

Amended Housing Plan Element and Fair Share Plan

Prepared for:

**The Township of Hillsborough
Somerset County, New Jersey**

March 2023

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INTRODUCTION

In the case of Southern Burlington County NAACP v. the Township of Mount Laurel 67 N.J.151 (1975), (commonly known as Mount Laurel I), the New Jersey Supreme Court established the doctrine that developing municipalities in New Jersey have a constitutional obligation to provide a realistic opportunity for the construction of low and moderate income housing in their communities. In its Mount Laurel decision, decided on January 20, 1983 (Mount Laurel II), the New Jersey Supreme Court expanded the Mount Laurel doctrine by stating that this constitutional responsibility extended to all municipalities in New Jersey. The Court also established various remedies, including the “builder’s remedy” or Court-imposed zoning, to ensure that municipalities affirmatively addressed this obligation.

In response to the Mount Laurel II decision, the New Jersey Legislature adopted the Fair Housing Act in 1985 (Chapter 222 of the Laws of New Jersey, 1985). The Fair Housing Act established a Council on Affordable Housing (COAH) as an administrative alternative to the courts. COAH was also given the responsibility of establishing various housing regions in the state, determining regional and municipal fair share affordable housing obligations and adopting regulations establishing the guidelines and approaches that municipalities may use in addressing their affordable housing need.

Under COAH’s regulations, low-income households are defined as those with incomes no greater than fifty (50%) percent of the median household income, adjusted for household size, of the housing region in which the municipality is located, and moderate-income households are those with incomes no greater than eighty (80%) percent and no less than fifty (50%) percent of the median household income, adjusted for household size, of the housing region. For the Township of Hillsborough, the housing region is defined by COAH as Region 3 and is comprised of Somerset, Hunterdon, and Middlesex Counties. In Region 3, the 2020 median income for a four (4) person household is \$119,500, the moderate-income level is \$95,600 and low-income is \$59,750.¹

Pursuant to both the Fair Housing Act and the Municipal Land Use Law (MLUL), municipalities in New Jersey are required to include a housing element in their master plans. The principal purpose of the housing element is to provide for methods of achieving the goal of access to affordable housing to meet the municipality’s low- and moderate-income housing needs. The statutory required contents of the housing element are:

- An inventory of the municipality’s housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low- and moderate-income households and substandard housing capable of being rehabilitated;
- A projection of the municipality’s housing stock, including the probable future construction of low- and moderate-income housing, for the next ten (10) years, taking into account, but not

¹ https://ahpnj.org/member_docs/Income_Limits_2020.pdf

necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;

- An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
- An analysis of the existing and probable future employment characteristics of the municipality;
- A determination of the municipality's present and prospective fair share for low- and moderate-income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low- and moderate-income housing; and,
- A consideration of the lands that are most appropriate for construction of low- and moderate-income housing and of the existing structures most appropriate for conversion to, or rehabilitation for low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to provide low- and moderate-income housing.

MUNICIPAL SUMMARY

Hillsborough Township (hereinafter referred to as the "Township" or "Hillsborough") is a large agricultural, environmentally sensitive, and residential community located within Somerset County in central New Jersey. The Township, fifty-five (55) square miles in size, has a land mass running along an east-west orientation. Hillsborough is bordered by eleven (11) municipalities: the Somerset County municipalities of Branchburg to the northwest; Bridgewater, Raritan Borough and Somerville to the north; Manville to the northeast, Franklin Township and Millstone to the east, and Montgomery to the south; and, the Hunterdon County municipalities of Readington, Raritan Township and East Amwell to the west. The Township contains an incredibly diverse array of natural features, land uses and development patterns. As will be described more throughout this housing plan, the Township has a long-standing history of pursuing smart growth development that preserves natural and rural areas as environs with limited development and targets the central portion of the Township for residential and commercial development. This approach speaks to the Township's continued policy of concentrating growth around transit corridors and existing development in lieu of encouraging sprawling greenfield development.

Historically, a rural community between the developed municipalities of Somerville and Princeton, Hillsborough had very little development until the 1960's. The growth of subsequent years occurred predominately in the center of the Township and to the east along New Jersey State Route 206, which traverses the Township from its northern border near Raritan Borough and Somerville to south. Development also occurred along County Routes 514 (Amwell Road) and 533 (Millstone River Road). Aside from these state and county connections, few major roads run through Hillsborough. Local arterial roads include Triangle Road/Falcon Road, Hillsborough Road, Willow Road, Wertsville Road and Beekman Lane. Over the years, transportation improvements that would have had a drastic effect on the Township's circulation network, such as the construction of a proposed I-95/Somerset Expressway interchange, have been planned,

but never materialized and were abandoned. Similarly, the Township began planning for Transit Village status when a proposal for reactivating the former West Trenton line for commuter rail service seemed likely to occur. However, this plan also never materialized.

The Township contains or is in the immediate vicinity of a number of notable, regionally-significant natural features and open space facilities. The Raritan River forms the Township's northern boundary and the Millstone River forms much of its eastern border. Other major water features flowing through the Township include the Neshanic River, Royce Brook, Rock Brook, and many other tributaries. Hillsborough's terrain is flat to gently rolling, with the major exception of the Sourland Mountain area located in the Township's southwestern extent. Approximately three-quarters (3/4) of the 4,000-acre designated Sourland Mountain Preserve, owned and maintained by the Somerset County Park Commission, is located in Hillsborough. The Township's northeastern corner is home to Duke Farms, a one thousand (1,000) acre preservation, research, and environmental education facility operated by the Duke Farms Foundation non-profit. Alongside the preservation of natural features, the Township actively pursues preservation of its rural heritage and lands, having preserved 2,684.2 acres of farmland, as of December 1, 2017.

Hillsborough had a population of 39,397 people in 2018, according to the U.S. Census Bureau's American Community Survey 5-Year Estimates. Hillsborough has a population density of 715 persons per square mile of land area, which is lower than Somerset County's overall density of 1,086 persons per square mile. The age structure of Hillsborough's population is aging, with the median age increasing from 35.7 to 41.1 between 2000 and 2018. The Township's 2018 median household income estimate of \$125,303 was higher than that of the County (\$111,772) and the State (\$110,140). In the guidelines established by COAH, Hillsborough Township is located in affordable housing Region 3, which is comprised of Somerset, Hunterdon, and Middlesex Counties.

DEMOGRAPHIC CHARACTERISTICS

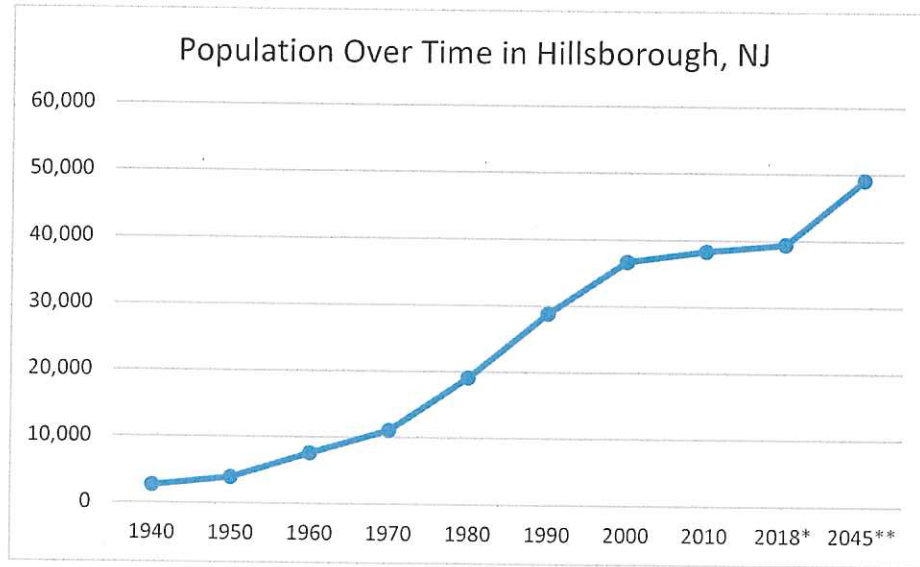
POPULATION

In 2018, the Township of Hillsborough had a total population of 39,397. This number represented a net increase of 2,763 individuals or seven and one-half (7.5%) percent since 2000. Total population has not yet peaked. Each census has shown continual population increases, albeit at a decreasing rate since 1980. The sharpest increases occurred from 1950 to 1960 (95.7%), and 1970 to 1980 (72.3%). The 2010 population of 38,303 represented approximately one and two-tenths (1.2%) percent of the total population of Somerset County. The total population patterns over time for both Hillsborough and Somerset County are detailed below.

