.0	100.0	100.0
<b>Median Age</b>	<b>29.5</b>	<b>32.8</b>	<b>36.7</b>

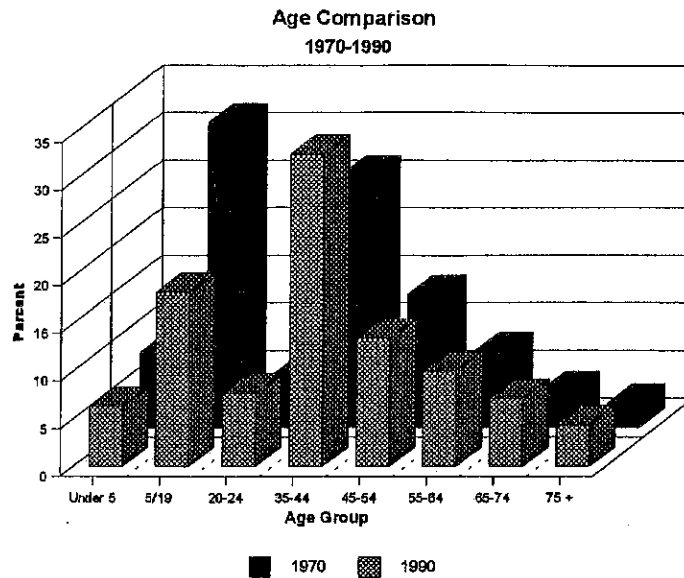
In 1970 the population over age 55 represented 14.2% of the total resident population. In 1990 this same age group represented 21.5% of the total resident population. For those same two years, the median age of the population increased for 29.5 years to 36.7 years.

By 1990, 11.5% of the population or 706 residents were age 65 years or older. In 1970, this group represented only 6.3% of the population or 315 persons. The number of persons aged 65 years or older has obviously more than doubled.

The other significant changes in the population occurred in the 5 to 19 years age group which decreased from 32.0% of the population in 1970 to 18.3% of the population in 1990. Meanwhile, the 25 to 44 years age group increased from 26.5% in 1970 to 32.8% in 1990.

The population shifts noted above indicate that the Borough's future resident population will be older and fewer school age children will be present.

## POPULATION BY AGE 1970 AND 1990



Oceanport's 1980 and 1990 populations consisted of 94 percent white persons and 6 percent non-white persons. Oceanport's non-white population is predominantly black.

## TOTAL POPULATION AND POPULATION BY RACE AND HISPANIC ORIGIN BOROUGH OF OCEANPORT

YEAR	TOTAL POP.	RACE					HISPANIC ORIGIN, ANY RACE
		WHITE	BLACK	AM. IND. ESKIMO ALEUT	ASIAN & PACIFIC ISLANDER	OTHER RACES	
1980	5,888	5,542	229	6	45	65	123
1990	6,146	5,768	249	5	88	36	114

SOURCE: 1980 and 1990 U.S. Census of Population

### ■ Income

The 1980 U.S. Census reported that the median household income in Oceanport was \$23,458. By 1990, the median household income increased by \$31,687 or over 135 percent to \$35,125. Also from 1980 to 1990 as the community's population increased by 4.3 percent, its population of persons whose income was below poverty level decreased by over 62 percent. In 1980 Oceanport's

population whose income was below poverty level was 304 persons or 5.6 percent of the population. By 1990 there were only 113 persons in Oceanport whose income was below the poverty level representing 1.9 percent of the population. The 1990 U.S. Census reports that many of the persons in Oceanport below the poverty level are aged 65 or older. There were 44 persons, which represents 39 percent of the persons below poverty, who were aged 65 or over.

The following table provides the distribution of income among Oceanport's households.

