

**BOROUGH OF NEW MILFORD MASTER PLAN
2017 HOUSING ELEMENT AND FAIR SHARE PLAN**

Prepared for:

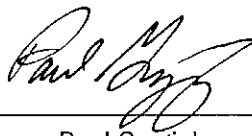
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The original copy of this document was signed and sealed
in accordance with N.J.S.A. 45:14 A-1 et seq.



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I. Introduction

This Housing Element and Fair Share Plan has been prepared on behalf of the Borough of New Milford, Bergen County, in accordance with the New Jersey Municipal Land Use Law per N.J.S.A. 40:55D-28b(3), the Fair Housing Act (N.J.S.A. 52:27D-301 et seq.) and the Second Round Substantive Rules (N.J.A.C. 5:93 et seq.) of the New Jersey Council on Affordable Housing (COAH). This document supersedes and replaces the Borough's 2008 Housing Element and Fair Share Housing Plan, which was last revised on April 29, 2014, hereinafter referred to as the "Borough's 2014 Housing Plan."

The Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq., requires that a municipal master plan include a Housing Element in order for the municipality to exercise the power to zone and regulate land use. The Housing Element and Fair Share Plan are adopted by the Borough Planning Board and endorsed by the governing body prior to the submission of a municipal petition to the New Jersey Council on Affordable Housing (COAH) or the courts for substantive certification of the Housing Element and Fair Share Plan pursuant to N.J.A.C. 5:96-1 et seq. The Housing Element and Fair Share Plan are drawn to achieve the goal of meeting the Borough's obligation to plan and regulate land use to provide for a fair share of the regional need for affordable housing.

There are three components to a municipality's affordable housing obligation: the Prior Round Obligation¹, Present Need and Prospective Need. The previous two iterations of COAH's Third Round rules have been invalidated by the Court. As a result of its March 10, 2015 ruling, In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing, the New Jersey Supreme Court ruled that the courts would accept Mt. Laurel cases and, as such, the municipal affordable housing obligation will be determined by the trial court on a case-by-case basis. The Supreme Court directed that trial courts use the methodologies from the First and Second Rounds as developed by COAH and approved by court decisions. Importantly, the Court preserved Prior Round obligations.

This Housing Element and Fair Share Plan document outlines how the Borough will address its affordable housing obligations.

¹ In 1994, the Council on Affordable Housing (COAH) adopted N.J.A.C. 5:93, et seq., which established criteria for the calculation of each municipality's low- and moderate-income housing obligation. The obligation was cumulative for the period between 1987 and 1999 (i.e., COAH's First and Second Rounds), which is commonly referred to as the Prior Round.

II. Affordable Housing in New Jersey

In 1975 the Supreme Court of New Jersey in South Burlington County N.A.A.C.P. v. Township of Mount Laurel, 67 N.J. 151 (1975), ruled that the developing municipalities in the State of New Jersey exercising their zoning power, in general, had a constitutional obligation to provide a realistic opportunity for the construction of their fair share of the region's low- and moderate-income housing needs. In 1983, the Supreme Court refined that constitutional obligation in South Burlington County N.A.A.C.P. v. Township of Mount Laurel, 92 N.J. 158 (1983), to apply to those municipalities having any portion of their boundaries within the growth area as shown on the State Development Guide Plan. In 1985, the New Jersey Legislature adopted, and the Governor signed, the Fair Housing Act ("FHA") N.J.S.A. 52:2D-301 et seq. which transformed the judicial doctrine which became known as the "Mount Laurel doctrine" into a statutory one and provided an alternative administrative process in which municipalities could elect to participate in order to establish a Housing Element and Fair Share Plan ("HEFSP") that would satisfy its constitutional obligation by creating an administrative agency known as the Council on Affordable Housing ("COAH") to develop regulations to define the obligation and implement it. COAH proceeded to adopt regulations for first round obligations applicable from 1987 to 1993 and second round obligations that created a cumulative obligation from 1987 to 1999.

COAH first proposed third round substantive and procedural rules in October, 2003. 35 N.J.R. 4636(a); 35 N.J.R. 4700(a). Those rules remained un-adopted and COAH re-proposed both the substantive and procedural third round rules (N.J.A.C. 5:94 and 5:95) in August of 2004 and adopted the same effective on December 20, 2004 (the "2004 Regulations"). The 2004 Regulations were challenged and on January 25, 2007, the Appellate Division invalidated various aspects of those regulations and remanded considerable portions of the rules to COAH with direction to adopt revised rules. In the Matter of the Adoption of N.J.A.C. 5:94 and 5:95 by the New Jersey Council on Affordable Housing, 390 N.J. Super. 1 (App. Div.), certif. denied, 192 N.J. 72 (2007) (the "2007 Case"). On January 22, 2008, COAH proposed and published revised third round regulations in the New Jersey Register. 40 N.J.R. 237.

On May 6, 2008, COAH adopted the revised third round regulations and advised that the new regulations would be published in the June 2, 2008 New Jersey Register, thereby becoming effective. On May 6, 2008, COAH simultaneously proposed amendments to the revised third round rules it had just adopted. Those amendments were published in the June 16, 2008 New Jersey Register, 40 N.J.R. 3373 (Procedural N.J.A.C. 5:96); 40 N.J.R. 3374 (Substantive N.J.A.C. 5:97). The amendments were adopted on September 22, 2008 and made effective on October 20, 2008.

N.J.A.C. 5:96 and 5:97 as adopted in 2008 were challenged in an appeal entitled In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing, 416 N.J. Super. 462 (App. Div. 2010) (the "2010 Case"). In its October 8, 2010 decision, the Appellate Division determined, among other things, that the growth share methodology was invalid and that COAH should adopt regulations utilizing methodologies similar to the ones utilized in the first and second rounds, i.e. 1987-1999. On September 26, 2013, the Supreme Court of New Jersey affirmed the Appellate Division's invalidation of the third iteration of the third round regulations, sustained their determination

that the growth share methodology was invalid, and directed COAH to adopt new regulations based upon the methodology utilized in the first and second rounds. In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing, 215 N.J. 578 (2013) (the “2013 Case”). COAH proceeded to propose such regulations in accordance with the schedule and amended schedule established by the New Jersey Supreme Court in the 2013 Case. On October 20, 2014, COAH deadlocked with a 3-3 vote and failed to adopt the revised third round regulations.

Due to COAH’s failure to adopt the revised regulations and subsequent inaction, Fair Share Housing Center (“FSHC”), a party in the 2010 Case and the 2013 Case, filed a motion with the New Jersey Supreme Court to enforce litigant’s rights. On March 10, 2015 the New Jersey Supreme Court issued its decision on FSHC’s motion to enforce litigant’s rights. The Supreme Court in the 2015 Case found that the COAH administrative process had become non-functioning and, as a result, returned primary jurisdiction over affordable housing matters to the trial courts. In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing, 221 N.J. (2015) (the “2015 Case”). In doing so, the Supreme Court declined to adopt a specific methodology or formula to calculate the third round affordable housing obligations of the municipalities. The Court did provide some guidance by reiterating its endorsement of the previous methodologies employed in the First and Second Round Rules as the template to establish third round affordable housing obligations. Importantly, the Court preserved Prior Round Obligations.

The March 2015 Supreme Court decision recognized that a number of municipalities attempted to address their affordable housing obligations in 2008 by preparing a housing element and fair share plan and petitioning COAH for substantive certification of the plan. Through no fault of its own, New Milford, like a number of other municipalities, did not receive substantive certification of its 2008 plan due to inaction by COAH and subsequent legal challenges. Such towns are considered “participating municipalities” and were afforded an opportunity to prepare a new housing element and fair share plan to address its affordable housing obligations.

III. Housing Element/Fair Share Plan Requirements

In accordance with the Municipal Land Use Law (*N.J.S.A 40:55D-1, et seq.*), a municipal Master Plan must include a housing element as the foundation for the municipal zoning ordinance. Pursuant to the Fair Housing Act, a municipality's housing element must be designed to provide access to affordable housing to meet present and prospective housing needs, with particular attention to low- and moderate-income housing. The housing element must contain at least the following, as per the FHA at *N.J.S.A 52:27D-310*:

- 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 years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development, and probable residential development trends;
- 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 of low- and moderate-income housing and its capacity to accommodate its present and prospective housing needs, including its fair share of low- and moderate-income housing; and
- A consideration of the lands 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.

IV. Housing Stock and Demographic Analysis

Housing Stock Inventory

In 2013, there were 6,317 housing units in the Borough of New Milford, of which 203, or 3 percent, were vacant. Of the 6,114 occupied units, 62 percent were owner occupied and 38 percent were renter occupied. Table 1, Housing Units by Occupancy Status, 2013, illustrates this occupancy status in 2013.