TABLE 1: POPULATION TRENDS, 1940-2018

Year	Hillsborough			Somerset County			New Jersey		
	Population	Change		Population	Change		Population	Change	
		Number	Percent		Number	Percent		Number	Percent
1940	2,645	-	-	74,390	-	-	4,160,165	-	-
1950	3,875	1,230	46.50%	99,052	24,662	33.20%	4,835,329	675,164	16.20%
1960	7,584	3,709	95.70%	143,913	44,861	45.30%	6,066,782	1,231,453	25.50%
1970	11,061	3,477	45.80%	198,372	54,459	37.80%	7,171,112	1,104,330	18.20%
1980	19,061	8,000	72.30%	203,129	4,757	2.40%	7,365,011	193,899	2.70%
1990	28,808	9,747	51.10%	240,279	37,150	18.30%	7,730,188	365,177	5.00%
2000	36,634	7,826	27.20%	297,490	57,211	23.80%	8,414,350	684,162	8.90%
2010	38,303	1,669	4.60%	323,444	25,954	8.70%	8,791,894	377,544	4.50%
2018*	39,397	1,094	2.86%	331,164	7,720	2.39%	8,908,520	116,626	1.33%
2045**	49,074	9,677	24.56%	367,012	35,848	10.82%	-	-	-

Source: U.S. Census Bureau Decennial Census (table DP-1)
 *U.S. Census Bureau, 2018 ACS 5-Year Estimates (table DP05)
 **Projections from North Jersey Transportation Planning Authority



POPULATION COMPOSITION BY AGE

The age composition of Hillsborough has shifted somewhat since 2000. According to American Community Survey 2018 5-Year Estimates, changes occurred in many age groups. The number of young children decreased by about twenty-five (25%) percent, while the number of young adults increased by about fifty-two (52%) percent over this time period. The largest increase occurred within the 60 to 64-year-old age cohort, which saw an increase of one-hundred seventy-three (173%) percent, with other significant increases in the 65 to 74 years age cohort (116%), the 85 and older age group (104%), and the 55 to 59 years age cohort (101%). In addition to young children, age cohorts including adults aged 25 to 44 years also saw decreases in population.

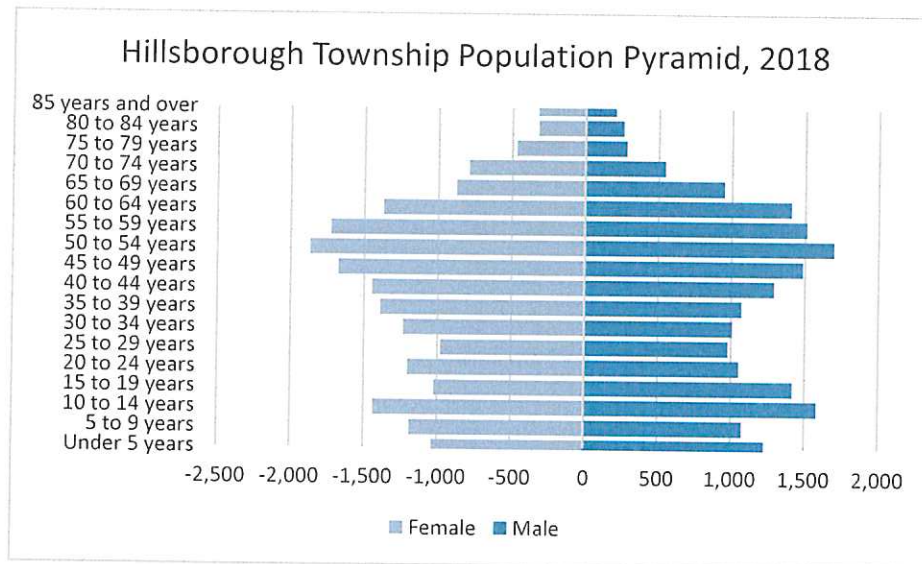
TABLE 2: POPULATION BY AGE COHORT, HILLSBOROUGH, 2000-2018

Population	2000		2018		Change 2000-2018
	Number	Percent	Number	Percent	
Total population	36,634	100.0%	39,378	100%	7.49%
Under 5 years	2,898	7.9%	2,263	5.75%	-21.91%
5 to 9 years	3,200	8.7%	2,264	5.75%	-29.25%
10 to 14 years	3,088	8.4%	3,019	7.67%	-2.23%
15 to 19 years	2,212	6.0%	2,441	6.20%	10.35%
20 to 24 years	1,485	4.1%	2,256	5.73%	51.92%
25 to 34 years	4,914	13.4%	4,198	10.66%	-14.57%
35 to 44 years	7,802	21.3%	5,196	13.20%	-33.40%
45 to 54 years	5,898	16.1%	6,729	17.09%	14.09%
55 to 59 years	1,611	4.4%	3,241	8.23%	101.18%
60 to 64 years	1,018	2.8%	2,779	7.06%	172.99%
65 to 74 years	1,462	4.0%	3,161	8.03%	116.21%
75 to 84 years	789	2.2%	1,325	3.36%	67.93%
85 years and over	257	0.7%	525	1.33%	104.28%
2000 US Census Bureau (table DP-1) U.S. Census Bureau, American Community Survey 2018 5 Year Estimates (table DP-05)					

Somerset County experienced similar shifts in the age make-up of its population. The County experienced decreases in cohorts of very young children and adults aged 25 to 44 years. The 55 to 74-year-old and the 85-year-old and over categories saw large increases. As with the Township, a significant increase was also observed in the 15 to 24-year-old cohorts. These increases in older population groups suggested that the County, like Hillsborough, has an aging population. However, the relative magnitude in the increase in senior population categories for both the Township and the County is lesser than that observed in other regions of the state. The similarities in population age distribution between the Township and the County are illustrated by the high degree of likeness in the shape of their population pyramids provided below.

TABLE 3: POPULATION BY AGE COHORT, SOMERSET COUNTY, 2000-2018

Population	2000		2018		Change 2000-2018
	Number	Percent	Number	Percent	
Total population	297,490	100.00%	330,176	100%	10.99%
Under 5 years	22,207	7.50%	17,325	5.25%	-21.98%
5 to 9 years	22,783	7.70%	19,150	5.80%	-15.95%
10 to 14 years	20,554	6.90%	23,463	7.11%	14.15%
15 to 19 years	15,415	5.20%	22,435	6.79%	45.54%
20 to 24 years	12,547	4.20%	19,093	5.78%	52.17%
25 to 34 years	42,367	14.20%	35,620	10.79%	-15.93%
35 to 44 years	58,297	19.60%	43,272	13.11%	-25.77%
45 to 54 years	43,861	14.70%	53,870	16.32%	22.82%
55 to 59 years	15,170	5.10%	26,542	8.04%	74.96%
60 to 64 years	10,908	3.70%	20,477	6.20%	87.72%
65 to 74 years	17,770	6.00%	27,069	8.20%	52.33%
75 to 84 years	11,482	3.90%	14,720	4.46%	28.20%
85 years and over	4,129	1.40%	7,140	2.16%	72.92%
2000 US Census Bureau (table DP-1) U.S. Census Bureau, American Community Survey 2018 5 Year Estimates (table DP-05)					



The median age of Township residents increased by an estimated five point seventy (5.7) years between 2000 and 2018. This trend was consistent with the experience of Somerset County overall, but at a slightly larger magnitude. When compared with the state-level increase of three point thirty (3.3) years, it is apparent that the general “greying” of the population occurring as the baby boom generation ages is affecting Hillsborough and Somerset County to a slightly greater extent that is occurring elsewhere. At forty-one point forty (41.4) years, the Township exhibited a slightly lower median age than that of the County, but a slightly higher median age than that of the state at large.

TABLE 4: MEDIAN AGE

Year	Hillsborough	Somerset County	New Jersey
2000	35.7	37.2	36.7
2018	41.4	41.7	40.0
Change	5.7	4.5	3.3
U.S. Census Bureau, 2000 Decennial Census (table DP-1) U.S. Census Bureau, American Community 2018 5-Year Estimates (table DP-05)			

HOUSEHOLDS

A household is defined as one or more persons, either related or not, living together in a housing unit. 2018 ACS 5-Year Estimates note that there were approximately thirteen thousand five hundred ninety (13,590) households in the Township. Approximately fifty (50%) percent of the Township’s households were comprised of one (1) or two (2) persons. In both Hillsborough Township and Somerset County, the most common household size is two (2) persons. The Township and County contain a similar makeup of household size, with the exception of a larger number of one (1)-person households Countywide and a larger number of four (4) or more person households within Hillsborough. The Township’s average household size was 2.88, while the County’s average household size was 2.78, according to these estimates.

**TABLE 5: HOUSEHOLD CHARACTERISTICS
HILLSBOROUGH AND SOMERSET COUNTY, 2018**

	Hillsborough		Somerset County	
	Number	Percent	Number	Percent
Total Households	13,590	100.00%	117,012	100.00%
1-person	2,558	18.82%	27,267	23.30%
2-persons	4,276	31.46%	36,527	31.22%
3-persons	2,682	19.74%	22,167	18.94%
4 or more persons	4,074	29.98%	31,051	26.54%
Average Household Size	2.88		2.78	
U.S. Census Bureau, American Community Survey 2018 5 Year Estimates (tables S2501 & B25010)				

Family households are defined as two (2) or more persons living in the same household, related by blood, marriage or adoption. Most households in Hillsborough were families, comprising seventy-eight (78%) percent of all households. Approximately eighty-six (86%) percent of all family households were family households with married couple householders, while two and nine tenths (2.9%) percent and twenty-three and nine tenths (23.9%) percent of family households were family households consisting of single parent male or female householders, respectively. The average family size in Hillsborough was three point thirty-one (3.31) persons. Of all Township households, twenty-two (22%) percent were non-family households.