### ANNUAL HOUSEHOLD INCOME BOROUGH OF OCEANPORT

ANNUAL INCOME	1980 HOUSEHOLDS	PERCENT	1990 HOUSEHOLDS	PERCENT
\$ 0-9999	313	17.4	119	5.8
\$ 10000-14999	232	12.9	47	2.3
\$ 15000-24999	436	24.2	102	4.9
\$ 25000-34999	406	22.5	210	10.1
\$ 35000-49999	292	16.2	366	17.7
\$ 50000-74999	78	4.3	666	32.2
\$ 75000 UP	<u>45</u>	<u>2.5</u>	<u>559</u>	<u>27.0</u>
	1,802	100.0	2,069	100.0
Median Household Income	\$23,438		\$55,125	
Per Capita Income	\$8,549		\$22,092	

SOURCE: 1980 and 1990 U.S. Census of Population

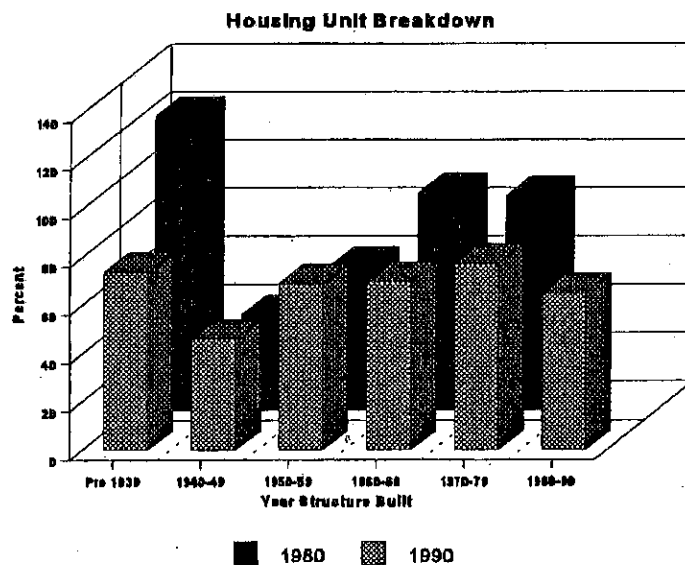
### ■ Employment

The Borough of Oceanport had a total civilian labor force of 2,539 persons in 1980 and an unemployment rate of 6.5 percent. By 1990, the Borough's civilian labor force increased to 3,109 persons (22.4%) and unemployment decreased to 4.6 percent. The Borough had a non-civilian labor force of 599 persons in 1980 and 527 persons in 1990. This would account for the number of persons who reside in the Borough and are employed at Fort Monmouth. The 12 percent decrease in the non-civilian labor force represents fluctuations which occur from time to time in the military budget and reductions in force.

Perhaps the most significant change in the civilian labor force from 1980 to 1990 was in the area of managerial and professional occupations. The real number increase of 413 and percent increase of 54.8 in these type of jobs would also help to account for the dramatic increases in median household income and per capita income. There does remain a relatively small but stable base of jobs for operators,

### HOUSING UNIT BREAKDOWN BY YEAR OF CONSTRUCTION BOROUGH OF OCEANPORT

YEAR STRUCTURE BUILT	1980	PERCENT OF TOTAL	1990	PERCENT OF TOTAL
1980 to 1990	-----	-----	349	16.2
1970 to 1979	406	22.2	414	19.3
1960 to 1969	412	22.5	374	17.4
1950 to 1959	273	14.9	370	17.2
1940 to 1949	182	9.9	347	11.5
1939 or earlier	559	30.5	395	18.4
<b>Total Units</b>	<b>1,832</b>	<b>100.0</b>	<b>2,149</b>	<b>100.0</b>



In 1980, the U.S. Census reported that 1,768 of Oceanport's housing units were occupied with 64 of the housing units, or 3.4 percent, vacant. The Borough's housing stock increased from 1980 to 1990 and the number and percentage of

fabricators, and laborers. There was an increase of 58 jobs or 34.5 percent in these categories. The table which follows presents a picture of the 1980 and 1990 employment by occupation groups.

**EMPLOYED PERSONS 16 YEARS AND OVER  
1980 AND 1990  
BOROUGH OF OCEANPORT**

<b>OCCUPATIONS</b>	<b>1980</b>	<b>PERCENT</b>	<b>1990</b>	<b>PERCENT</b>
Managerial and professional	753	31.7	1,166	39.3
Technical sales, administrative support	906	38.1	1,029	34.7
Service	280	11.8	264	8.9
Farming, forestry, fishing	39	1.6	20	0.6
Precision production, craft, repair	229	9.6	259	8.7
Operators, fabricators, laborers	168	7.2	226	7.8
<b>Total</b>	<b>2,375</b>	<b>100.0</b>	<b>2,964</b>	<b>100.0</b>

SOURCE: 1980 and 1990 U.S. Census - Selected Labor Force and Community Characteristics

■ **General Housing Characteristics**

Similar to the increase in Oceanport's population and employment from 1980 to 1990 its housing stock increased although not as significantly as the increase in employment. In 1980 the U.S. Census reported that the community's housing stock included 1,832 units. By 1990 the housing stock increased by 17.3 percent to 2,149 units.