Table 1. Housing Units by Occupancy Status, 2013

	Housing Units	Owner Occupied	Renter Occupied
Occupied	6,114	3,795	2,319
Vacant	203	-	-
Total	6,317	-	-

Source: American Community Survey, 2009-2013

Approximately 59 percent of the total housing stock consists of single-family detached units. Structures with three or more units comprise 31 percent of the total housing stock, 8 percent of which consists of housing with 20 or more units. See Table 2, Housing Units by Number of Units in Structure, 2013, for a detailed explanation of the Borough's housing units.

Table 2. Housing Units by Number of Units in Structure, 2013

Number of Units	Total	Percent
1, Detached	3,751	59.4%
1, Attached	134	2.1%
2	431	6.8%
3 or 4	855	13.5%
5 to 9	282	4.5%
10 to 19	298	4.7%
20+	522	8.3%
Mobile Home	44	0.7%
Other	0	0.0%
Total	6,317	100.0%

Source: American Community Survey, 2009-2013

Table 3, Housing Units by Age, 2013, illustrates the age of the Borough's housing stock. As one would expect from a smaller, largely built out community, a majority of the housing units (i.e., 60 percent) were built between 1940 and 1959. In contrast, only approximately 4 percent of the Borough's housing units were built in the years since 1990.

Table 3. Housing Units by Age, 2013

Year Built	Total Units	Percent
2010 or later	0	0.0%
2000-2010	215	3.4%
1990-2000	65	1.0%
1980-1989	256	4.1%
1970-1979	298	4.7%
1960-1969	891	14.1%
1950-1959	2,372	37.5%
1940-1949	1,419	22.5%
Before 1940	801	12.7%
Total	6,317	100.0%

Source: American Community Survey, 2009-2013

Table 4, Comparison of Housing Units by Number of Rooms for the Borough of New Milford and Bergen County, 2013, shows, with regard to housing units in New Milford, 22 percent have between one and three rooms; 40 percent have between four and six rooms; and 38 percent have seven or more rooms. The average number of rooms per unit in New Milford is 5.8, which is very similar to that of Bergen County at 5.9 rooms.

Table 4. Housing Units by Number of Rooms for New Milford and Bergen County, 2013

Rooms	Number of Units in New Milford	Percent of Units in New Milford	Number of Units in Bergen County	Percent of Units in Bergen County
1	99	1.6%	6,263	1.8%
2	178	2.8%	7,754	2.2%
3	1,139	18.0%	39,131	11.1%
4	894	14.2%	48,334	13.7%
5	516	8.2%	54,093	15.3%
6	1,080	17.1%	60,027	17.0%
7	969	15.3%	48,414	13.7%
8	732	11.6%	37,802	10.7%
9+	710	11.2%	51,597	14.6%
Total	6,317	100.0%	353,415	100.0%
Mean Rooms per Unit	5.8		5.9	

Source: American Community Survey, 2009-2013

Tables 5 and 6, Housing Values, Owner Occupied, 2000 and 2013, respectively, show that the median housing value of owner occupied housing units in New Milford increased 83 percent between 2000

and 2010. During this time, the median housing value in Bergen County increased by 87 percent. In 2000, New Milford's median housing value of \$222,600 was 7.5 percent lower than that of Bergen County (\$240,800). In 2013, New Milford's median housing value of \$408,800 was 9 percent lower than that of Bergen County (\$451,400). Therefore, housing in New Milford has been consistently more affordable than in the County as a whole.

Table 5. Housing Values, Owner Occupied, 2000

Housing Value	Number in New Milford	Percent in New Milford	Number in Bergen County	Percent in Bergen County
Less than \$50,000	15	0.4%	1,136	0.6%
\$50,000 to \$99,999	24	0.6%	1,230	0.7%
\$100,000 to \$149,999	140	3.5%	8,803	4.9%
\$150,000 to \$199,999	1,195	29.8%	41,562	23.3%
\$200,000 to \$299,999	2,227	55.5%	61,906	34.7%
\$300,000 to \$499,999	371	9.2%	42,622	23.9%
\$500,000 to \$999,999	43	1.1%	17,816	10.0%
\$1,000,000 or more	0	0.0%	3,277	1.8%
Total	4,015	100.0%	178,352	100.0%
2000 Median Value	\$222,600		\$240,800	

Source: 2000 U.S. Census

Table 6. Housing Values, Owner Occupied, 2013

Housing Value	Number in New Milford	Percent in New Milford	Number in Bergen County	Percent in Bergen County
Less than \$50,000	30	0.8%	3,463	1.6%
\$50,000 to \$99,999	19	0.5%	2,019	0.9%
\$100,000 to \$149,999	12	0.3%	3,343	1.5%
\$150,000 to \$199,999	26	0.7%	4,657	2.1%
\$200,000 to \$299,999	255	6.7%	21,262	9.7%
\$300,000 to \$499,999	2,694	71.0%	97,870	44.5%
\$500,000 to \$999,999	753	19.8%	72,577	33.0%
\$1,000,000 or more	6	0.2%	14,827	6.7%
Total	3,795	100.0%	220,018	100.0%
2013 Median Value	\$408,800		\$451,400	

Source: American Community Survey, 2009-2013

Monthly rental cost in New Milford (\$1,159) is somewhat lower than the monthly rental cost for Bergen County (\$1,334). In New Milford, approximately 80 percent of renters pay \$1,000 or more per month in rent, whereas zero pay less than \$499. Similarly, 81 percent of Bergen County renters pay \$1,000 or more per month in rent. See Table 7, Comparison of the Borough of New Milford and Bergen County, Monthly Rental Cost, 2013, for additional details. Again, housing in New Milford has been consistently more affordable than in the county as a whole.

Table 7. Comparison of New Milford and Bergen County, Monthly Rental Cost, 2013

Monthly Rent	Number in New Milford	Percent in New Milford	Number in Bergen County	Percent in Bergen County
Less than \$200	0	0.0%	1,026	0.9%
\$200 - \$299	0	0.0%	1,884	1.7%
\$300 - \$499	0	0.0%	3,138	2.8%
\$500 - \$749	77	3.4%	3,332	3.0%
\$750 - \$999	371	16.4%	11,898	10.7%
\$1,000 - \$1,499	1,417	62.5%	48,224	43.4%
\$1,500 or more	402	17.7%	41,719	37.5%
Total	2,267	100.0%	111,221	100.0%
Median Rent	\$1,159		\$1,334	

Source: American Community Survey, 2009-2013

In 2013, 28 percent of New Milford owner occupied households contributed 30 percent or more of their income towards monthly housing costs, whereas 48 percent of New Milford owner occupied households put less than 20 percent of their income towards monthly housing costs. See Table 8, Monthly Housing Costs as Percentage of Household Income in the Past 12 Months – Owner Occupied Units, 2013, for further information.

Table 8. Monthly Housing Costs as Percentage of Household Income in the Past 12 Months – Owner Occupied Housing Units, 2013

	Less than 20 percent	20 to 29 percent	30 percent or more
Less than \$20,000	1.2%	1.4%	7.2%
\$20,000 - \$34,999	4.0%	2.5%	6.2%
\$35,000 - \$49,999	5.0%	2.8%	4.9%
\$50,000 - \$74,999	8.8%	5.3%	5.2%
\$75,000 or more	28.9%	10.7%	5.0%
Zero or Negative Income	0.7%		

Source: American Community Survey, 2009-2013

In 2013, 48 percent of New Milford renter occupied households contributed 30 percent or more of their household income towards monthly rental costs, whereas only 22 percent of New Milford renter occupied households contributed less than 20 percent. See Table 9, Monthly Housing Costs as a Percentage of Household Income in the Past 12 Months – Renter Occupied Units, 2013, for further information.

Table 9. Monthly Housing Costs as a Percentage of Household Income in the Past 12 Months - Renter Occupied Housing Units, 2013

	Less than 20 percent	20 to 29 percent	30 percent or more
Less than \$20,000	0.7%	2.4%	24.2%
\$20,000 - \$34,999	1.3%	4.3%	14.6%
\$35,000 - \$49,999	2.7%	6.0%	5.8%
\$50,000 - \$74,999	6.1%	5.9%	2.9%
\$75,000 or more	11.2%	3.6%	0.9%
Zero or Negative Income	2.2%		
No Cash Rent	5.4%		

Source: American Community Survey, 2009-2013

New Milford has zero housing units that lack complete plumbing facilities and 81 units that are considered overcrowded (defined as having 1.01 or more persons per room). The Borough has 37 units that have no telephone service available and 10 units that lack complete kitchen facilities. See Table 10, Selected Quality Indicators, Occupied Housing Stock, 2013, for further information.