TABLE 6: HOUSEHOLDS BY TYPE (2018)

Household Size	Total	Percent
Total Households	13,590	100.0%
1 person household	2,558	18.8%
2 or more person household	11,032	81.2%
Family households	10,582	77.9%
Married Couple Family	9,092	85.9%
With own children under 18 years	4,132	45.4%
No children under 18 years	4,960	54.6%
Other Family	1,490	11.0%
Male householder, no wife present	307	2.9%
With own children under 18 years	45	14.7%
No own children under 18 years	262	85.3%
Female householder, no husband present	1,183	23.9%
With own children under 18 years	617	52.2%
No own children under 18 years	566	47.8%
Nonfamily Households	3,008	22.1%
Average Family Size	3.31	
U.S. Census Bureau, American Community Survey 2018 5-Year Estimates (table S1101)		

INCOME

Hillsborough experienced a sixty-one and seven tenths (61.7%) percent increase in per capita income between 2000 and 2018, which was higher than both Somerset County's forty-three and three tenths (43.3%) percent increase and the State's fifty-one and four tenths (51.4%) percent increase over the same period. The Township's absolute per capita income of \$53,515 is slightly lower than the County's \$54,393 per capita income figure; and is substantially more than the State's \$40,895 per capita income figure.

TABLE 7: PER CAPITA INCOME AND MEDIAN HOUSEHOLD INCOME

	2000 Per Capita Income	2018 Per Capita Income	Percent Change	2000 Median Household Income	2018 Median Household Income	Percent Change
Hillsborough	\$33,091	\$53,515	61.7%	\$83,290	\$125,303	50.4%
Somerset County	\$37,970	\$54,393	43.3%	\$76,933	\$111,772	45.3%%
New Jersey	\$27,006	\$40,895	51.4%	\$55,146	\$110,140	99.7%
U.S. Census Bureau, 2000 Decennial Census (tables DP-3 and P082)						
U.S. Census Bureau, American Community Survey 2018 5 Year Estimates (table S1903)						

The income distribution for the Township is similar to that of the County. The income bracket in Hillsborough containing the highest percentage of households was the \$200,000 or more range (25.42%), followed by the \$100,000 to \$149,999 range (20.5%). Somerset County follows this same pattern, with slightly smaller percentages for these two (2) categories, twenty-three-point eleven (23.11%) percent and nineteen-point thirty-seven (19.37%) percent, respectively. In Hillsborough, over 50 percent of households earned more than \$100,000 a year. Households in Hillsborough earned more than households in Somerset County and the state overall in 2018. The 2018 median household income in Hillsborough was \$125,303 approximately \$13,500 more than the county median household income figure and \$15,000 more than the state median household income figure. Between 2000 and 2018, the median household income increased by fifty-point forty (50.4%) percent, more than the forty-five-point thirty (45.3%) percent growth rate experienced in Somerset County and the ninety-nine point seventy (99.7%) percent increase for the State overall.

**TABLE 8: HOUSEHOLD INCOME DISTRIBUTION
HILLSBOROUGH AND SOMERSET COUNTY, 2018**

	Hillsborough		Somerset County	
	Number	Percent	Number	Percent
Total Households	13,590	100.00%	117,012	100.00%
Less than \$10,000	182	1.34%	3,189	2.73%
\$10,000 to \$14,999	79	0.58%	2,178	1.86%
\$15,000 to \$24,999	391	2.88%	5,405	4.62%
\$25,000 to \$34,999	438	3.22%	5,179	4.43%
\$35,000 to \$49,999	1,008	7.42%	8,484	7.25%
\$50,000 to \$74,999	1,257	9.25%	14,329	12.25%
\$75,000 to \$99,999	1,848	13.60%	13,561	11.59%
\$100,000 to \$149,999	2,786	20.50%	22,661	19.37%
\$150,000 to \$199,999	2,147	15.80%	14,981	12.80%
\$200,000 or more	3,454	25.42%	27,045	23.11%
U.S. Census Bureau, American Community Survey 2018 5 Year Estimates (table B19001)				

HOUSEHOLD COSTS

The tables below show housing expenditures for owner- and renter-occupied units in Hillsborough in 2018. The first (1st) table shows the housing costs of owner occupants as a percentage of total income. A total of 2,821

home-owning households (24.6%) were devoting more than thirty (30%) percent of their annual income to housing costs. The State affordability threshold for housing as a percent of income suggests that not more than twenty-eight (28%) percent of gross income should be allocated for housing costs.

The second (2nd) table shows rental costs as a percentage of household income. A total of 870 households renting in Hillsborough, or forty-one and two tenths (41.2%) percent, were spending over thirty (30%) percent of their incomes on rent. The State affordability threshold for housing as a percent of income suggests that not more than thirty (30%) percent of gross income should be allocated for rent.

TABLE 9: MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME, 2018

	Hillsborough		Somerset County	
	Number	Percentage	Number	Percentage
Total Owner-Occupied Housing Units	11,477	100.0%	88,500	100.0%
Less than 15%	3,288	28.7%	26,502	29.9%
15 to 19%	1,795	15.6%	15,137	17.1%
20 to 24%	2,047	17.8%	12,772	14.4%
25 to 29%	1,500	13.1%	8,702	9.8%
30 to 34%	669	5.8%	6,175	7.0%
35% or more	2,152	18.8%	18,873	21.3%
Not computed	26	0.2%	339	0.4%
U.S. Census Bureau, American Community Survey 2018 5- Year Estimates (table B25091)				

TABLE 10: GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME, 2018

	Hillsborough		Somerset County	
	Number	Percentage	Number	Percentage
Total Renter-Occupied Housing Units	2,113	100.0%	27,553	100%
Less than 15%	181	8.6%	3,118	11.3%
15 to 19%	372	17.6%	3,694	13.4%
20 to 24%	347	16.4%	4,177	15.2%
25 to 29%	227	10.7%	3,684	13.4%
30 to 34%	234	11.1%	2,240	8.1%
35% or more	636	30.1%	9,519	34.5%
Not computed	116	5.5%	1,121	4.1%
U.S. Census Bureau, American Community Survey 2018 5-Year Estimates (table B25070)				

EXISTING HOUSING CONDITIONS

HOUSING UNIT DATA

Hillsborough's housing stock is predominantly owner-occupied and relatively new. According to the 2015 ACS, the Township had a total of 14,597 housing units, 13,590 (93.1%) of which are occupied. Most of the 1,007 vacant units are reported as being either other vacant or sold, not occupied (27.21% and 27.01% respectively). Of the Township's fully occupied housing units, most (84.45%) were owner-occupied, while fifteen-point fifty-five (15.55%) percent were renter-occupied. House-building activity in Hillsborough peaked in the decades 1970-2000. The median age of the Township's housing is 1977.

TABLE 11: OCCUPANCY DATA, 2018

Housing Units in Hillsborough	Number	Percent
Total Housing Units	14,597	100%
Occupied Housing Units	13,590	93.10%
Owner Occupied	11,477	84.45%
Renter Occupied	2,113	15.55%
Vacant Housing Units	1,007	6.90%
For Rent/Rented Not Occupied	180	17.87%
For Sale Only	207	20.56%
Sold, not occupied	272	27.01%
For Seasonal, Recreational or Occasional Use	74	7.35%
Other Vacant	274	27.21%
U.S. Census Bureau, American Community Survey 2018 5-Year Estimates (tables DP04 and B25004)		

TABLE 12: AGE OF HOUSING, 2018

Housing Units in Hillsborough	Number	Percent
Built 1939 or earlier	625	4.3%
Built 1940 to 1949	188	1.3%
Built 1950 to 1959	827	5.7%
Built 1960 to 1969	1,256	8.6%
Built 1970 to 1979	2,997	20.5%
Built 1980 to 1989	4,476	30.7%
Built 1990 to 1999	2,412	16.5%
Built 2000 to 2009	941	6.4%
Built 2010 or later	830	5.7%
Total	14,597	100.0%
Median Year Structure Built	1977	
U.S. Census Bureau, American Community Survey 2018 5-Year Estimates (table DP04 and B25035)		

HOUSING TYPE AND SIZE

The housing stock in Hillsborough is dominated by single-family homes, which comprise approximately eighty-five (85%) percent of the Township's housing stock. However, approximately twenty-four (24%) percent of single-family homes are attached. Of all multi-family housing types, there are relatively few duplex and low-density multi-family units, comprising five and one half (5.5%) percent of all housing units. Developments of ten to nineteen (10 to 19) units or twenty (20) units or more are the more common multi-family development type, representing nine and seventh tenths (9.7%) percent of all housing units. The median number of rooms per unit was six-point ninety (6.9).

TABLE 13: HOUSING UNITS BY TYPE, 2018

Units in Structure	Total	Percent
Total	14,597	100.0%
1 Unit, detached	8,874	60.8%
1 Unit, attached	3,509	24.0%
2 Units	229	1.6%
3 or 4 Units	295	2.0%
5 to 9 Units	272	1.9%
10 to 19 Units	877	6.0%
20 Units or more	534	3.7%
Mobile home	7	0.0%
Boat, RV, van, etc.	0	0.0%
Rooms	Total	Percent
1 room	81	0.6%
2 rooms	101	0.7%
3 rooms	662	4.5%
4 rooms	1,311	9.0%
5 rooms	1,883	12.9%
6 rooms	2,511	17.2%
7 rooms	1,900	13.0%
8 rooms	2,693	18.4%
9 or more rooms	3,455	23.7%
Median number of rooms	6.9	
U.S. Census Bureau, American Community Survey 2018 5-Year Estimates (DP04)		

HOUSING VALUES AND CONTRACT RENTS

According to ACS 5-Year Estimates, housing units in Hillsborough were most frequently valued in the \$500,000 to \$999,999 range, with thirty-five and one-half (35.5%) percent of all households belonging to this category. Another thirty-four and six tenths (34.6%) percent of households were valued between \$300,000 and \$499,999. Table 14 provides a breakdown of home values for owner-occupied units within the Township. Only four and seven tenths (4.7%) percent of units which are owner-occupied units in Hillsborough were worth less than \$200,000. The median value of an owner-occupied housing unit was \$423,300 at the time of the survey.