The total housing stock is represented by 70.1 percent of its structures which were built since 1950. Each decade from 1950 forward represents between 15 and 20 percent of the 1990 housing stock. This signifies steady and stable growth in housing construction. It is expected that the number of housing units constructed between 1990 and the year 2000 will be fewer simply because the Borough is running out of available land.

The following table and chart provide a review of the total number of units in Oceanport for 1980 and 1990 with a breakdown by year structure built.



vacant housing units also increased. In 1990, 2,059 of the housing units were occupied and 90, or 4.1 percent of the housing units, were vacant. Oceanport's homeowner vacancy rate in 1990 was 1.7 percent and the rental vacancy rate was 3.2 percent increasing from six percent in 1980.

In 1980, the Borough's housing stock was found to be 79 percent owner-occupied. In 1990 the percent of Oceanport's housing stock that was owner-occupied increased slightly to 81 percent. By contrast, the percent of owner-occupied housing units in the State had increased from 62 percent in 1980 to 65 percent in 1990 and in Monmouth County it had increased from 69 percent to 72 percent. Clearly, the Borough enjoys an advantage in the percent of owner-occupied housing units.

As reported by the U.S. Census the median value of an owner-occupied housing unit in Oceanport in 1980 was \$71,700. By 1990, the median value of a unit in the community increased 174 percent to \$196,600. This is comparable to a County-wide increase of 178 percent from \$66,700 in 1980 to \$180,400 in 1990. State wide the median value increase was 222 percent from \$50,300 to \$162,300. Nationwide the decade of the 80's saw similar increases particularly in and around metropolitan areas.

The median contract rent in Oceanport in 1980 was \$214 per month. From 1980 to 1990 median contract rent in Oceanport increased by 147 percent to \$529 per month. County-wide from 1980 to 1990, median contract rent increased 132 percent per month from \$244 to \$567. State wide the increase was 167 percent from \$195 to \$521 per month.

There is currently one (1) senior citizen housing facility in the Borough. It is located on Oceanport Avenue near a small shopping center. The facility has 100 dwelling units. Only 5 to 6 vacancies occur on an average year. The waiting list is approximately three years long.

#### *B. FINANCING OPTIONS FOR LOW-MODERATE INCOME HOUSING*

Presented in this section is a list of potential funding sources to accomplish the rehabilitation and/or new construction of low moderate income housing. It is not presented in any particular order of preference. However, all are currently viable options, and are being utilized in various combinations within the State of New Jersey.

##### **A. Section 202 Supportive Housing for Elderly**

Provides a capital advance to finance the construction or rehabilitation of a structure or portion thereof. The program also provides project rental assistance (PRAC) to cover the difference between HUD-approved operating cost per unit and the amount collected through tenant rents.

- Sponsor must form a single asset owner corporation.
- Capital advance is not repayable as long as the project is available to very low income elderly for 40 years.
- Applications are normally accepted in the Spring with awards announced in August or September.
- Projects are expected to start construction within 18 months of the date of funds reservation.
- Projects should consist of at least 50 units.

**Evaluation:** Section 202 is a highly competitive process, and the time from initial application to construction completion may approach two and one half to three years. Additionally, there is sentiment in Congress to curtail funding for this program. However, the program provides 100% construction financing and a rent subsidy to guarantee operational and maintenance expenses. Depending on the level of funding, the sponsors may want to consider the program as a source of construction and project operations funding.

#### **B. Low Income Housing Tax Credits**

The LIHTC Program is not a HUD program. Rather, it is a Federal Program created by the 1986 Tax Reform Act with revisions pursuant to the Budget Reconciliation Acts of 1989 and 1990. In New Jersey, the program<sup>1</sup> is administered by the New Jersey Housing and Mortgage Finance Agency.

The Low Income Housing Tax Credit Program is administered as a monetary incentive to the development and preservation of affordable multifamily housing for families of lower income, senior citizens, handicapped individuals and homeless persons. Owners of and investors in qualifying low income rental units can use the credit as a dollar-for-dollar reduction of federal income tax liability.