Table 10. Selected Quality Indicators, Occupied Housing Stock, 2013

	Overcrowded	No Telephone Service Available	Lacking Complete Plumbing	Lacking Complete Kitchen Facilities
Units	81	37	0	10

Source: American Community Survey, 2009-2013

General Population Characteristics

The population of New Milford has decreased somewhat from 16,876 persons in 1980 to 16,341 persons in 2010. There was a slight increase in New Milford's population (2.6 percent) between 1990 and 2000. During this same time, Bergen County's population increased by 7 percent. See Table 11, Population Growth, for more information.

Table 11. Population Growth

	1980	1990	Percent Change (1980-1990)	2000	Percent Change (1990-2000)	2010	Percent Change (2000-2010)
New Milford	16,876	15,990	-5.3%	16,400	2.6%	16,341	-0.4%
Bergen County	845,385	825,380	-2.4%	884,118	7.1%	905,116	2.4%

Source: 1980, 1990, 2000, and 2010 U.S. Census

From 2000 through 2010, there were shifts in the age distribution of New Milford. The age group 15 through 24 increased from 1,496 persons to 1,851 persons (i.e., 24 percent). The age group 35 through 44 decreased from 2,865 persons to 2,223 persons (i.e., -22 percent). The age group 55 through 64 increased from 1,532 persons to 2,037 persons (i.e., 33 percent), and the age group 75+ decreased from 1,526 persons to 1,366 persons (i.e., -10 percent). See Table 12, Comparison of Age Distribution, 2000-2010, for additional details.

Table 12. Comparison of Age Distribution, 2000- 2010

Age Group	2000	Percent	2010	Percent	Percent Change
Under 5	1,050	6.4%	845	5.2%	-19.5%
5-14	1,943	11.8%	1,949	11.9%	0.3%
15-24	1,496	9.1%	1,851	11.3%	23.7%
25-34	2,353	14.3%	2,148	13.1%	-8.7%
35-44	2,865	17.5%	2,223	13.6%	-22.4%
45-54	2,273	13.9%	2,710	16.6%	19.2%
55-64	1,532	9.3%	2,037	12.5%	33.0%
65-74	1,362	8.3%	1,212	7.4%	-11.0%
75+	1,526	9.3%	1,366	8.4%	-10.5%
Total	16,400	100.0%	16,341	100.0%	-

Source: 2000 and 2010 U.S. Census

Household Characteristics

A household is defined by the U.S. Census Bureau as those persons who occupy a single room or group of rooms constituting a housing unit; however, these persons may or may not be related. As a subset of households, a family is identified as a group of persons including a householder and one or more persons related by blood, marriage or adoption, all living in the same household. In 2013, there were 6,114 households in New Milford, with an average of 2.62 persons per household and an average of 3.24 persons per family. Approximately 68 percent of the households were comprised of married couples with or without children. Almost 31 percent of New Milford households are non-family households, which includes individuals.

Income Characteristics

Households in New Milford have, on average, lower incomes than that of Bergen County as a whole. Annual median income for New Milford households in 2013 was \$75,414, whereas annual median income for households in Bergen County was \$83,794. Table 13, Household and Family Income by Income Brackets for New Milford and Bergen County, 2013, further illustrates these findings by noting the number of households in each of the income categories.

Table 13. Household and Family Income by Income Brackets for New Milford and Bergen County, 2013

	New Milford		Bergen County	
	Households	Percent	Households	Percent
Less than \$10,000	165	2.7%	15,429	4.6%
\$10,000 - \$14,999	159	2.6%	10,398	3.1%
\$15,000 - \$24,999	416	6.8%	22,809	6.8%
\$25,000 - \$34,999	581	9.5%	22,473	6.7%
\$35,000 - \$49,999	630	10.3%	30,859	9.2%
\$50,000 - \$74,999	1082	17.7%	49,642	14.8%
\$75,000 - \$99,999	807	13.2%	42,263	12.6%
\$100,000 - \$149,999	1,058	17.3%	60,376	18.0%
\$150,000 - \$199,999	752	12.3%	35,555	10.6%
\$200,000 or more	465	7.6%	45,617	13.6%
Total	6,114	100.0%	335,442	100.0%
Median Income	\$75,414		\$83,794	

Source: American Community Survey, 2009-2013

Although the Census data does not provide a breakdown of household income by household size, COAH's 2013 Regional Income Limits for Bergen/Hudson/Passaic/Sussex County (Region 1) for a household of one person was \$59,095. As such, the moderate-income threshold for a household of one person was \$47,276 (i.e., 80 percent of \$59,095). In attempting to approximate the number of low- and moderate- income households in the Borough, using the household size of one person is a conservative approach that represents just a minimum threshold. Table 13 above shows that the percentage of households in the Borough for which income was below this minimum threshold was approximately 30 percent.

The percentage of persons and household below the poverty level, as defined by the 2013 American Community Survey, equates to 5.6 percent of all New Milford Residents. This is lower than the County as a whole, wherein 7.2 percent of County residents were living below the poverty level in 2013.

Employment Characteristics

Table 14, Employment Status, New Milford, indicates the number of Borough residents 16 years and over who are in the labor force, the type of labor force (i.e., civilian or armed forces) and employment status. Approximately 67 percent of New Milford residents 16 and over are in the in the labor force and, among those in the labor force, all are in the civilian labor force. Of the residents in the civilian labor force, approximately 94 percent are employed and approximately 6 percent are unemployed.

Table 14. Employment Status, New Milford

	Number in New Milford	Percent in New Milford
Population 16 years and over	13,152	-
In Labor Force	8,879,	67.5%
Civilian Labor Force	8,879	67.5%
<i>Employed</i>	<i>8,336</i>	<i>93.8%</i>
<i>Unemployed</i>	<i>543</i>	<i>6.1%</i>
Armed Forces	0	0.0%
Not in Labor Force	4,273	32.5%

Source: American Community Survey, 2009-2013

Table 15, Employment by Occupation, New Milford, 2013, identifies the occupations of employed persons. While New Milford residents work in a variety of industries, 44 percent of employed residents work in Management, Professional and related-occupations; 26 percent are employed in Sales and Office-related occupations; and 15 percent are employed in Service-related occupations.

Table 15. Employment by Occupation, New Milford, 2013

Job Sector	Number	Percent
Management, Business, Science, and Arts Occupations	3,683	44.2%
Service	1,245	14.9%
Sales and Office	2,165	26.0%
Natural Resources, Construction, and Maintenance	599	7.2%
Production, Transportation, and Moving	644	7.7%
Total	8,336	100.0%

Source: American Community Survey, 2009-2013

Table 16, Distribution of Employment by Industry, Borough Residents, 2013, shows the distribution of employment by industry for employed New Milford residents. The four industries to capture the largest segments of the population were: the Educational, Health, and Social Services sector at 30 percent; the Retail sector at 14 percent; the Professional, Scientific, Management, Administrative, and Waste Management Services sector at 10 percent; and the Financing, Insurance, Real Estate, Renting, and Leasing sector at 10 percent.

Table 16. Distribution of Employment by Industry, Borough Residents, 2013

Job Sector	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	0	0.0%
Construction	443	2.3%
Manufacturing	530	6.4%
Wholesale Trade	256	3.1%
Retail Trade	1,139	13.7%
Transportation and Warehousing, and Utilities	402	4.8%
Information	426	5.1%
Financing, Insurance, Real Estate, Renting, and Leasing	791	9.5%
Professional, Scientific, Management, Administrative, and Waste Management Services	824	9.9%
Educational, Health and Social Services	2484	29.8%
Arts, Entertainment, Recreation, Accommodation and Food Services	482	5.8%
Public Administration	301	3.6%
Other	258	3.1%
Total	8,336	100.0%

Source: American Community Survey, 2009-2013

Of the employed residents, approximately 84 percent are private wage and salary workers; 12 percent are government workers; and 4 percent are self-employed. See Table 17, Distribution by Class of Worker, 2013, for additional details.

