

# Township of Upper Pittsgrove

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## **Guidelines for Understanding Development Fees**

For the Provision of the Upper Pittsgrove Affordable Housing Program

### **Introduction**

In 2004 Upper Pittsgrove Township received substantive certification of its Housing Element and Fair Share Plan from the New Jersey Council on Affordable Housing (COAH). The Fair Share plan identifies how the Township will meet its allocation of affordable housing as mandated by COAH. The Housing Element and Fair Share Plan, which is part of the Township's Master Plan, is available for review in the Land Use Board office.

Under the plan the Township has set out how it will provide affordable housing to low and moderate income households. To help fund the cost of implementing this State-mandated program, the Township has adopted a development fee ordinance. The ordinance assesses a percentage of the equalized assessed value of all new construction, including both residential and non-residential development.

### **Assessment of Fees**

#### **Residential Construction**

For residential developments, a 1.5% fee will be assessed based upon the equalized assessed value of the residential development. The same fee will apply to the expansion of existing residential structures. For any approval by the Township for an increase in residential density (a "d" variance) the fee will be 6% for each additional unit that is realized. For example, if an approval allows 4 units to be constructed on a site that was zoned for 2 units, 2 units will be assessed the 1.5% development fee and the 2 "bonus" units will be assessed at the 6% rate.

#### **Non-Residential Construction**

For non-residential development, a 2.5% fee will be assessed based upon the equalized assessed value of the non-residential development and on the expansion of existing structures. For any approval by the Township for an increase in floor area (related to "d" variance), a 2.5% fee will be imposed on the existing allowed floor space, and a 6% fee on the additional floor area realized.

### **Payment Schedule**

Fifty percent (50%) of the development fee will be collected at the time the building permit is issued. The balance of the fee will be collected at the issuance of the certificate of occupancy. The initial 50% payment will be computed using the estimated cost of construction as stated on the building permit. At the time of filing for the certificate of occupancy, the fee will be computed based on the equalized assessed value of the development less the amount paid at the time the building permit was issued. The development fee must be paid prior to the issuance of the certificate of occupancy.