TABLE 14: VALUE OF OWNER-OCCUPIED HOUSING UNITS, 2018

	Hillsborough		Somerset County	
	Number	Percentage	Number	Percentage
Total	11,477	100.0%	88,500	100.0%
Less than \$50,000	93	0.8%	925	1.0%
\$50,000 to \$99,999	51	0.4%	795	0.9%
\$100,000 to \$149,999	122	1.1%	1,577	1.8%
\$150,000 to \$199,999	483	4.2%	2,825	3.2%
\$200,000 to \$299,999	2,622	22.8%	18,319	20.7%
\$300,000 to \$499,999	3,966	34.6%	29,553	33.4%
\$500,000 to \$999,999	4,078	35.5%	29,545	33.4%
\$1,000,000 and greater	62	0.5%	4,961	5.6%
Median Value	\$423,300		\$420,500	
U.S. Census Bureau, American Community Survey 2018 5-Year Estimates (table DP04)				

With respect to renter-occupied units, there are a range of rents, with most rental units (71%) in the Township carrying rental costs either within the \$1,000 to \$1,499 range or the \$1,500 to \$1,999 range per month. At the time of the ACS 5-Year Estimates, the median gross rent in Hillsborough was \$1,709, slightly higher than the County median rent of \$1,552. Only zero point-eighty (0.8%) percent of units in the Township carried rental costs less than \$1,000 per month, though one hundred three (103) units are estimated to have not required cash rent payments.

TABLE 15: GROSS RENT PAID

	Hillsborough		Somerset County	
	Number	Percentage	Number	Percentage
Total	2,010	100.0%	27,401	100.0%
Less than \$500	7	0.3%	908	3.3%
\$500 to \$999	11	0.5%	2,035	7.4%
\$1,000 to \$1,499	670	33.3%	9,898	36.1%
\$1,500 to \$1,999	758	37.7%	8,314	30.3%
\$2,000 to \$2,999	520	25.9%	5,382	19.7%
\$3,000 or more	44	2.2%	864	3.2%
No cash rent	103	5.1%	1,111	4.1%
Median Contract Rent	\$1,709		\$1,552	
U.S. Census Bureau, American Community Survey 2018 5-Year Estimates (table DP04)				

HOUSING CONDITIONS

According to the 2018 ACS, there were two-hundred nine (209) units exhibiting overcrowding (more than one person per room), equivalent to six point four seven (6.47%) percent of the Township's occupied housing stock. There were also a limited number of units lacking complete plumbing facilities (0.1%) or complete kitchen facilities (0.5%) in Hillsborough. These factors are utilized in determining housing deficiency and general housing problems and are used as the basis to calculate the municipal rehabilitation obligation.

TABLE 16: HOUSING DEFICIENCY CHARACTERISTICS

Housing Units with 1.01 or More Persons Per Room		
Owner-Occupied	87	0.75%
Renter-Occupied	122	5.72%
Plumbing Facilities		
Total Occupied Housing Units	13,590	100%
Lacking complete plumbing facilities	15	0.1%
Kitchen Equipment		
Total Occupied Housing Units	13,590	100%
Lacking complete kitchen facilities	68	0.5%
U.S. Census Bureau, American Community Survey 2018 5-Year Estimates (tables B25014, S2504)		

PROJECTED HOUSING STOCK

According to the New Jersey State Department of Community Affairs, Hillsborough Township issued building permits for one thousand eight hundred eighty two (1,882) residential dwelling units between January 2000 and December 2018. During that same time period, the Township also issued forty-three (43) residential demolition permits. Subtracting demolition permits from construction permits yields a net increase of one thousand eight hundred thirty-nine (1,839) dwelling units.

**TABLE 17: BUILDING PERMITS AND DEMOLITION PERMITS ISSUED,
2000 - 2018**

Year	1 & 2 Family	Multi Family	Mixed Use	Total New Construction	Total Residential Demolitions	Net Units Added
2000	-	-	-	18	1	17
2001	-	-	-	114	8	106
2002	-	-	-	2	0	2
2003	-	-	-	3	1	2
2004	4	0	0	4	0	4
2005	15	0	0	15	0	15
2006	39	12	0	51	4	47
2007	177	36	0	213	3	210
2008	105	23	0	128	1	127
2009	79	0	0	79	7	72
2010	84	0	0	84	5	79
2011	63	0	0	63	4	59
2012	96	0	0	96	1	95
2013	113	0	0	113	1	112
2014	47	84	0	131	1	130
2015	76	236	0	312	1	311
2016	66	130	0	196	1	195
2017	78	109	0	187	4	183
2018	61	12	0	73	0	73
Total	1,103	642	0	1,882	43	1,839

EMPLOYMENT DATA

The 2018 ACS reports on work activity of residents aged sixteen (16) years and older. While the Township's working age population was 31,245 residents, Hillsborough had an approximate labor force of 23,110 residents. Approximately twenty-six (26%) percent of the Township's working age residents were not participating in the labor force at the time of the estimates. All of the Township's labor force was employed in civilian jobs, with zero (0) residents reported as members of the armed forces. Approximately three (3%) percent of Township residents actively looking for work are unemployed.

TABLE 18: EMPLOYMENT STATUS

	Hillsborough		Somerset County	
	Number	Percent	Number	Percent
Population 16 years and over	31,245	100.0%	265,127	100.0%
In labor force	23,110	74.0%	181,554	68.5%
Civilian Labor Force	23,110	74.0%	181,508	68.5%
Employed	22,167	70.9%	173,381	65.4%
Unemployed	943	3.0%	8,127	3.1%
Armed Forces	0	0.0%	46	0.0%
Not in labor force	8,135	26.0%	83,573	31.5%
U.S. Census Bureau, American Community Survey 2018 5- Year Estimate (table DP03)				

An estimated eighty-two and one-half (82.5%) percent of the Township's workers were employed in private wage and salary positions, while three and one half (3.5%) percent of workers were self-employed. Government workers comprised thirteen and nine-tenths (13.9%) percent of the Township's workforce. Table 19 provides a breakdown of worker classifications.

TABLE 19: CLASSIFICATION OF WORKERS IN HILLSBOROUGH, 2018

	Number	Percent
Total	22,167	100.0%
Private Wage and Salary Worker	18,280	82.5%
Government Worker	3,084	13.9%
Self-Employed Worker	780	3.5%
Unpaid Family Worker	23	0.0%
U.S. Census Bureau, American Community Survey 2018 5-Year Estimates (table DP03)		

An analysis of employees (over the age of sixteen (16)) by economic sector indicates that employed working age individuals in Hillsborough were involved in a range of economic sectors. The highest concentration of workers (25%) were employed in the educational, health, and social services sectors. The sector with the second (2nd) largest share of residents (15.3%) was the professional scientific, management, administrative and waste management services sector. Finally, the manufacturing and finance, insurance, real estate, and

rental and leasing sectors each employed around ten (10%) percent of the Township's workforce.

TABLE 20: WORKFORCE BY SECTOR

Industry	Number	Percent
Civilian employed population 16 years and over	22,167	100.0%
Agriculture, forestry, fishing and hunting, mining	207	0.9%
Construction	971	4.4%
Manufacturing	2,481	11.2%
Wholesale Trade	1,066	4.8%
Retail Trade	1,971	8.9%
Transportation and Warehousing, and Utilities	765	3.5%
Information	847	3.8%
Finance and insurance, and real estate and rental and leasing	2,285	10.3%
Professional, scientific, and management, and administrative and waste management services	3,385	15.3%
Educational services, and health care and social assistance	5,543	25.0%
Arts, entertainment, and recreation, and accommodation and food services	1,243	5.6%
Other Services, except public administration	720	3.2%
Public administration	683	3.1%
U.S. Census Bureau, American Community Survey 2018 5-Year Estimates (table DP03)		

Table 21 provides a percentage (%) comparison of the Township's workforce against that of the County. The Township's profile of employment by sector mirrored that of the County to a striking degree. The one slight exception is that the Township had a marginally higher percentage (%) of its workforce employed in the education services and health care and social assistance sectors.

**TABLE 21: COMPARISON OF WORKFORCE BY SECTOR
HILLSBOROUGH TOWNSHIP AND SOMERSET COUNTY, 2018**

Industry	Hillsborough	Somerset County
Civilian employed population 16 years and over	100.0%	100.0%
Agriculture, forestry, fishing and hunting, mining	0.9%	0.4%
Construction	4.4%	4.2%
Manufacturing	11.2%	12.0%
Wholesale Trade	4.8%	4.0%
Retail Trade	8.9%	9.5%
Transportation and Warehousing, and Utilities	3.5%	4.0%
Information	3.8%	4.3%
Finance and insurance, and real estate and rental and leasing	10.3%	10.2%
Professional, scientific, and management, and administrative and waste management services	15.3%	16.2%
Educational services, and health care and social assistance	25.0%	21.9%
Arts, entertainment, and recreation, and accommodation and food services	5.6%	6.8%
Other Services, except public administration	3.2%	3.7%
Public administration	3.1%	2.8%
U.S. Census Bureau, American Community Survey 2018 5-Year Estimates (table DP03)		

Table 22 provides a breakdown of occupations by type for the Township's employed civilian labor force. Over half of the Township's employed civilian labor force was employed in management, professional or related occupations, while about one quarter (1/4) of Hillsborough's labor force was employed in sales and office occupations. About one tenth (1/10) of the Township's residents were employed in service occupations.