Table 17. Distribution by Class of Worker, 2013

	Number in New Milford	Percent in New Milford
Private Wage and Salary Workers	6,977	83.7%
Government Workers	1,032	12.4%
Self-employed in own not incorporated business workers	319	3.8%
Unpaid family workers	8	0.1%
Total	8,336	100.0%

Source: American Community Survey, 2009-2013

The New Jersey Department of Labor and Statistics tracks covered employment throughout the State. See Table 18, Private Sector Employment in New Milford by Industry Sector, 2002, 2007 and 2011, for additional details. According to the New Jersey Department of Labor and Statistics, there were 2,171 private sector jobs in New Milford in 2011. Health Care and Social Assistance; Educational Services; and Retail Trade were the largest sectors of in-town employment, with 535, 531 and 286 jobs, respectively. New Milford also hosts a sizable Accommodation and Food Services industry. Table

18 also shows the number of employees by sector in New Milford in 2002 and 2007. The largest decrease in local employment between 2002 and 2011 was in the Retail Trade sector, which experienced a decrease of 79 jobs (or 31 percent). The sector which saw the largest local employment increase between 2002 and 2011 was the Health Care and Social Assistance sector, which experienced an increase in 231 jobs (or 55 percent).

Table 18. Private Sector Employment in New Milford by Industry Sector, 2002, 2007 and 2011

PRIVATE SECTOR JOBS	2002		2007		2011	
	COUNT	SHARE	COUNT	SHARE	COUNT	SHARE
Agriculture, Forestry, Fishing and Hunting, and Mining	2	0.1%	3	0.1%	1	0.0%
Mining, Quarrying, and Oil and Gas Extraction	0	0.0%	0	0.0%	0	0.0%
Utilities	0	0.0%	0	0.0%	0	0.0%
Construction	113	5.9%	87	4.0%	59	2.7%
Manufacturing	29	1.5%	21	1.0%	2	0.1%
Wholesale Trade	87	4.6%	74	3.4%	81	3.7%
Retail Trade	365	19.1%	570	26.4%	286	13.2%
Transportation and Warehousing	2	0.1%	15	0.7%	11	0.5%
Information	16	0.8%	14	0.6%	38	1.8%
Finance and Insurance	69	3.6%	86	4.0%	62	2.9%
Real Estate and Rental and Leasing	56	2.9%	21	1.0%	24	1.1%
Professional, Scientific and Technical Services	58	3.0%	74	3.4%	77	3.5%
Management of Companies and Enterprises Administration & Support	5	0.3%	4	0.2%	8	0.4%
Waste Management and Remediation	67	3.5%	35	1.6%	54	2.5%
Educational Services	361	18.9%	421	19.5%	531	24.5%
Health Care and Social Assistance	304	15.9%	316	14.6%	535	24.6%
Arts, Entertainment, and Recreation	46	2.4%	47	2.2%	3	0.1%
Accommodation and Food Services	130	6.8%	183	8.5%	216	9.9%
Other Services (Excluding Public Administration)	64	3.4%	73	3.4%	66	3.0%
Public Administration	135	7.1%	117	5.4%	117	5.4%
TOTAL PRIVATE SECTOR	1,909	100.0%	2,161	100.0%	2,171	100.0%

Source: State of New Jersey Department of Labor and Workforce Development Local Employment Dynamics; <http://onthemap.ces.census.gov/>

Growth Trends and Projections

Residential Trends and Projections

According to the New Jersey Construction Reporter, between 2004 and 2014, New Milford issued 100 certificates of occupancy: 82 for one and two family dwelling units, 16 for multifamily dwelling units and two for mixed use dwelling units. See Table 19, Residential Certificates of Occupancy, 2004-2014, for additional details.

Table 19. Residential Certificates of Occupancy, 2004-2014

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
1 & 2 Family	2	10	14	3	13	7	5	8	5	8	7	82
Multifamily	6	0	0	0	10	0	0	0	0	0	0	16
Mixed Use	1	0	0	0	1	0	0	0	0	0	0	2
Total	9	10	14	3	24	7	5	8	5	8	7	100

Source: New Jersey Construction Reporter

The Borough has seen the construction of predominantly one- and two-family homes over the last decade, which due to limited vacant land has generally occurred as infill in existing developed areas. As is detailed further in Chapter V, the Borough anticipates the construction of a significant amounts of multifamily units in coming years. The Borough has encouraged the development of these projects in an effort to provide its regional fair share of affordable housing. Aside from these projects, the Borough anticipates little additional housing development. This is due largely to a lack of vacant land, with environmental constraints on the remaining undeveloped tracts zoned for residential use.

Non-Residential Trends and Projections

According to the New Jersey Construction Reporter, between 2003 and 2013, New Milford issued certificates of occupancy for a total of ±46,832 square feet of non-residential building space. See Table 20, Non-Residential Certificates of Occupancy, 2003-2013, for additional details. The majority of the non-residential growth can be attributed to:

- 31,603 square feet of office space, for which certificates of occupancy were issued in 2003, 2004, 2008, 2009, and 2011;
- 7,384 square feet of multifamily/dormitory space, for which certificates of occupancy were issued in 2004 and 2008; and
- 7,122 square feet of assembly space (e.g., casinos, night clubs, restaurants), for which certificate(s) of occupancy were issued in 2004.

Table 20. Non-Residential Certificates of Occupancy, 2003-2013

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
Office	3,100	2,778	0	0	0	2,900	1,040	0	21,785	0	0	31,603
Retail	0	0	0	0	0	0	0	0	0	0	0	0
A-1	0	0	0	0	0	0	0	0	0	0	0	0
A-2	0	7,122	0	0	0	0	0	0	0	0	0	7,122
A-3	0	0	0	0	0	0	0	0	0	0	0	0
A-4	0	0	0	0	0	0	0	0	0	0	0	0
A-5	0	0	0	0	0	0	0	0	0	0	0	0
Multifamily/ Dormitories	0	2,720	0	0	0	4,664	0	0	0	0	0	7,384
Hotel/ Motel	0	0	0	0	0	0	0	0	0	0	0	0
Education	0	0	0	0	0	0	0	0	0	0	0	0
Industrial	0	0	0	0	0	0	0	0	0	0	0	0
Hazardous	0	0	0	0	0	0	0	0	0	0	0	0
Institutional	0	0	0	0	0	0	0	0	0	0	0	0
Storage	0	0	0	0	0	0	0	0	0	0	0	0
Signs, Fences, Utility & Misc.	160	0	0	0	520	0	0	0	0	0	43	723
TOTAL	3,260	12,620	0	0	520	7,564	1,040	0	21,785	0	43	46,832

Source: New Jersey Construction Reporter

Capacity for Growth

New Milford is essentially fully developed. Any existing vacant or potentially redeveloped parcels have been taken into account in this document, with affordable housing mechanisms proposed for all such sites. The "Affordable Housing Compliance Mechanisms" map attached to this document identifies the sites and zones designated for affordable housing development. This map also indicates those properties currently used for utilities, public purposes, open space and farmland.

V. Fair Share Plan

New Milford's Affordable Housing Efforts

The Borough of New Milford has made efforts in recent years to address its affordable housing obligations. In both 2005 and 2008, the Planning Board adopted a housing element and fair share plan. In 2008, the governing body petitioned COAH for substantive certification of the plan. The 2008 housing plan addressed New Milford's obligations as they were determined at that time, while recognizing the Borough has limited resources and developable land. The municipality has amended its zoning ordinance to require the provision of affordable housing units as part of certain new developments. This fair share plan identifies additional realistic mechanisms for new affordable housing construction.

Affordable Housing Obligations

In accordance with an agreement reached between the Borough of New Milford and Fair Share Housing Center (FSHC), a Supreme Court-designated interested party in affordable housing proceedings statewide (the "FSHC settlement agreement"), New Milford's affordable housing obligations are as follows:

Present Need (Rehabilitation Share): 53

Prior Round Obligation (1987 to 1999, pursuant to N.J.A.C. 5:93): 23

Third Round (1999 to 2025) Prospective Need: 288

The Present Need and Prospective Need are based upon a report entitled "New Jersey Low and Moderate Income Housing Obligations for 1999-2025 Calculated Using the NJ COAH Prior Round (1987-1999) Methodology," May 2016, prepared by David N. Kinsey, PhD, PP, FAICP (the "Kinsey Report"). The Prospective Need was adjusted as part of the FSHC settlement agreement.

Present Need

A municipality's present need, also referred to as its "rehabilitation obligation," is based upon the estimated amount of substandard housing occupied by low- and moderate-income households. As noted, the Borough's present need is 53 units. New Milford will participate in programs such as the Bergen County Housing Improvement Program and Community Development Block Grant Program. It will also create a program to provide for rehabilitation of existing units which will be funded through its affordable housing trust fund and other sources, as funds become available.