The credit is taken for up to ten years if the rental housing project for which it was granted remains in compliance with low income occupancy requirements and rent restrictions.

The building may not be used for transient housing. A tenant is considered transient if the initial lease term is less than six months. All units must be suitable for occupancy as determined under regulations which take into account health, safety and building codes.

Individuals occupying a tax credit qualified unit must meet the income qualifications for their particular household size at the applicable percentage of the median income established for their area.

For an entire building to be eligible for tax credits, all units must be rented to tenants at or below 60 percent of median income. Minimum set-asides of low income units which the owners must meet to qualify a portion of the building for tax credits are:

- (a) At least 20 percent of the rental units must be rented to tenants with qualifying income at or below 50 percent of area median income, or
- (b) At least 40 percent of the rental units must be rented to tenants with qualifying income at or below 60 percent of area median income, or
- (c) At least 15 percent of the rental units must be rented to tenants with qualifying income at or below 40 percent of area median income. In addition, the rent for the tenants that are not low income must be at least 200 percent of the average rent charged to the low income tenants for a comparable unit.

Typical projects involve a non-profit sponsor which acts as the general partner in a housing development project. The tax credits are purchased by a limited partner, a bank or insurance company for instance. The equity provided through the sale of the credits to the limited partner will equal approximately 40% of the entire cost of the project. The tax credit for a new construction or rehabilitated project is based on a "present value" of 70 percent over the ten year period provided the project is not federally assisted. This percentage amounts to approximately 9%. Therefore, the actual amount of the tax credit is determined by applying the following formula:

$$\text{qualified basis} \times 9\% \times 10 \text{ yrs.} = \text{allowable tax credit}$$

Based on the above formula, a newly constructed facility for low income elderly with a qualified basis cost of \$1,000,000 would generate a tax credit of \$900,000 ( $\$1,000,000 \times .09 \times 10$ ). These credits are then marketed by the general partner to a limited partner and will sell for approximately \$.45 to \$.55 on the dollar. Therefore, a building with a qualified basis of \$1,000,000 may generate equity between \$450,000 and \$550,000 which will be used in construction of the housing.

**Evaluation:** The low income housing tax credit program is now widely used to provide equity for affordable housing projects. Additional funding sources must be identified to be used in conjunction with the LIHTC program. The credits are allocated to the State at the rate of \$1.25 per person, and NJHMFA typically accepts applications for reservations twice each year in June and September. Announcements of the reservation is made within 45-60 days of application filing. Competition is keen. NJHMFA received requests for tax credits over triple the \$8.9 million allocated in the first 1995 round.

### **C. Tax Exempt Housing funds**

In response to the overwhelming demand for tax credits, a demonstration program which combines the 4% tax credit, tax-exempt bond financing and gap financing was made available to all suburban developers who applied but did not receive tax credits under the last cycle.

The program is part of a larger strategy to increase suburban rental availability and urban homeownership rates to balance out the ratios of homeowners and renters in these areas, goals established in the State's H-EASY state housing plan.

While the applications are no longer being accepted for this round, it is a package that will be offered in future tax credit cycles.

Projects must meet the following requirements:

- Help fulfill a Council of Affordable Housing (COAH) obligation.
- Provide a minimum of 26 units.
- Meet minimum threshold tax credit criteria.
- Applied for but did not receive tax credits.

The program offers the following incentives:

- Tax-exempt bond financing at 8% interest;
- Reduction of NJHMFA fees.
- Waiver of state low-income targeting requirements which are more stringent than tax credit rules.
- Funding from the New Jersey Department of Community Affairs (NJDCA) to assist in bridging the shortfall between 9% and 4% credit. Funding is approximately \$3 million, with amounts and terms determined on an individual basis.

The demonstration program is part of an effort to coordinate resources. It represents new "one stop shopping" application for NJDCA and NJHMFA programs.

The application is unique in that developers do not have to specify programs. Applicants give information on the kinds of projects they are undertaking; the agency then identifies the appropriate programs for the project. The State of New Jersey has a continuous application cycle for all programs except the tax credit program.

In addition, a new rental incentive fund, a \$30 million taxable bond program which will provide construction loan guarantees to developers of affordable rental housing, is expected to be available shortly.