TABLE 22: OCCUPATIONS BY TYPE

	Number	Percentage
Employed Civilian population 16 years and over	22,167	100%
Management, business, science and arts occupations	12,562	56.7%
Service occupations	2,432	11.0%
Sales and office occupations	4,937	22.3%
Natural resources, construction and maintenance occupations	1,099	5.0%
Production Transportation and material moving occupations	1,137	5.1%
U.S. Census Bureau, American Community Survey 2018 5-Year Estimates (table DP03)		

As shown in Table 23 and Table 24, almost half of residents (48.9%) commute less than half an hour from home to their place of work. However, the highest concentration of residents had a commute in the range of thirty (30) to forty-four (44) minutes. A significant segment of the population (13.8%) commute sixty (60) minutes or longer. Mean travel time to work was thirty two point sixty (32.6) minutes, about the same as the Somerset County average. The vast majority of workers that commute to work do so by private automobile (83%). Other residents tended carpool or take public transit to their job.

TABLE 23: TRAVEL TIME TO WORK, 2018

	Hillsborough		Somerset County	
	Number	Percent	Number	Percent
Workers who did not work at home	20,463	100.0%	159,946	100.0%
Less than 10 minutes	1,383	6.8%	12,421	7.8%
10 to 19 minutes	3,971	19.4%	37,712	23.6%
20 to 29 minutes	4,637	22.7%	34,259	21.4%
30 to 44 minutes	5,303	25.9%	36,098	22.6%
45 to 59 minutes	2,354	11.5%	15,955	10.0%
60 to 89 minutes	1,833	9.0%	13,879	8.7%
90 or more minutes	982	4.8%	9,622	6.0%
Mean travel time to work (minutes)	32.6		32.3	
U.S. Census Bureau, American Community Survey 2018 5-Year Estimates (table DP03 and B08303)				

TABLE 24: MEANS OF COMMUTE, 2018

	Hillsborough		Somerset County	
	Number	Percent	Number	Percent
Workers 16 years and over	21,865	100.0%	170,127	100%
Car, truck, van- Drove Alone	18,148	83.0%	133,168	78.3%
Car, truck, van- Carpooled	1,268	5.8%	13,521	7.9%
Public Transportation	774	3.5%	8,944	5.3%
Walked	169	0.8%	3,201	1.9%
Other Means	104	0.5%	1,112	0.7%
Worked at home	1,402	6.4%	10,181	6.0%
U.S. Census Bureau, American Community Survey 2018 5-Year Estimates (table DP03)				

As indicated in Table 25 below, it is projected that Somerset County will add an additional fifteen thousand nine hundred forty (15,940) jobs by 2026. The Other Services (Except Government), Health Care and Social Assistance, and Arts, Entertainment, and Recreation sectors are poised to experience the greatest increase in number of jobs over the course of the projection period.

TABLE 25: PROJECTED EMPLOYMENT, SOMERSET COUNTY, 2026

Industry Title	2016 Estimated Employment	2026 Projected Employment	Numeric Change	Annual Growth Rate	Percent Change	Outlook
Accommodation and Food Services	12,110	13,450	1,340	1.1%	11.1%	Growing
Administrative and Support and Waste Management and Remediation	18,110	19,570	1,460	0.8%	8.1%	Growing
Arts, Entertainment, and Recreation	2,830	3,240	410	1.3%	14.3%	Growing
Construction	6,770	7,260	490	0.7%	7.1%	Growing
Educational Services	14,320	15,040	720	0.5%	5.0%	Stable
Finance and Insurance	9,000	8,650	-350	-0.4%	-3.9%	Declining
Government	7,270	6,830	-440	-0.6%	-6.1%	Declining
Health Care and Social Assistance	21,700	25,870	4,170	1.8%	19.2%	Growing
Information	6,890	7,080	190	0.3%	2.8%	Stable
Management of Companies and Enterprises	11,420	12,240	820	0.7%	7.2%	Growing
Manufacturing	14,980	14,330	-650	-0.4%	-4.4%	Declining
Mining	360	370	10	0.5%	4.8%	Stable
Other Services (Except Government)	7,340	9,050	1,710	2.1%	23.2%	Growing
Professional, Scientific, and Technical Services	21,440	24,180	2,740	1.2%	12.8%	Growing
Real Estate and Rental Leasing	2,640	2,960	320	1.2%	12.1%	Growing
Retail Trade	20,610	20,970	360	0.2%	1.8%	Stable
Transportation and Warehousing	3,790	3,750	-40	-0.1%	-1.0%	Declining
Utilities	290	280	-10	-0.3%	-2.8%	Declining
Wholesale Trade	14,100	15,480	1,380	0.9%	9.8%	Growing
Total All Industries	208,610	224,550	15,940	0.7%	7.6%	Growing

Source: 2016-2026 Industry Employment Projections, NJ Department of Labor and Workforce Development

Lands Most Appropriate for Affordable Housing

An analysis was conducted to determine which areas of the Township could accommodate developments that address affordable housing need. This analysis reviews the Township's existing zoning and planned zoning changes and outlines the Township's capacity to accommodate residential and non-residential growth projections. The following are included:

- An analysis of the available existing and planned infrastructure;
- The projected demand for types of uses permitted by zoning based on present and anticipated future demographic characteristics of the Township and anticipated land use patterns; and,
- Factors, such as environmental conditions, that present constraints on development.

Infrastructure

Only a portion of Hillsborough Township is located within public water and sewer service areas. There is no service area in the western portion of the Township, with the western-most section of sewer service area located around Dogwood Drive and Starview Drive off of East Mountain Road.

Environmental Constraints

Hillsborough Township is not located within the jurisdiction of the Meadowlands, Highlands, Pinelands or CAFRA. Therefore, these regulations would not hinder development in the Township. The majority of the Township is developed and does not contain environmental resources that may preclude the development of affordable housing. However, as per the New Jersey State Development and Redevelopment Plan (SDRP), a substantial portion of the Township is located within the Suburban Planning (PA-2) Area, with a small portion to the east and west located within the Fringe Planning (PA-3) area and Rural/Environmentally Sensitive (PA-4B) Planning Area, respectively. A small portion to the northwest is located in the Rural Planning (PA-4) Area; and a portion to the southwest and small portions to the north and east located within the Environmentally Sensitive (PA-5) Planning Area.

Based upon an analysis of environmental regulations and Planning Areas designated within the Township, constraints on development are anticipated to be limited to the Freshwater Wetlands Protection Act Rules and the Flood Hazard Area Control Act Rules.

There are various areas with significant environmental constraints within Hillsborough. The Raritan River forms the Township's northern boundary. The Millstone River forms much of its eastern border. Other major water features flowing through the Township include the Neshanic River, Royce Brook, Rock Brook, and many tributaries. Approximately three-quarters (3/4) of the 4,000-acre designated Sourland Mountain Preserve, owned and maintained by the Somerset County Park Commission, is located in Hillsborough. The Township's northeastern corner is home to Duke Farms, a 1,000-acre preservation, research and

environmental education facility operated by the Duke Farms Foundation, a recognized non-profit.

Hillsborough Township has also adopted zoning to protect its environmentally sensitive areas. The Mountain Conservation District lies in the southwestern portion of the Township. The goal of Mountain Conservation District (MCD) is to protect the Sourland Mountain region's fragile natural resources and unique ecosystem. The Sourlands include one of the largest remaining contiguous forests in Central Jersey and portions of the district also support active agricultural operations. Certain features of the Agricultural and Mountain Conservation Districts make them unsuitable for development, such as narrow roads, lack of sanitary sewer and water service, as well as severe limitations on wells and septic. Hillsborough has also designated an Open Space-Cultural Landscape District (OSCL) Zone District for the protection of important scenic, natural, and agricultural resources. This District is located in the northeastern portion of the corner of the Township and includes the buildings and other portions of Duke Farms that are open to the public.

Historic

Historic preservation is a priority in Hillsborough Township. A number of historic districts, properties and structures in the Township are listed on both the National and State Registers of Historic Places. There are six (6) nationally- and state-listed historic districts in Hillsborough. The nationally-listed Clover Hill and Neshanic Historic Districts are located in the northwestern portion of the Township off of Route 514. The South Branch Historic District is located within Hillsborough along the Township's northern border with Branchburg off Route 625. This area of the Township also contains a portion of the Neshanic Station Historic District, the majority of which is located in Branchburg. The remaining two (2) Historic Districts, the River Road Historic District and Millstone Valley Agricultural Historic District are located along the Millstone River in the southeastern border region of the Township. In addition to its natural features, the Township pursues the policy of protecting its cultural and historical heritage by limiting development in these historic areas that would fundamentally change their character.