New Milford has limited resources to address its rehabilitation share. As a minimum of \$10,000 per unit is required to obtain credit for rehabilitation, and the cost can often be much higher than the minimum, a municipal expenditure of over \$530,000 will be required to address New Milford's obligation, unless other funding sources can be procured. As New Milford is essentially fully developed, it will likely take some time to collect the amount of affordable housing development fees to fund a rehabilitation program that addresses this obligation.

Prior Round and Prospective Need Compliance Mechanisms

As noted above, the Borough has a Prior Round Obligation of 23 units and a Third Round Prospective Need of 288 units, for a combined 1987-2025 fair share prospective need of 311 units. This total fair share obligation will be addressed through the following compliance mechanisms:

Constructed Projects

There are three existing group homes with a total of 11 bedrooms in New Milford:

1. **Advanced Housing DNM, Inc. Group Home – Block 1407, Lot 56:** This two-bedroom group home is located on Boulevard and opened in 2005.
2. **Center for Family Support Group Home – Block 818, Lot 13:** This five-bedroom group home is located on Boulevard and opened in 1998.
3. **National Institute for People with Disabilities Group Home – Block 1503, Lot 15:** This four-bedroom group home is located on Grand Street and opened in 1999.

N.J.A.C. 5:93-1.3 defines a group home for the developmentally disabled as licensed and/or regulated by the New Jersey Department of Human Services as an “alternative living arrangement.” Per N.J.A.C. 5:93-5.8 alternative living arrangements may be used to address a municipal housing obligation. The unit of credit is the bedroom and each unit may be used to address a municipality’s rental obligation. Per N.J.A.C. 5:97-3.5, units created and occupied after December 15, 1986 may receive rental bonuses for the Prior Round Obligation. Thus, the above homes are eligible for rental bonuses.

Approved Project

Sarna / 1070 River Road – Block 104, Lot 18: This property is located in the Residential E/Multi-Family Townhouse zone, which requires the provision of an affordable housing setaside as part of any residential development. A 38-unit multifamily residential project known as the Gramercy was approved by the Planning Board in 2007 in accordance with the 2005 Housing Element. The project is now under construction. Thirty-four units are to be market rate units and four units are to be affordable rental units. The bedroom distribution for the affordable units has been modified from the original approval to comply with the applicable standards of the Uniform Housing Affordability Controls (UHAC).

Proposed Projects

ShopRite and Bank Sites, River Road – Block 501, Lots 9 and 10: The Borough has agreed to a settlement with New Milford Redevelopment Associates, LLC which requires the Borough to rezone a property on River Road (Block 501, Lots 9 and 10) for mixed-use development. The rezoning was enacted via Ordinance No. 2017-01, which was adopted on February 27, 2017. These properties, which are located on the west side of River Road north of Dilworth Road, are the existing Shop Rite site and the adjacent bank property. The settlement agreement with New Milford Redevelopment Associates, LLC (the “NMRA settlement agreement”) provides for the construction of 135 dwelling units, of which 27 will be affordable rental units (a 20 percent setaside), and 12,500 square feet of

retail space. A portion of these dwelling units are also eligible for rental bonus credits as discussed below.

United Water Company – Madison Avenue - Block 1309, Lots 1.01 and 1.02: As part of the aforementioned settlement with New Milford Redevelopment Associates, LLC, affordable housing is no longer proposed on the former United Water Company/Suez property. The environmental cleanup of this site that was discussed in the 2008 Housing Element and Fair Share Plan has been completed. Formerly known as Block 1309, Lot 1, this property has been subdivided into two parcels. Lot 1.01 has been retained by United Water Company for utility purposes and is thus no longer available for redevelopment. Lot 1.02 is vacant and comprises 13.69 acres according to the Borough's tax assessment records. This property has been rezoned through Ordinance No. 2017-01 in conjunction with the rezoning of Block 501, Lots 9 and 10 to allow a supermarket and bank on one portion and the remainder to be provided to the Borough for use as a recreation field and parking, as detailed in the NMRA settlement agreement.

Bonus Credits

It has been determined that New Milford has a realistic development potential (RDP) of 27 units, which will be satisfied by the inclusionary development on Block 501, Lots 9 and 10. COAH's Substantive Rules provide bonus credits for provision of affordable rental units, as well as for other compliance mechanisms, within certain limitations. For purposes of calculating rental bonus credits, the 15 Prior Round credits and the 27-unit Third Round RDP described above combine to total 42 affordable units, qualifying New Milford to receive 11 rental bonuses. The 15 Prior Round rental units described above combine with 8 rental bonuses to fulfill the Prior Round prospective need of 23 affordable units. The RDP of 27, combined with the remaining 3 rental bonuses, when subtracted from the Third Round obligation of 288 units, results in an "unmet need" of 258 units. The Borough's unmet need will be addressed through two mechanisms described in the following section.

Mechanisms to Address Unmet Need

Inclusionary Zoning Requirements: While there are no other large vacant parcels available for redevelopment at this time, it is possible that existing developed areas may be proposed for redevelopment. Affordable housing should be required to be provided as part of any large-scale redevelopment project. Any development of five or more units that occurs above six units per acre in the municipality as a result of a variance or rezoning shall be required to provide a minimum affordable housing set-aside of 20 percent, except that the minimum set-aside shall be 15 percent where affordable rental units are provided.

This ordinance is proposed to be added to the Affordable Housing chapter of the Borough's General Ordinances by creating the following new section:

SECTION 33-3 INCLUSIONARY HOUSING REQUIREMENTS FOR REZONINGS AND VARIANCES.

Any residential development consisting of five or more dwelling units, at a density above six units per acre, that is permitted pursuant to a variance or rezoning shall produce low- and moderate-income housing on-site or elsewhere in the Borough or pay a fee in lieu of providing affordable units. The number of affordable units to be provided or in lieu payment shall be equal to 20 percent of the residential units in the development, or 15 percent for affordable rental units. The amount of the payment in lieu of providing housing shall be as determined by the appropriate rules of the New Jersey Council on Affordable Housing and any other relevant state regulations.

Affordable Housing in Business Zone: In addition, in the Business zone on lots one acre in area or larger dwellings may be permitted in a building containing one or more permitted nonresidential uses on the first floor or in residential only buildings, if a set-aside of affordable housing is provided. The maximum residential density will be 14 dwelling units per acre when low- and moderate-income dwelling units are provided. The minimum affordable housing set-aside shall be 20 percent of the dwelling units in the development, except that the minimum set-aside shall be 15 percent where affordable rental units are provided. A proposed draft of the ordinance amendments to permit the above requirements is included in the Appendices.

Summary of Credits and Bonuses

These Borough’s compliance mechanisms and the credits and bonuses associated with them are summarized in Table 21.

Table 21. Affordable Housing Credits for Built, Approved and Planned Projects

<u>Affordable Development</u>	<u>Type</u>	<u>Units</u>	<u>Bonus Credits</u>	<u>Total Credits Plus Bonuses</u>
Group Homes	Alternative Living Arrangements	1.1 bedrooms	8	19
1070 River Road	Inclusionary Development	4 units	-	4
Block 501, Lots 9 and 10	Inclusionary Development	27 units	3	30
Inclusionary Zoning Requirements	Inclusionary Zoning	unknown	yes	unknown
Business Zone	Inclusionary Zoning	unknown	yes	unknown

All of the above sites and zones designated for affordable housing development, with the exception of the existing group homes, are shown on the “Affordable Housing Compliance Mechanisms” map attached to this document.

Spending Plan

The Borough of New Milford has a development fee ordinance (Section 32-2 of the Borough’s Revised General Ordinances) which is intended to provide a dedicated revenue source for affordable housing.

All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund for the purposes of affordable housing. These funds shall be spent for purposes including a housing rehabilitation program, costs associated with affordable housing construction, providing affordability assistance to low-income households and professional services related to the planning for affordable housing. The proposed Spending Plan is included in the Appendices.

Other Information

The Borough agrees to require 13% of all units referenced in this plan, with the exception of units constructed as of July 1, 2008, and units subject to preliminary or final site plan approval, to be very low income units, with half of the very low income units being available to families. The municipality will comply with those requirements by adopting said provisions in its affordable housing ordinances.

At least 50 percent of the units addressing the Third Round Prospective Need shall be affordable to very-low-income and low-income households with the remainder affordable to moderate-income households.

All units shall include the required bedroom distribution, be governed by controls on affordability and affirmatively marketed in conformance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq. or any successor regulation, with the exception that in lieu of 10 percent of affordable units in rental projects being required to be at 35 percent of median income, 13 percent of affordable units in such projects shall be required to be at 30 percent of median income, and all other applicable law, provided that the Borough shall require a control period pursuant to N.J.A.C. 5:80-26.11 of not less than 50 years for all units addressing its prospective need obligation that have not yet been constructed, or for projects receiving nine percent Low Income Housing Tax Credits, a control period of not less than a 30 year compliance period plus a 15 year extended use period; all such units will receive one credit toward Prospective Need and may receive up to one bonus credit in accordance with the other terms of this Agreement.