For-profits and nonprofits are encouraged to apply, but smaller nonprofits will probably be the most active participants because of the 25-unit maximum. NJDCA and NJHMFA will also provide technical assistance to developers with little or no prior experience in conjunction with this program.

Underwriting criteria for the nonrecourse loan guarantees will be:

- 90% loan-to-value ratio.
- Debt service coverage of 1.1.

- Maximum of \$30,000 per unit.
- 25 units or less.
- Guarantees 30% of loan.

**D. The Federal Home Loan Bank of New York's Affordable Housing Program**

Congress has mandated that (10%) of the Federal Home Loan Bank's profits be allocated to provide affordable housing. AHP is a subsidy fund designed to assist in the development of affordable housing for low- and very-low income households. Both owner occupied and rental projects are eligible for funding.

The Federal Home Loan Bank of New York will contribute approximately 10 percent of its 1995 net income to the AHP in 1996. Approximately twelve million dollars will be available for project assistance during two funding rounds in 1996. Applications are due each year on April 15th and October 15th. Financial institutions in New Jersey, New York, Puerto Rico, and the Virgin Islands, that are members of the Federal Home Loan Bank of New York have access to the funds. These institutions include savings institutions, commercial banks, credit unions, and insurance companies. AHP funds can be used for acquisition, rehabilitation, new construction, down payment and closing costs.

**E. Historic Tax Credit**

An investor may take an historic tax credit for improvement to a structure listed on or eligible for inclusion on the National Register. A 20% credit is available for work done on a certified historic structure. Alternatively, a 10% credit may be taken on a structure which predates 1936, but which is not listed on the National Register. Typically, the historic tax credit is taken in the first year following completion of the improvement. The historic credit may be taken in conjunction with the LIHTC. However, the basis for the LIHTC is reduced in direct proportion to the amount of the Historic Credit that is claimed for the residential portion of the restoration.

**Evaluation:** This program may apply if an existing building were utilized to provide for example elderly units.

**F. Community Development Block Grant Program**

The County of Monmouth receives an annual entitlement grant from HUD under the CDBG Program to support community development activities including the provision of affordable housing. Among eligible activities under this program are the creation of new housing through rehabilitation, conversion or reconstruction of existing buildings and acquisition of land for lower income housing.

The County issues a Notice of Fund Availability to municipalities and interested agencies to compete for funding from the CDBG allocation for eligible projects. This process usually occurs in mid calendar year in anticipation of the County's CDBG Program year.

**Evaluation:** The CDBG program represents the most viable starting point in developing a financing plan for low/moderate income housing. With the support of the County, a sponsor/developer is in a better position to seek funding from other sources such as NJHMFA and FHLB.

**G. Section 108 Loan Guarantee Program**

The Housing and Community Development Act of 1974 which authorized the CDBG Program also authorizes, under Section 108, a Loan Guarantee Program to support community development programming including housing.

Under this authorization, the County of Monmouth may borrow up to six times its annual CDBG entitlement amount for eligible activities including acquisition of land for lower income housing and the rehabilitation of existing buildings for housing. The loan may be repaid over a twenty year period, but most Section 108 loans have a repayment period of less than 10 years. Interest rates vary because the loan notes are serialized.

**Evaluation:** The Section 108 Program is typically utilized to carry out "big ticket" projects that can not be completed with a single year CDBG grant. It provides the entitlement County the opportunity to leverage its CDBG funds and provide favorable financing for major housing projects. For a housing project, the Section 108 program may be utilized directly, or indirectly as a bridge loan in conjunction with the LIHTC program.

It is important to remember that the Section 108 Loan Guarantee Program is part and parcel of the County's CDBG program. A Loan Guarantee may be proposed as part of the County's annual application for CDBG funds or may be applied for during a program year by amending the CDBG program.

**H. HOME Investment Partnerships Program**

The HOME program provides a block grant to the County of Monmouth for the development of affordable housing. Authorized by the Cranston-Gonzalez National Affordable Housing Act, the HOME program provided \$986,000 to the County from FY 1995 allocations to be used exclusively for affordable housing development.

The County evaluates requests from housing providers and decides whether to provide CDBG or HOME funds to particular developments. As originally legislated, the HOME program carried with it a number of burdensome requirements. However, recent legislation has made the HOME program more workable and user friendly.