Anticipated Demand and Land Use Patterns

The Township of Hillsborough contains a concentration of residential neighborhoods within environs of largely undisturbed environmentally sensitive and historically agricultural lands. The Township has continually pursued policies that encourage the smart growth strategy of concentrating additional population within the existing developed center, simultaneously preserving the environs from intrusive greenfield development and sprawl. This policy has been pursued through the following strategies:

- Adoption of a 2005 Master Plan Amendment refining the concept of a Town Center and Main Street as the Township's population center;
- Studying and recommending the adoption of a Transfer of Development Rights (TDR) program in 2010 that would redirect growth away from the environs and to the Town Center and surrounding core while preserving open space and farmland;

- Establishment and active support of the Sustainable Hillsborough Project, amongst the objectives of which are to promote a compact arrangement of land uses that allow for efficient and low impact development patterns;
- A continued commitment to the preservation of open space as a high priority, dedicating resources to participation in state programs such as the PIG program, and to coordination with Somerset County; and,
- A 2013 Master Plan amendment creating the Transit Ready District as a target location for mixed-use, higher-density development near anticipated rail and or bus public transit routes alongside the Town Center. The concept plan for the Transit Ready District specifically states that, in this area, a range of residential dwelling types should be provided with an affordable housing component.

As stated in the Township's most recent Master Plan Reexamination Report (2018), Hillsborough's planning objective for the past two (2) decades at least has been "for balanced growth tied to reasonable infrastructure and natural resource capacity, sustainability, and cooperative planning with surrounding municipalities and the county" (p. 19). This policy is entirely consistent with the regional land use plans developed by other levels of government. The State Development and Redevelopment Plan (SDRP) classifies different sections of land in Hillsborough as belonging to the Suburban Planning Area (PA2), Fringe Planning Area (PA3), Rural Planning Area (PA4), Rural Environmentally Sensitive Planning Area (PA4B), and Environmentally Sensitive Planning Area (PA5). With the exception of isolated pockets of sewer service, the location of water and sewer infrastructure overlaps with the suburban and fringe planning areas located in the Township's eastern extent. It is the policy of the SDRP that most new development be located in the urban, suburban, and fringe planning areas, with development and infrastructure in the rural and environmentally sensitive planning areas confined to centers. There are no such centers in the PA4 and PA5 areas located in Hillsborough.

According to the NJTPA population estimates projected to 2040, it is anticipated that the Township's population will grow by approximately 13,852 people (35.2%). As a municipality with a history of actively employing smart growth planning strategies that provide for additional residences, while also preserving its vital historic and environmental resources, the Township will continue its policy of supporting development options that target its future population and employment growth into areas that are with or adjacent to existing developed areas already served by adequate infrastructure.

Residential

As described above, the Township has consistently planned for new residential development to be located within or immediately adjacent to the Town Center area and the service areas of existing infrastructure systems. The Township's 2005 Master Plan Amendment refined the Town Center concept, and also recommended new compact areas of development along Amwell Road and Route 206 to replace the Home Occupation / Office (HOO) District.

Non-Residential

As described in its 2008 Reexamination Report, Hillsborough has considered and has made recommendations for the development of new nodes of commercial activity that can expand non-residential uses without causing undue sprawl. The 2005 Master Plan Amendment recommended the re-use of the Belle Mead GSA Depot for research and development, a new Corporate Center District better sized and located to accommodate future employment in lieu of the existing Corporate Development District and changes to the General Industrial District along Route 206. The Gateway and Highway Service Zones were also created with the intention of being target locations for economic development. A new Route 206 bypass road has been completed, which enables the Township to implement the economic strategies associated with the planned Town Center that will run from New Amwell Road in the north to the Royce Brook crossing in the south. The 2013 Land Use Amendment created the Transit Ready Development District.

In Sum

Planning policy and land development regulation is a continually updated process in Hillsborough, with an active planning department, land use boards, and Township Committee. The Township's policy for smart growth, center-based development has been continually reaffirmed by its planning initiatives, studies, and adopted policies. To quote from the 2008 Reexamination Report, "The Township intends to promote a compact form of development consistent with the objectives in the SDRP. In order to accomplish this, adjustments have been made to the Township Master Plan, as last amended in 2005. The adjustments direct future growth into the core area served by adequate infrastructure, including the Town Center, Gateway and Highway Service Districts, as well as the proposed Transit Oriented Village, R & D District, new Corporate Center District and the revised General Industrial District" (p. 16). While the Township has demonstrated its commitment to land preservation and efficient, sustainable development, it also recognizes the need for providing realistic opportunities for the creation of affordable housing units. It is the Township's plan to treat these affordable units as it would any other proposed development and target inclusionary and other projects within or adjacent to areas of existing development that are already served by adequate infrastructure.

FAIR SHARE PLAN

Fair Share Obligation Summary

The cumulative 1999-2025 affordable housing obligation for the Township is based upon the figures calculated in the Fair Share Housing Center's May 17, 2016 Report, prepared by Dr. David Kinsey, and the negotiated settlement agreement that the Township has reached for the Third Round figures with Fair Share Housing Center and other intervenors. The Township's cumulative 1999-2025 affordable housing obligation is outlined in Table 26 below.

TABLE 26: FAIR SHARE OBLIGATION SUMMARY

Obligation Component	Number of Credits Required
Present Need (Rehabilitation)	75
Prior Round Obligation (1987-1999)	461
Third Round "Gap" and Prospective Need (1999-2025)	1,378

The following sections outline how the Township will comply with its Fair Share Obligation.

Present Need (Rehabilitation)

The Township of Hillsborough has an estimated present need obligation of seventy-five (75) units. The Township will operate a municipal rehabilitation program that will be available to qualifying low- and moderate-income owner and renter occupied housing units. The program will be advertised on the Township's website, with income limits, program features, and application processes clearly outlined. The program is administered by CME Associates on behalf of the Township. The Township anticipates rehabilitating an average of fifteen (15) units per year in order to satisfy its rehabilitation obligation by 2025.

Prior Round Obligation (1987-1999)

Record of COAH Compliance

Hillsborough Township received its first (1st) substantive certification from COAH on June 6, 1988. The Township received second (2nd) round substantive certification from COAH on February 28, 1995. In June 1998, COAH found that Hillsborough had failed to comply with the conditions of its second (2nd) round certification and, as such, was subjected to a series of builder's remedy litigations. On October 16, 2002, Hillsborough Township received prior round Judgement of Repose and immunity for six (6) years. The Township's Certified Fair Share Plan provided for its prior round obligation through a variety of affordable housing mechanisms as described below and summarized in Table 27, below.

The following developments, organized by unit type, address Hillsborough's prior round obligation of four hundred sixty-one (461) units.

Regional Contribution Agreements (RCA's)

While RCA's are no longer permitted by law to satisfy affordable housing obligations, municipalities are permitted to credit those RCA's which were in place and approved by COAH or the Court prior to July 17, 2008. Hillsborough negotiated two (2) such RCA agreements, one with the Town of Phillipsburg for seventy-nine (79) units and a second with the Borough of Manville for twelve (12) units. Thus, Hillsborough is entitled to RCA credits in the sum of ninety-one (91) units. The maximum number of RCA units that Hillsborough would have been eligible to receive credit for was one hundred ninety (190), or fifty (50%) percent of Hillsborough's total affordable housing obligation, as this was the permitted cap established for RCA's in the second-round rules. Therefore, Hillsborough is entitled to receive credit for same.

Rental Component

The rental component is comprised of three (3) inclusionary and special needs projects totaling one hundred seventy-three (173) affordable housing units, as depicted within Table 27 below. The one hundred seventy-three (173) affordable units satisfy the entire one hundred sixteen (116) unit minimum rental requirement calculated above. Additionally, the one hundred seventy-three (173) affordable units are family units. As the minimum rental requirement is one hundred sixteen (116) units for the prior round, the Township was entitled to a total of one hundred sixteen (116) two-for-one rental bonus credits. The one hundred seventy-three (173) affordable housing units plus the one hundred sixteen (116) rental bonus credits yield a total of two hundred eighty-nine (289) credits.

TABLE 27: PRIOR ROUND OBLIGATION SUMMARY

Mechanism	Units	Bonus Credits	Total Credits
Prior Cycle Credits			
Credits for units constructed between 4/1/80 to 12/15/86	77		77
Block 178.02, Lot 430 (Arc of Somerset County, Inc.)	4		4
RCA Credits			
Phillipsburg RCA	79		79
Manville RCA	12		12
Post-1986 Credits			
Inclusionary Family Rental Units	173	96	289
Crestmont Hills (Block 151.06, Lot 57)	56		
Heritage Green (Block 151.03, Lot 41)	35		
Gateway at Sunnymeade (Block 140, Lot 1 & Block 141, Lots 2.01, 7.07, 30 & 31.2)	81		
Substantial Compliance Credit		21	
TOTALS	344	117	461
Prior Round Obligation			461
SURPLUS			0

Third Round Obligation (1999-2025)

The Township's Third (3rd) Round affordable housing obligation, as per Dr. David Kinsey and the calculations based on Judge Mary Jacobson's decision in West Windsor, is one thousand three hundred seventy-eight (1,378) units. However, the Settlement Agreement between the Township and Fair Share Housing Center (FSHC) grants the Township a Third (3rd) Round vacant land adjustment, as well as a durational adjustment, pursuant to N.J.A.C. 5:93-4.3. The vacant land adjustment evaluated vacant and developable land within the Township's sewer service area, generally located in the eastern portion of the Township. The durational adjustment addresses the RDP that would have otherwise been calculated from vacant and developable lands served by individual septic systems generally located in the western portion of the Township. This hybrid adjustment allows for development to be directed towards potential lands within the sewer service area, while maintaining and enhancing the rural character of those lands served by individual septic systems. The Borough's calculated RDP based on all of this is one thousand one hundred nine (1,109) units. The Township proposes to implement the following mechanisms to address this need (summarized in Table 28):