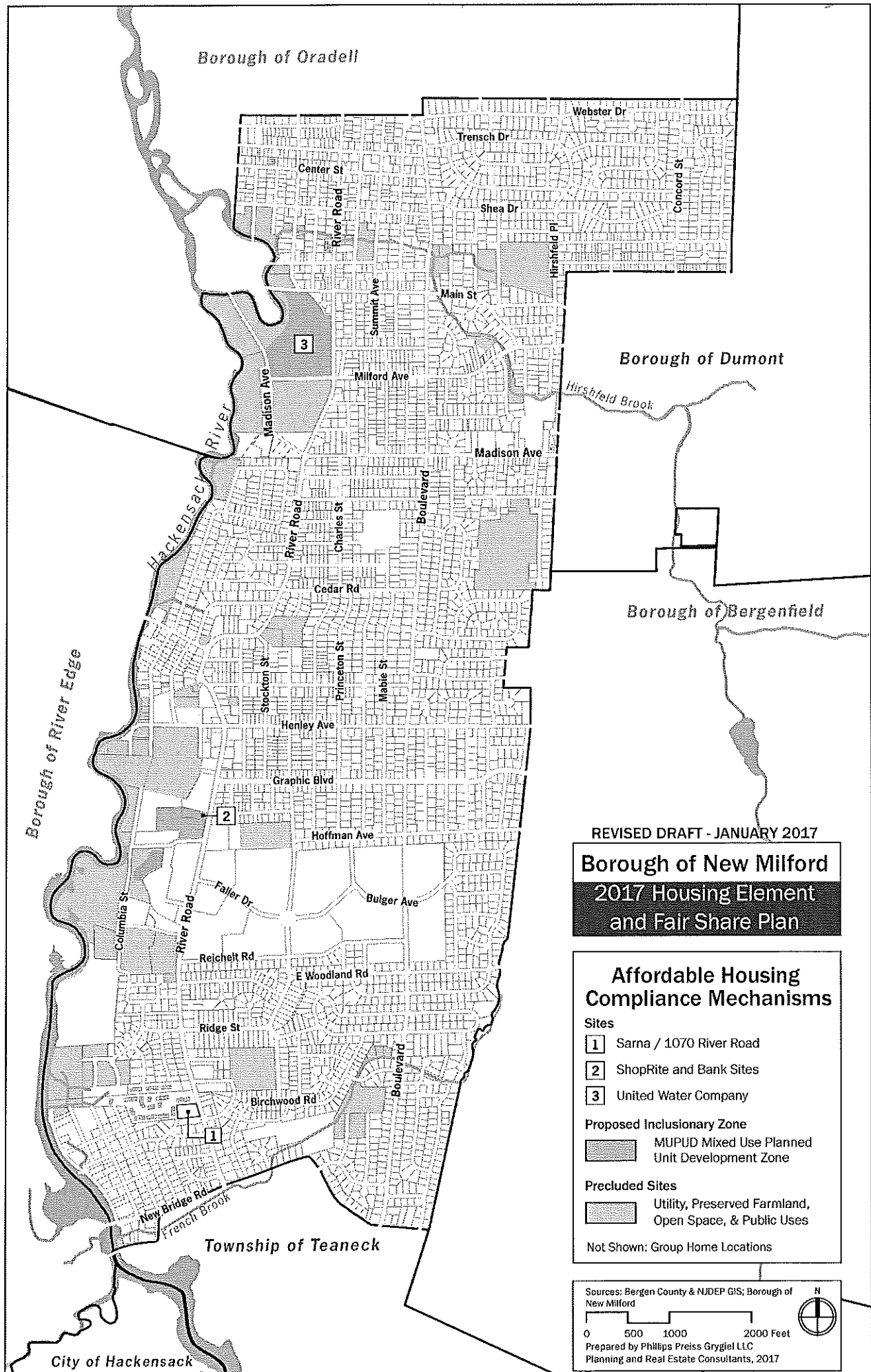
Appendices

Appendix 1: Affordable Housing Compliance Mechanisms Map

Appendix 2: Ordinance No. 2017-01 Creating Mixed Use Planned Unit Development Zone

Appendix 3: Proposed Amendments to Business Zone Regulations

Appendix 4: Spending Plan



Borough of Oradell

Webster Dr

Trench Dr

Center St

Shea Dr

Concord St

River Road

Hirshfeld Pl

Summit Ave

Main St

Borough of Dumont

3

Milford Ave

Hirshfeld Brook

Hackensack River

Madison Ave

Madison Ave

Borough of River Edge

River Road

Boulevard

Borough of Bergenfield

Cedar Rd

Stockton St

Charles St

Princeton St

Mable St

Henley Ave

Graphic Blvd

Hoffman Ave

REVISED DRAFT - JANUARY 2017

**Borough of New Milford
2017 Housing Element
and Fair Share Plan**

**Affordable Housing
Compliance Mechanisms**

Sites

- 1 Sarna / 1070 River Road
- 2 ShopRite and Bank Sites
- 3 United Water Company

Proposed Inclusionary Zone

MUPUD Mixed Use Planned Unit Development Zone

Precluded Sites

Utility, Preserved Farmland, Open Space, & Public Uses

Not Shown: Group Home Locations

Township of Teaneck

New Bridge Rd

French Brook

Birchwood Rd

Boulevard

E Woodland Rd

Reichelt Rd

Ridge St

Faller Dr

Bulger Ave

Columbia St

River Road

1

City of Hackensack

Sources: Bergen County & NJDEP GIS; Borough of New Milford

0 500 1000 2000 Feet
Prepared by Phillips Preiss Grygiel LLC
Planning and Real Estate Consultants, 2017



DRAFT – FOR DISCUSSION PURPOSES ONLY

Proposed Business Zone Amendments Related to Affordable Housing
Borough of New Milford

30-25 BUSINESS ZONES.

30-25.1 Use Regulations.

- a. Permitted principal uses:

...

11. Dwellings.

- a. Lots less than one acre in area. Dwellings shall only be permitted above the first floor, and shall only be permitted in a building containing one or more permitted nonresidential uses on the first floor. Permitted dwelling types are limited to studio, one-bedroom and two-bedroom units, except that three-bedroom units shall only be permitted if required for compliance with State affordable housing regulations.
- b. Lots one acre in area or larger. Dwellings may be permitted in a building containing one or more permitted nonresidential uses on the first floor or a residential only building. Permitted dwelling types are limited to studio, one-bedroom and two-bedroom units, except that three-bedroom units shall be permitted as required for compliance with State affordable housing regulations.

...

30-25.3 Affordable Housing.

- a. On lots one acre in area or larger, the maximum residential density shall be 14 dwelling units per acre when low- and moderate-income dwelling units are provided in accordance with this subsection. The minimum affordable housing set-aside shall be 20 percent of the dwelling units in the development, except that the minimum setaside shall be 15 percent where affordable rental units are provided. A minimum of 13 percent of the affordable units shall be affordable to households earning 30 percent or less of the area median income for the Council on Affordable Housing region.
- b. Affordable dwelling units shall comply with the applicable rules of the Council on Affordable Housing and any other relevant state regulations.
- c. All other affordable housing requirements of the Borough of New Milford, including development fees and inclusionary zoning requirements, shall apply to development in the Business zone.

Adopted
FAB-27-2017

**BOROUGH OF NEW MILFORD
BERGEN COUNTY, NEW JERSEY
ORDINANCE NO. 2017:01**

**AN ORDINANCE TO AMEND CHAPTER XXX ENTITLED "LAND USE
REGULATIONS" OF THE REVISED GENERAL ORDINANCES OF THE BOROUGH
OF NEW MILFORD**

WHEREAS, the Borough of New Milford has entered into a settlement agreement to resolve the settling of the lawsuits entitled In the Matter of the Application of the Borough of New Milford, Docket No. BER-5681-15, New Milford Redevelopment Associates, LLC v. Borough of New Milford et al, Docket No. BER-L-9726-13, and New Milford Redevelopment Associates, LLC v. Zoning Board of Adjustment of the Borough of New Milford, Docket No. BER-L-5465-14; and

WHEREAS, the settlement agreement envisions that the Mayor and Council of the Borough of New Milford will amend Chapter XXX, entitled "Land Use Regulations," of the Revised General Ordinances of the Borough of New Milford to create a new Mixed Use Planned Unit Development Zone; and

WHEREAS, the Mixed Use Planned Unit Development Zone will provide a mixture of residential, commercial, and recreational uses in locations compatible with the historical uses of those locations and the surrounding uses, meeting unmet needs within the Borough for low and moderate income housing and public recreational facilities, and maintaining the balance of diverse uses within the Borough; and

WHEREAS, the Mayor and Council of the Borough of New Milford believe the recommended changes are in the best interest of the residents of New Milford.