**Evaluation:** The County will receive a HOME block grant for FY 1996 which will equal the 1995 amount. A sponsor/developer of a housing project could respond the County's notice of funds, and the County would evaluate the request and determine whether the project is fundable. If the evaluation is positive, the

County will offer either CDBG or HOME funds in support of the project. If the sponsor/developer is able to influence the decision, the use of CDBG funds as opposed to HOME will provide more flexibility during the development phase.

#### **I. FHA Insurance Program**

There are also a number of FHA Insurance Programs that a sponsor/developer may investigate to assist in the development of market rate rental units. The two primary insurance programs that may be applicable would be the 221(d)(3) and 221(d)(4) Multifamily Market Rate Housing Programs.

Under this program, HUD insures lenders against loss on mortgages for market rate rental projects. Insured mortgages may be used to finance construction or rehabilitation of rental or cooperative rental housing containing 5 or more units. The program has statutory mortgage limits which vary according to the size of the unit, the type of structure, and the location of the project. There are also loan to replacement cost and debt service limitations.

Sponsors of 221(d)(3) or (4) housing may be public bodies, profit motivated sponsors, etc. A nonprofit sponsor must receive from HUD a certification of eligibility before submitting a formal project application.

The authority given to HUD under Section 221(d)(3) and Section 221(d)(4) of the National Housing Act is very similar in intent. Both sections give HUD authority for insuring mortgage loans to finance rental and cooperative housing for low- and moderate-income families. Both give preference to providing housing for those families and individuals displaced by government action.

Nonetheless, there are a few differences between the sections.

First, Section 221(d)(3) allows HUD to insure mortgages for up to 100 percent of project value for mortgages made by nonprofit corporations or associations, cooperative organizations (including investor-sponsored mortgagors), public entities, or builder-sellers. HUD may insure other entities (i.e. profit-motivated entities) at only up to 90 percent under Section 221(d)(3). Under Section 221(d)(4), however, HUD may not insure mortgages for more than 90 percent of the project value, regardless of the mortgagor.

Second, Section 221(d)(3) and Section 221(d)(4) assign different dollar amounts that projects units may not exceed in order to receive HUD program support. These maximums, which do not include exterior land improvements are available from HUD. For that reason, and the fact that nonprofit organizations can receive Section 221(d)(3) mortgage insurance at up to 100 percent, it is more likely that nonprofits will utilize the 221(d)(3) program. They vary according to the size of the unit, the type of the structure (elevator or non-elevator), and, for Section 221(d)(3), the type of mortgagor. The limits assigned to Section 221(d)(3) are greater than those for 221(d)(4).

C. *FINANCIAL IMPLICATIONS*

Part II of this report outlines various subsidy programs that a sponsor/developer may access to develop affordable housing in the Borough of Oceanport.

A. **Development Examples**

This section presents two examples for the provision of lower income housing. The first example is for forty (40) new construction elderly housing units on the site which runs along Myrtle Avenue from Port Au Peck Avenue to the Municipal Building. This site is approximately thirty-three (33) acres in size. While most of this area is in a wetland there are approximately 5.7 acres which are buildable. In the course of this study, representatives of the New Jersey Sports and Exposition Authority indicated that this site is essentially worthless to them and may be available to the Borough at no cost. Therefore this example does not include costs for the acquisition of land. It is acknowledged that the minimum number of elderly units needed to satisfy the COAH requirement is eighteen (18). However, construction economics suggest forty units are ideal. Any additional units can be counted toward a subsequent COAH number.

The second example is for a typical townhouse unit for a first time homebuyer. A site is not as yet determined. It is assumed that land would need to be acquired from the Authority. It is anticipated that County CDBG funds would be requested for acquisition purposes.

An acquisition price of \$100,000 per acre has been utilized in the calculation. It is acknowledged that the minimum number of dwelling units, for first time lower income homebuyers, needed to satisfy COAH is eighty-eight (88) units. The twenty (20) unit example used here represents a more typical sized development. The balance of the units would need to be phased in over time.