Supportive Needs and Assisted Living Facilities

The Township has a number of supportive needs housing for which they are seeking credit. They are as follows:

- SERV Centers of NJ, located at Block 65, Lot 47, provides four (4) affordable beds.
- ARC of Somerset County, Inc., located at Block 200.10, Lot 11.05, provides three (3) affordable beds.
- ARC of Somerset County, Inc., located at block 203.08, Lot 13, provides three (3) affordable beds.
- EIHAB Human Services, located at Block 163.22, Lot 8, provides three (3) affordable beds.
- Enable, Inc., located at Block 141.01, Lot 3, provides four (4) affordable beds.
- Alternatives New Amwell Road, located at Block 163.09, Lot 41, provides four (4) affordable beds.
- Allies, Inc., located at Block 153.03, Lot 22181, provides three (3) affordable beds.
- Devereaux Foundation, located at Block 90, Lot 5, provides five (5) affordable beds.
- Devereaux Foundation, located at Block 174, Lot 140, provides four (4) affordable beds.
- Devereaux Foundation, located at Block 175, Lot 41.01, provides five (5) affordable beds.
- Community Options Enterprises, Inc., located at Block 207.02, Lot 17, provides four (4) affordable beds.
- EIHAB Human Services, located at Block 178.02, Lot 427, provides five (5) affordable beds.
- Allies, Inc., located at Block 153.05, Lot 22034, provides three (3) affordable beds.
- Devereaux Foundation "STAIRS" is located at Block 165, Lot 11, provides 15 affordable beds.

- EIHAB Human Services is located at Block 178.02, Lot 426, provides five (5) affordable beds.
- Ardsley Group Home is located at Block 203.08, Lot 13, provides four (4) affordable beds.
- Caring House, located at Block 204.14, Lot 4, provides five (5) affordable beds.
- Allies Robin Road #217, located on Robin Road, provides one (1) affordable bed.
- Midland Adult Services, located on Gateway Blvd and Corporal Langon Way, provides two (2) affordable beds.
- Green Care Farms is located at Block 204, Lot 45.01 provides fifteen (15) affordable beds.
- Westering Place is located at Block 163.05, Lot 101.01 and consists of twenty-eight (28) affordable special needs bedrooms and forty (40) affordable family rentals, receiving a total of sixty-eight (68) credits towards Hillsborough's affordable housing obligation.
- Premier Valley Road (Block 151.09, Lot 227) is located on Valley Road and consists of 44.53 acres. The project consists of two hundred twenty-one (221) total residential units, including one hundred eighty-one (181) market rate residential units and thirty-four (34) family rental affordable units, as well as twenty-seven (27) supportive and special need bedrooms, located within nine (9) units. Hillsborough is seeking sixty-one (61) credits for Premier Valley Road, of which twenty-seven (27) will be from supportive and special needs bedrooms.
- Avalon at Hillsborough (Pilgrim River) is an assisted living residence located at 393 Amwell Road (Block 199, Lot 49). It consists of eighty-one (81) assisted living senior care units, of which sixteen (16) have been set aside as affordable units. Hillsborough is seeking credit for the sixteen (16) affordable units.

Proposed Inclusionary Family Rental Projects

A number of inclusionary projects have been completed and/or are proposed and/or are in the process of construction in Hillsborough, providing family rental units. The projects are as follows:

- Gateway at Sunnymead (Block 140, Lot 1, Block 141, Lots 2,01, 7.01, 30 & 31.02) consists of 239.84 acres along Sunnymead Road and Falcon Road, to the south of Route 206. The property is developed with three hundred fifteen (315) market rate age restricted units and three hundred eighty-three (383) family units, of which one hundred twenty-two (122) are affordable units. Hillsborough received eighty-one (81) credits in the prior round for the affordable units in this project and is now seeking to receive credit for the other forty-one (41) affordable family rental units. This project will also receive an additional twenty (20) bonus credits, for a total of sixty-one (61) credits.
- Hillsborough Towers is located at Auten Road and Eves Drive (Block 163D, Lot 1.02) and consists of twenty-seven (27) residential units in a former commercial space. The Township is seeking credit for the twelve (12) affordable family rental units in the project, as well as an additional ten (10) bonus credits, for a total of twenty-two (22) credits.

- Hillsborough 206 Holdings is located on Route 206 northbound south of Mountainview Road. It consists of one hundred seventy-five (175) total residential units, including forty-two (42) affordable units and 12,500 sq. ft. of commercial space. The site plan for this project was approved by the Hillsborough Township Planning Board in December 2018.
- Amwell Terrace (formerly known as Blue Star) is located on Amwell Road eastbound between AutoZone and Steinmetz Road. It will consist of one hundred twenty-six (126) residential units, including thirty-one (31) affordable units. The site plan for this project was approved by the Hillsborough Township Planning Board in May 2019 and is currently under construction.
- 3 Ronson – Village Pointe is located on Route 206 Northbound at the former Stop & Shop center. It will consist of forty-four (44) residential units, including eleven (11) affordable units. The site plan for this project was approved by the Hillsborough Township Planning Board in June 2019. Hillsborough Township is also seeking ten (10) bonus credits for this project, for a total of twenty-one (21) credits.
- The Premiere Brookhaven Lofts is located at Block 141, Lot 30, on Route 206 North at a point north of Partridge Road and south of Valley Road and consists of four hundred sixty-nine (469) residential apartment units, of which one hundred seventeen (117) units are affordable family rental units. This project also received an additional one hundred seventeen (117) bonus credits, for a total of two hundred thirty-four (234) credits. This project is constructed.
- The Premiere Brookhaven Lofts First Expansion will consist of an additional one hundred thirty (130) total residential units, including twenty-six (26) affordable units located on Route 206 Northbound at Valley Road, identified as Block 141, Lot 30.01. The ordinance for this project has been adopted and was granted Hillsborough Township Planning Board approval on December 12, 2019. The residential units are contingent on the construction of a 100 – 130 room extended stay hotel. This project is also eligible for twenty-three (23) bonus credits, for a total of forty-nine (49) total credits. The project is currently under construction.
- The Premiere Brookhaven Lofts Second (2nd) Expansion amends the zoning of the Route 206/ Brookhaven Property and permitted the creation of three (3) additional affordable units within the existing buildings in the Premiere Brookhaven Lofts existing project. Said units have been constructed.
- Edgewood Properties – Cost Cutters (now known as JSM at Hillsborough) will consist of one hundred eighteen (118) total dwelling units, including twenty-nine (29) affordable units and 50,000 sq. ft. of commercial space located on Route 206 southbound at Andria Avenue. The zoning

ordinance for this project has been adopted and the project is currently before the Hillsborough Township Planning Board.

- Premier Valley Road (Block 151.09, Lot 227) is located on Valley Road and consists of 44.53 acres. The project consists of two hundred twenty-one (221) total residential units, including one hundred eighty-one (181) market rate residential units and thirty-four (34) family rental affordable units, as well as twenty-seven (27) supportive and special need bedrooms, located within nine (9) stand-alone units. This project will receive thirty-four (34) credits for affordable family rental units. The zoning ordinance for this project has been adopted, but a Hillsborough Township Planning Board application has not been filed.
- The Larken Project consists of 8.8 acres located on State Highway 206 (Block 178, Lots 4, 5, 6, 7, 8, 9, 10, and 11) and 5.1 acres located at the intersection of State Highway 206 and Amwell Road (Block 163.22, Lots 33 and 34). The project will consist of total of 191 total residential units, including 145 market rate units and 46 affordable units, with residential amenities including a recreational building and a pool and 28,000 sq. ft. of retail space. The site plan for this project was approved by the Planning Board in May 2019 and construction is underway.
- Campus Associates will consist of ninety-six (96) total multi-family housing units located on Block 58, Lot 1.05, a 13.75-acre parcel. The project will yield twenty-three (23) affordable rental units. The zoning ordinance for this project has been approved. The Project is expected to be approved by the Planning Board in Fall 2021.
- Westering Place, located at Block 163.05, Lot 101.01 is completed and consists of forty (40) affordable family rentals.

100 % Affordable Projects

The Sherman Parcel is a sixty-three (63) acre affordable housing site owned by the Township and located at Block 90, Lot 6.01 and Block 86, Lot 21. The Sherman Parcel is in an established Area in Need of Rehabilitation and was subject to a March 2019 adopted Redevelopment Plan. The site will be developed with a total of one hundred seventy-five (175) affordable units, as follows:

- RPM – Sherman Phase 1 (Concord Urban Renewal Associates) consists of eighty-eight (88) residential units, including eighty-seven (87) affordable units located on the South side of Camplain Road. This project will also receive twenty-three (23) bonus credits, for a total of one hundred eleven (111) credits. This Project has received Planning Board approval and the Township recently transferred ownership of the property. The Redeveloper has been approved for Low Incoming House Tax Credits (LIHTC) at nine (9%) percent.

- M&M Realty – The plan is for the developer of the Glen Gerry project will be responsible for constructing Phase 2 of the Sherman Parcel, consisting of eighty-eight (88) affordable family rental units, as part of a Settlement Agreement with M&M Realty permitting the development of three hundred eighty (380) single-family detached market rate units elsewhere in the Township. The parties are in the process of designating M&M at Camplain Road LLC, as the designated Redeveloper.