NOW THEREFORE BE IT ORDAINED, the Mayor and Council of the Borough of New Milford hereby amend Chapter XXX, entitled "Land Use Regulations", of the Revised General Ordinances of the Borough of New Milford as follows:

1. Section 30-20.4 is hereby amended to read as follows:

For the purpose of this article, the Borough is divided into eight (8) classes of zones:

- a. Residential A Zones.
- b. Residential B Zones.
- c. Residential C/ Multifamily Zones.
- d. Residential D/Townhouse Zones.
- e. Residential E/Multi-Family Townhome Zones.
- f. Business Zones.

- g. Office/Service Zones.
- h. Light Industrial Park Zones.
- i. Mixed Use Planned Unit Development Zones.

2. Section 30-20.5 is hereby amended to include Block 1309, Lot 1.02 and Block 501, Lots 9 and 10 in the Mixed Use Planned Unit Development Zone.

3. Section 30-31 is hereby amended to read as follows:

30-31 MIXED USE PLANNED UNIT DEVELOPMENT (MUPUD) ZONES.

30-31.1 Purpose.

The purpose of this district is for a mixture of residential, commercial, and recreational uses.

These districts are primarily intended for the conduct of commerce, general business and the sale of commodities, and all such uses shall be permitted subject to the restrictions, if any, relating to that business provided for herein.

30-31.2 Inclusion of Certain Lands in District

The following lands and premises known and designated as Block 1309, Lot 1.02 and Block 501, Lots 9 and 10 as shown on the current assessment map of the Borough of New Milford be and the same are located and included in the MUPUD Zone and are subject to all the terms, conditions, regulations, restrictions and requirements which apply to the MUPUD Zone.

30-31.3 Permitted Uses

- a. The MUPUD Zone is divided in three areas as shown on the supplemental zoning map. The designation of the areas on the map shall prevail over the description of areas contained in this section, which is for informational purposes only. The areas shall be designated as follows:
 - 1. Area A – Approximately 4.15 acres at the south side of Block 1309, Lot 1.02 adjacent to John D. Cecchino Drive.
 - 2. Area B – Approximately 9.5 acres at the north side of Block 1309, Lot 1.02 adjacent to Main Street.
 - 3. Area C – Block 501, Lots 9 and 10.
- b. The following uses shall be permitted in the MUPUD Zone
 - 1. Area A – Public recreation, including playing fields, grandstands, concession stands, and public parking, restrooms, storage sheds and any structure or use customary to playing fields.

2. Area B – A bank, a supermarket (which may include, among other things, an area of tables and seats where patrons may consume hot and cold food purchased on site), and parking.
3. Area C – Up to 135 multifamily housing units, which may in the form of townhouses, garden apartments, or mid-rise multifamily structures, and up to 12,500 square of floor area for the conduct of commerce, general business and the sale of commodities and services (including but not limited to supermarket and banking uses), and parking.

30-31.4 Permitted Accessory Uses

- a. Signs.
- b. Fences and walls.
- c. Off-street parking.
- d. Stormwater management and flood control structures.
- e. Public sewer facilities.
- f. Other customary accessory uses, buildings, and structures which are clearly incidental to the principal use and building.

30-31.5 Development Standards for Area B

Minimum Lot Area: 4.0 acres

Minimum Lot Frontage: 200 feet

Minimum Front Yard Setback: 50 feet

Minimum Side Yard Setback: 30 feet

Minimum Rear Yard Setback: 20feet

Maximum Building Coverage: 20%

Maximum Impervious Coverage: 85%

Maximum Building Height: 2 stories / 50 feet

Parking: 1 space per 200 square feet of floor area

30-31.6 Development Standards for Area C

Minimum Lot Area: 4.0 acres

Minimum Lot Frontage: 200 feet

Minimum Front Yard Setback: 50 feet

Minimum Side Yard Setback: 20 feet

Minimum Rear Yard Setback: 35 feet

Maximum Building Coverage: 30%

Maximum Impervious Coverage: 80%

Maximum Building Height: 4 stories / 50 feet

Maximum Gross Residential Density: 35 units/acre

Maximum Number of Residential Units: 135 units

Maximum Floor Area for Nonresidential Uses: 12,500 square feet, limited to the first floor.

Residential Parking: per RSIS

Nonresidential Parking: 1 space per 200 square feet of floor area.

30-31.7 Development standards applicable to both Areas B and C.

a. Utilities.

All telephone, electric transmission and service lines, cable television and all other utility wiring whatsoever shall be placed underground. Any satellite dishes shall be screened so as not to be visible from the ground.

b. Sidewalks.

1. Concrete sidewalks a minimum of 4 feet in width, constructed in accordance with the Borough Engineer's specifications, shall be provided:
 - (a) To and from buildings and parking areas.
 - (b) To and from buildings and roads and access ways.
 - (c) To each entrance in each building.
2. No sidewalks, with the exception of those leading to and from building entrances and exits, shall be placed closer to a building than 10 feet.

30-31.8 Affordable Housing

- a. The residential development in Area C shall include housing affordable to low and moderate income households. Twenty percent of the units must be reserved for, and affordable to, low or moderate income households. Of these, at least half must be reserved for, and affordable to, low income households. The developer may designate that the low and moderate income units will be rental units. If the developer designates

that the low and moderate income units are rental units, at least 26 percent of the low income units must be reserved for, and affordable to, very low income households. Low and moderate income units designated as rental units shall be maintained as rental units for a period of at least 30 years.

- b. Low and moderate income housing units shall be governed by the standards set forth in the Uniform Housing Affordability Controls, N.J.A.C. 5:89-26.1 et seq.
- c. Nonresidential development in the MUPUD Zone shall be exempt from any municipal development fee or fee in lieu of construction of low and moderate income housing.
- d. The construction of low and moderate income housing shall be phased with the construction of market-priced housing, as follows:

Minimum Percentage of Low and Moderate Income Units Completed	Percentage of Market Housing Units Completed
0	25
10	25 + 1
50	50
75	75
100	90

- e. For purposes of the schedule set forth in Paragraph d. above, a newly constructed unit shall be considered complete when the certificate of occupancy is issued.

30-31.9 Signage

In addition to any other signage permitted by ordinance, a pylon sign shall be permitted in Area B facing Madison Avenue, which may be 22 feet high and 14 feet wide, with a total signage area of no more than 210 square feet.

30-31.10 PUD requirements

- a. No development shall be permitted in the MUPUD zone except pursuant to a General Development Plan granted by the Planning Board. The General Development Plan may include either Areas A and B, Area C, or Areas A, B, and C.
- b. A general development plan shall include the following:
 - 1. A general land use plan at a scale specified by ordinance indicating the tract area and general locations of the land uses to be included in the planned development. The total number of dwelling units and amount of nonresidential floor area to be provided and proposed land area to be devoted to residential and nonresidential use shall be set forth. In addition, the proposed types of nonresidential uses to be included in the planned development shall be set forth, and the land area to be occupied by each proposed use shall be estimated. The density and intensity of use of the entire planned development shall be set forth, and a residential density and a nonresidential floor area ratio shall be provided;

2. A circulation plan showing the general location and types of transportation facilities, including facilities for pedestrian access.
3. An open space plan showing the proposed land area and general location of any land area to be set aside for conservation and recreational purposes and a general description of improvements proposed to be made thereon, including a plan for the operation and maintenance of such recreational lands;
4. A utility plan indicating the need for and showing the proposed location of sewage and water lines, any drainage facilities necessitated by the physical characteristics of the site, and proposed methods for handling solid waste disposal;
5. A storm water management plan setting forth the proposed method of controlling and managing storm water on the site;
6. A housing plan outlining the number of housing units to be provided and the extent to which any housing obligation assigned to the municipality pursuant to PL. 1985, c. 222 (C. 52:27D-301 et al.) will be fulfilled by the development;
7. A proposed timing schedule in the case of a planned development whose construction is contemplated over a period of years, including any terms or conditions which are intended to protect the interests of the public and of the residents who occupy any section of the planned development prior to the completion of the development in its entirety; and
8. A municipal development agreement, which shall mean a written agreement between a municipality and a developer relating to the planned development.