VC (Proposed New Zone)

VILLAGE CENTER

I

INDUSTRIAL

B-3

B-2

B-1 (To include Assisted Living Facilities)

BUSINESS

RM

RM0

R-7.5 (Proposed New Zone)

R-6

R-4

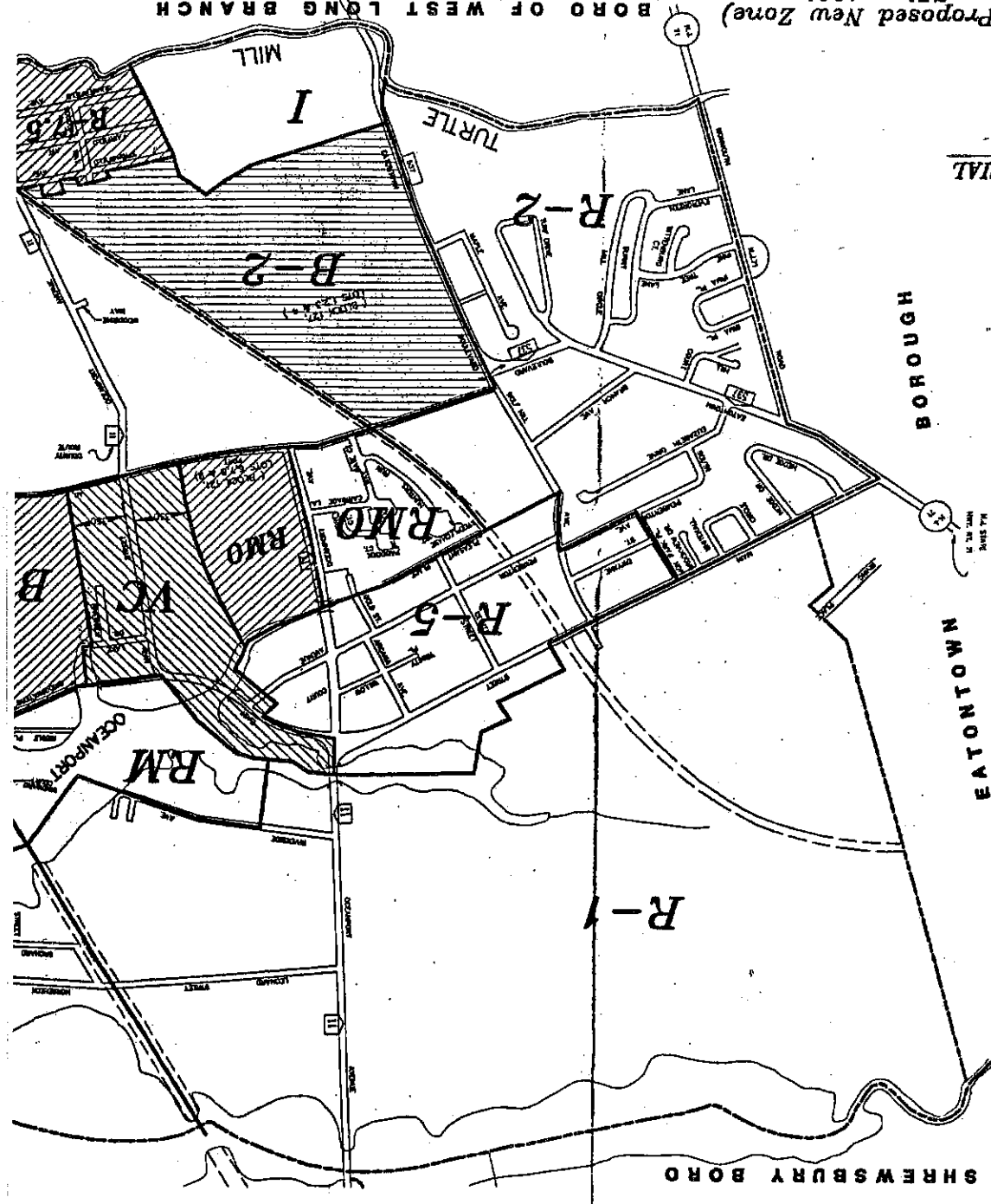
R-3

R-2

R-1

RESIDENTIAL

KEY  
PROPOSED ZONE CHANGES  
OPEN SPACE - PROPOSED COUNTY PARK

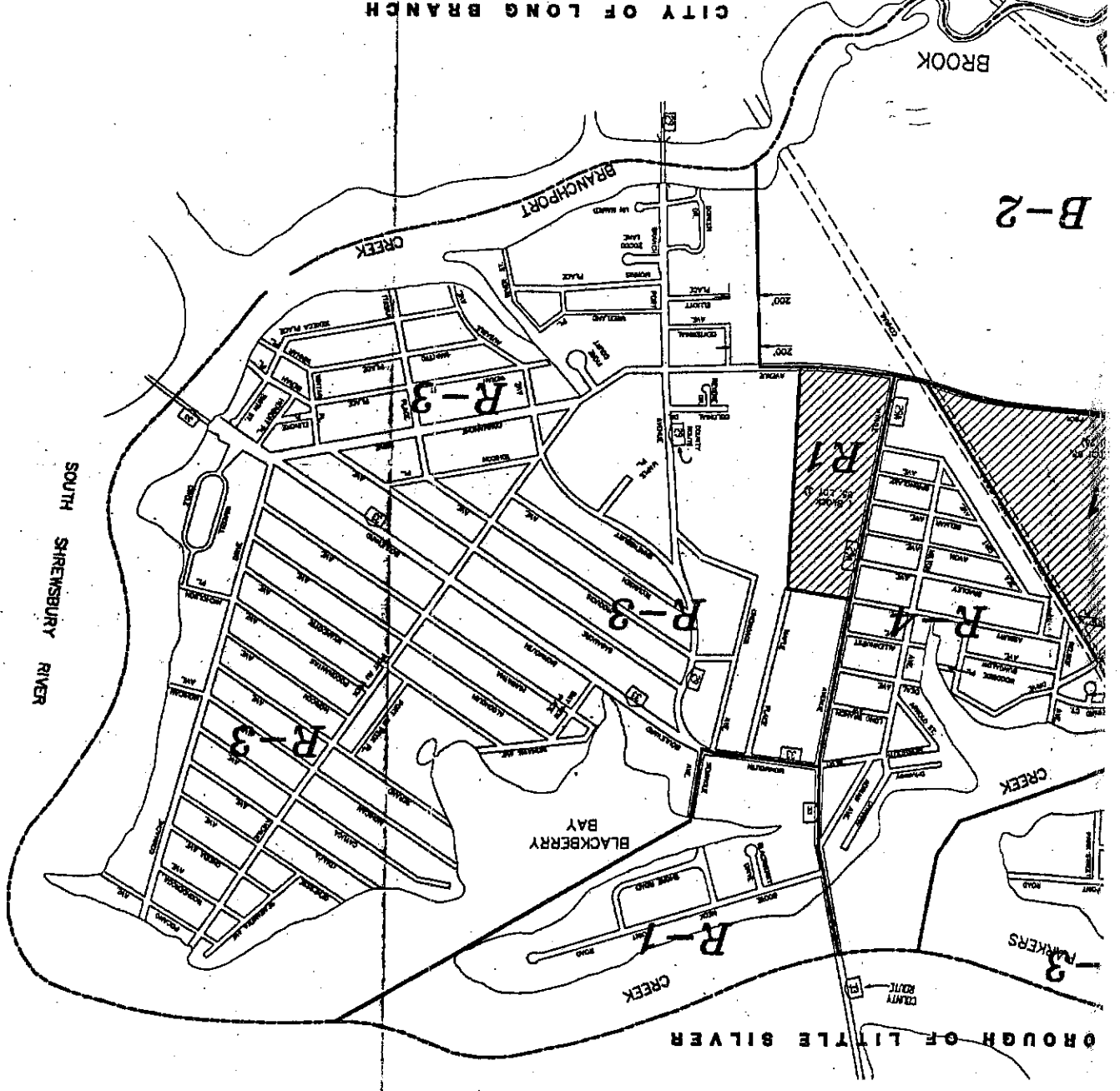


NOTE: BLOCK AND LOTS FOR  
N.J. SPORTS AUTHORITY PROPERTY  
SHOWN FOR REFERENCE ONLY.

PROPOSED ZONE CHANGES

OPEN SPACE - PROPOSED COUNTY PARK

CITY OF LONG BRANCH



PROPOSED ZONING MAP  
BOROUGH OF OCEANPORT  
NEW JERSEY  
SEPTEMBER 11, 1996  
BIRDSALL ENGINEERING, INC.  
1700 F STREET, SOUTH BELMAR, NEW JERSEY 07719