The Redevelopment Plan for both projects on the former Sherman Parcel are in place.

Age Restricted Rentals

- Premier Amwell Road consists of 4.27 acres located at Block 178, Lot 12 on Amwell Road. The project will consist of forty-two (42) total age restricted senior housing units, of which fourteen (14) will be affordable, age restricted housing units. The Township is seeking fourteen (14) credits for these units. The zoning ordinance for this project is in place ,but no application has been made to the Hillsborough Township Planning Board.
- Senior Living Solutions, LLC, consists of 7.35 acres located along Amwell Road (Block 199, Lot 49). This project received credit for fifteen (15) senior affordable rental units.
- Hillsborough Point was constructed between 2000- 2001 and includes fifteen (15) age restricted affordable rental units, for which the Township is seeking fifteen (15) credits.

As development agreements are reached for the proposed inclusionary and one hundred (100%) percent affordable planned project sites, the Township updated its zoning regulations to permit the projects as negotiated. These new zones will apply to the specific sites mentioned above, similar to the existing affordable overlay districts within the Township.

Zoning Provisions

Hillsborough Township has adopted new zoning ordinances to aid in the creation of additional affordable housing units. They are as follows:

- The TC Town Center Zone District was amended to incentivize the creation of inclusionary housing to help meet Hillsborough's unmet need and durational adjustment. The amended TC district will incentivize inclusionary housing at densities from fourteen (14) to eighteen (18) du/ac, depending on lot size, and an affordable housing set-aside of at least twenty (20%) percent. The TC district is located along much of Highway Route 206 and is in an area that the Township is seeking to revitalize with mixed use development. The Town Center Zone District is anticipated to create up to an additional two hundred sixty (260) affordable units.

- Hillsborough Township adopted a mandatory set-aside ordinance applicable to all new multi-family residential developments of five (5) or more units. The mandatory affordable housing set-aside is twenty (20%) percent; however, the Township can require higher set asides where it deems to be appropriate.

TABLE 28: THIRD ROUND OBLIGATION SUMMARY

Mechanism	Units	Bonus Credits	Total Credits
Supportive/Special Needs Housing	168	0	168
Avalon at Hillsborough	16		16
SERV Centers of NJ	4		4
ARC of Somerset County, Inc. (Block 203.08, Lot 13)	3		3
ARC of Somerset County, Inc. (Block 200.1, Lot 11.05)	3		3
EIHAB Human Services (Block 163.22, Lot 8)	3		3
Enable, Inc.	4		4
Alternatives New Amwell Road	4		4
Allies, Inc. (Block 153.05, Lot 22181)	3		3
Devereaux Foundation (Block 90, Lot 5)	5		5
Devereaux Foundation (Block 174, Lot 140)	4		4
Devereaux Foundation (Block 175, Lot 41.01)	5		5
Community Options Enterprises, Inc.	4		4
EIHAB Human Services (Block 178.02, Lot 427)	5		5
Allies, Inc. (Block 153.05, Lot 22034)	3		3
Devereaux Foundation "STAIRS"	15		15
EIHAB Human Services (Block 178.02, Lot 426)	5		5
Ardley Group Home	4		4
Caring House	5		5
Allies Robin Road #217	1		1
Midland Adult Services	2		2
Green Care Farms	15		15
Westering Place	28		28
Premier – Valley Road	27		27
Inclusionary Family Rentals	455	180	635
Westering Place	40		40
Brookhaven Lofts	117	117	234
Brookhaven Lofts First Expansion	26	23	49
3 Ronson LLC	11	10	21
Larken	46		46
Gateway at Sunnymede	41	20	61
Hillsborough Towers	12	10	22
Campus Associates	23		23
206 Holdings	42		42
Amwell Terrace	31		31
Edgewood Properties	29		29
Brookhaven Lofts Second Expansion	3		3
Premier – Valley Road	34		34
100% Affordable Projects	175	98	273

RPM – Sherman Tract 1	87	23	110
M & M Realty – Sherman Tract 2	88	75	163
Age Restricted Rentals	44	0	44
Premier Amwell Road	14		14
Senior Living Associates, LLC	15		15
Hillsborough Point	15		15
Zoning	260		260
Town Center Zone District	260		260
TOTALS	1,102	278	1,380
Third Round Obligation			1,378
Surplus Units			2

Compliance with Affordable Housing Distribution Requirements

The Substantive Rules for affordable housing were promulgated as Chapter 93 of Title 5 of the New Jersey Administrative Code and which are being used during the present round, include limitations on the number of age-restricted affordable units that can count toward the municipal obligation, as well as a cap on the number of bonus credits that can be claimed for rental units. There is also a minimum requirement for the provision of rental units as opposed to sale units, and requirements for the distribution of units across very low-, low- and moderate-income categories. Hillsborough Township complies with these rules as follows:

Age-Restricted Unit Maximum

The formula for calculating the age-restricted unit maximum is provided in N.J.A.C.5:93-5:14(a). As Hillsborough falls into the category of municipalities that have previously received substantive certification, the formula for calculating the age-restricted maximum is as follows:

$$0.25 * (\text{municipal pre-credited need} - \text{prior cycle credits} - \text{credits claimed as rehab post-1990 census} - \text{any impacts from the 20\% cap or 1,000-unit limitation}) - \text{age-restricted units from the first housing cycle 1993-1987.}$$

However, the Fair Share Housing Center reports figures for the prior round obligation that are inclusive of both the first (1st) and second (2nd) round periods (1987-1999). Thus, the figures for prior cycle credits and age restricted units from the first housing cycle are not relevant. Municipal pre-credited need is equal to the final obligation figure net of secondary source effects. For Hillsborough, there are no impacts from the twenty (20%) percent cap or one thousand (1,000) unit limitation and the Township is not claiming any rehabilitations post 1990. The calculations for the prior and prospective rounds are as follows:

Prior Round (1987-1999)

Maximum number age-restricted units = $0.25 * 461 = 115$ units

Age-restricted units claimed for the prior round = **0 units**

Prospective Third Round (1999-2025)

Maximum number age-restricted units = $0.25 * 1,378 = 345$ units

Age-restricted units claimed for the Third (3rd) round = **44 units**

In the case of both rounds, the Township is claiming far fewer age-restricted units than the maximum ceiling that is permitted.

Rental Unit Minimum

The formula for calculating the minimum number of rental units is provided in N.J.A.C. 5:93-5:15 9(a). For municipalities such as Hillsborough, the formula is as follows:

*$0.25 * (\text{calculated need} - \text{any impacts from the 20\% cap or 1,000-unit limitation} - \text{the rehabilitation component})$.*

The calculations for the prior and prospective rounds are as follows:

Prior Round (1987-1999)

Minimum number of rental units = $0.25 * 461 = 115$ units

Rental units provided in the prior round = **173 units (plus 91 from RCA)**

Prospective Third Round (1999-2025)

Minimum number of rental units = $0.25 * (1,378 - 75) = 326$ units

Rental units provided for the third round = **630 units**

In the case of both rounds, the Township is providing more rental units than the minimum required.

Rental Bonus Maximum

Maximum bonus credits are capped at twenty-five (25%) percent of total obligation figures, with the added stipulation that no more than fifty (50%) percent of the rental obligation shall receive a bonus for age-restricted rental units. Calculations for rental bonus credit caps for the prior and prospective rounds are as follows:

Prior Round (1987-1999)

Maximum number of rental bonus credits = $0.25 * 461 = 115$ credits total; no more than 58 credits for senior

Rental bonus credits claimed in the prior round = **96 credits total, 0 credits senior**

Prospective Third Round (1999-2025)

Maximum number of rental bonus credits = $0.25 * (1,378) = 345$ units

Rental bonus credits claimed for the Third (3rd) round = **278 credits**

Income Distribution Requirements

The Township agrees to require the developments described in this plan to meet unit income distribution requirements, such approximately fifty (50%) percent of units are affordable to moderate-income houses with a gross household income between eighty (80%) and fifty (50%) percent of regional median household income, that at least fifty (50%) percent of units are affordable to low-income households making fifty (50%) percent or less of regional median income, and, that thirteen (13%) percent of all units will be affordable to very low income households making thirty (30%) percent or less as compared to regional median income.

Preference for Affordable Housing to Low and Moderate Income Veterans

Hillsborough Township will endeavor to enter into an agreement with any of the above referenced developers, as well as any future developer of affordable housing in order to provide a preference for affordable housing to low to moderate income veterans who served in time of war or other emergency, as defined in Section 1 of P.L. 1963, c. 171 (C.54:4-8.10), of up to fifty percent (50%) of the affordable units in that particular project. This preference shall be established in the applicant selection process for available affordable units so that applicants who are veterans who served in time of war or other emergency, as referenced in the above referenced subsection, and who apply within ninety (90) days of the initial marketing period shall receive preference for the rental of the agreed upon percentage of affordable units. After the first ninety (90) days of the initial one hundred twenty (120) day marketing period, if any of those units subject to the preference remain available, then applicants from the general public shall be considered for occupancy. Following the initial one hundred twenty (120) day marketing period, previously qualified applicants and future qualified applicants who are veterans who served in time of war or other emergency, shall be placed on a special waiting list as well as the general waiting list. The veterans on the special waiting list shall be given preference for affordable units, as the units become available, whenever the percentage of preference falls below the agreed upon percentage.