BE IT FURTHER ORDAINED that this ordinance shall become effective upon passage and publication in accordance with law and that the remainder of this ordinance remains unchanged.

DRAFT – FOR DISCUSSION PURPOSES ONLY

**Affordable Housing Trust Fund Spending Plan
Borough of New Milford
January 2017**

INTRODUCTION

The Borough of New Milford, Bergen County has prepared a Housing Element and Fair Share plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Fair Housing Act (N.J.S.A. 52:27D-301) and the regulations of the Council on Affordable Housing (COAH) (N.J.A.C. 5:97-1 et seq. and N.J.A.C. 5:96-1 et seq.). A development fee ordinance creating a dedicated revenue source for affordable housing was approved by COAH and adopted by the municipality. The ordinance establishes the New Milford affordable housing trust fund for which this spending plan is prepared.

As of December 31, 2016, New Milford has collected \$34,400.09, expended \$157.49, resulting in a balance of \$34,242.60. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:97-8.7-8.9 as described in the sections that follow.

New Milford filed for Third Round substantive certification in 2008.

The Borough reserves the right and authority to further amend or modify the within spending plan to address or take into account changes which may be warranted due to new rules or rule amendments promulgated by COAH, or judicial determinations, which may change standards or establish new criteria for the Borough to address its affordable housing obligation.

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1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period of third round substantive certification, New Milford considered the following:

(a) Development fees:

1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PIL):

Actual and committed payments in lieu (PIL) of construction from developers as follows: none.

(c) Other funding sources:

Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income and proceeds from the sale of affordable units. No other funds have been or are anticipated to be collected.

(d) Projected interest:

Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate.

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SOURCE OF FUNDS	PROJECTED REVENUES-HOUSING TRUST FUND - 2016 THROUGH 2025 – PART 1 OF 2				
	2016	2017	2018	2019	2020
(a) Development fees:					
1. Approved Development	\$34,393	\$20,000	\$0	\$0	\$0
2. Development Pending Approval	\$0	\$0	\$0	\$0	\$0
3. Projected Development	\$0	\$25,000	\$25,000	\$25,000	\$25,000
(b) Payments in Lieu of Construction	\$0	\$0	\$0	\$0	\$0
(c) Other Funds (Specify source(s))	\$0	\$0	\$0	\$0	\$0
(d) Interest	\$7	\$50	\$50	\$50	\$50
Total	\$34,400	\$45,050	\$25,050	\$25,050	\$25,050

SOURCE OF FUNDS	PROJECTED REVENUES-HOUSING TRUST FUND - 2016 THROUGH 2025 -- PART 2 OF 2					
	2021	2022	2023	2024	2025	Total
(a) Development fees:						
1. Approved Development	\$0	\$0	\$0	\$0	\$0	\$54,393
2. Development Pending Approval	\$0	\$0	\$0	\$0	\$0	\$0
3. Projected Development	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$225,000
(b) Payments in Lieu of Construction	\$0	\$0	\$0	\$0	\$0	\$0
(c) Other Funds (Specify source(s))	\$0	\$0	\$0	\$0	\$0	\$0
(d) Interest	\$50	\$50	\$50	\$50	\$50	\$457
Total	\$25,050	\$25,050	\$25,050	\$25,050	\$25,050	\$279,850

New Milford projects a total of \$279,850 in revenue to be collected between January 1, 2016 and December 31, 2025. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing.

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2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by New Milford:

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with New Milford's development fee ordinance for both residential and non-residential developments in accordance with COAH's rules and P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7).

(b) Distribution of development fee revenues:

The disbursement of monies in New Milford's affordable housing trust fund will be coordinated by its Municipal Housing Liaison. In some instances, funds will be provided to other entities, such as an entity responsible for administering a rehabilitation program, for eventual disbursement.

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3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) Rehabilitation program (N.J.A.C. 5:97-8.7)

New Milford will dedicate \$175,000 to its rehabilitation program.

(b) Affordability Assistance (N.J.A.C. 5:97-8.8)

Projected minimum affordability assistance requirement:

Actual development fees through 12/31/16		\$34,393.01
Actual payments in lieu of housing through 12/31/16	+	\$0
Actual interest earned through 12/31/16	+	\$7.08
Development fees projected 2017-2025	+	\$245,000
Interest projected 2017-2025	+	\$450
Less housing activity expenditures through 12/31/16	-	\$157.49
Total	=	\$279,693
30 percent requirement	x 0.30 =	\$83,908
Less Affordability assistance expenditures through 12/31/2016	-	\$0
PROJECTED MINIMUM Affordability Assistance Requirement 1/1/2016 through 12/31/2025	=	\$83,908
PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement 1/1/2016 through 12/31/2025	÷ 3 =	\$27,969.26

New Milford will dedicate \$84,000 from the affordable housing trust fund to render units more affordable, including \$28,000 to render units more affordable to households earning 30 percent or less of median income by region, as follows:

New Milford will address this requirement through subsidizing the provision of very low-income housing and through other means such as down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowners association or condominium fees and special assessments and assistance with emergency repairs.

(c) Administrative Expenses (N.J.A.C. 5:97-8.9)

New Milford projects that \$20,850 will be available from the affordable housing trust fund to be used for administrative purposes. Projected administrative expenditures, subject to the 20 percent cap, are as follows:

- Administering a housing rehabilitation program
- Managing the provision of affordability assistance to low-income households
- Provision of professional planning and legal services related to the planning for affordable housing

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4. EXPENDITURE SCHEDULE

New Milford intends to use affordable housing trust fund revenues for the creation and/or rehabilitation of housing units. Where applicable, the creation/rehabilitation funding schedule below parallels the implementation schedule set forth in the Housing Element and Fair Share Plan and is summarized as follows.

Program	PROJECTED EXPENDITURE SCHEDULE				
	2016 -2025 – PART 1 OF 2				
	2016	2017	2018	2019	2020
Rehabilitation	\$0	\$20,000	\$20,000	\$20,000	\$20,000
Affordability Assistance	\$0	\$9,200	\$9,200	\$9,200	\$9,200
Administration	\$157	\$5,000	\$4,000	\$3,000	\$2,193
Total	\$157	\$34,200	\$33,200	\$32,200	\$31,393

Program	PROJECTED EXPENDITURE SCHEDULE					
	2016 -2025 – PART 2 OF 2					
	2021	2022	2023	2024	2025	Total
Rehabilitation	\$20,000	\$20,000	\$20,000	\$20,000	\$15,000	\$175,000
Affordability Assistance	\$9,600	\$9,200	\$9,200	\$9,200	\$10,000	\$84,000
Administration	\$1,500	\$1,500	\$1,500	\$1,000	\$1,000	\$20,850
Total	\$31,100	\$30,700	\$30,700	\$30,200	\$26,000	\$279,850

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5. EXCESS OR SHORTFALL OF FUNDS

Pursuant to the Housing Element and Fair Share Plan, the governing body of New Milford will adopt a resolution agreeing to fund any shortfall of funds required for implementing the rehabilitation program, providing affordability assistance and helping with the creation of new affordable housing. In the event that a shortfall of anticipated revenues occurs, New Milford will utilize a capital ordinance to provide the necessary funds. A copy of the adopted resolution of intent to adopt such an ordinance if necessary is attached.

In the event of excess funds, any remaining funds above the amount necessary to satisfy the municipal affordable housing obligation will be used to provide affordability assistance, aid with the rehabilitation of units and/or encourage provision of affordable accessory apartments.

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SUMMARY

New Milford intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:97-8.7 through 8.9 and consistent with the housing programs outlined in its housing element and fair share plan.

New Milford has a balance of \$34,242.60 as of December 31, 2016 and anticipates an additional \$245,450 in revenues during the next 9 years. The municipality will dedicate \$175,000 towards rehabilitation, \$84,000 to render units more affordable, and \$20,850 to administrative costs. Any shortfall of funds will be offset by funds appropriated from general revenue. The municipality will dedicate any excess funds toward providing affordability assistance, aiding with the rehabilitation of units and/or encouraging provision of affordable accessory apartments.

SPENDING PLAN SUMMARY		
Balance as of December 31, 2016		\$34,243
PROJECTED REVENUE 2016-2025		
Development fees	+	\$279,363
Payments in lieu of construction	+	\$0
Other funds	+	\$0
Interest	+	\$457
TOTAL REVENUE	=	\$279,850
EXPENDITURES		
Funds used for Rehabilitation	-	\$175,000
Affordability Assistance	-	\$84,000
Administration	-	\$20,850
TOTAL PROJECTED EXPENDITURES	=	\$279,850
REMAINING BALANCE	=	\$0