

**South Orange Village
Essex County
Housing Element and Fair Share Plan
Round Four (2025-2035)**

Prepared For:



South Orange Village
76 South Orange Avenue
South Orange, NJ 07079

Adoption Date: May 5, 2025

Acknowledgements

Mayor
Sheena C. Collum

Village Administrator
Julie Doran

Village Council
Bobby Brown
Jennifer Greenberg
Stephen Schnall
Bill Haskins
Summer Jones
Olivia Lewis-Chang

Planning Board
Harold Colton-Max, Chairman
Michael Miller, Vice Chairman
Jon Busch-Vogel, Village President Designee
Cecil House
Lillian Harris
David Kraiker
Carolyn Morin

Village Board Attorney
William Sullivan, Esq.

Affordable Housing Counsel
Nancy L. Holm, Esq.

Village Planner
Greer Patras, PP

Planning Board Secretary / Clerk
Ojetti Davis

Prepared by:

~~~~~Signatures to be placed on adopted version~~~~~

\_\_\_\_\_  
Phil Abramson, AICP/PP  
Planner License No. 33LI00609600

\_\_\_\_\_  
Graham Petto, AICP/PP  
Planner License No. 33LI00633500

Supporting Staff:

Marc Lincer, AICP, CAPM Planner III  
Sahana Kumar, Planner I

*The original of this report was signed and sealed in accordance with N.J.S.A. 45:14A-12.*

## Table of Contents

|     |                                                                                |    |
|-----|--------------------------------------------------------------------------------|----|
| I.  | Introduction.....                                                              | 4  |
| A.  | History of New Jersey Affordable Housing Policy.....                           | 4  |
| B.  | Housing Element and Fair Share Plan Requirements .....                         | 8  |
| II. | Housing Element: Municipal Summary .....                                       | 10 |
| A.  | Housing Conditions.....                                                        | 10 |
|     | Table 1: Year Structure Built .....                                            | 11 |
|     | Table 2: Housing Condition .....                                               | 11 |
|     | Table 3: Value of Owner-Occupied Housing Units.....                            | 12 |
|     | Table 4: Housing Cost Burden, 2023 .....                                       | 13 |
|     | (Monthly Costs as Percentage of Household Income).....                         | 13 |
|     | Table 5: Housing Tenure and Occupancy .....                                    | 13 |
|     | Table 6: Occupants Per Room + Inadequate Units in Occupied Housing Units ..... | 13 |
|     | Table 7: Housing Type and Size .....                                           | 14 |
|     | Table 8: Number of Bedrooms Per Unit.....                                      | 14 |
| B.  | Housing Projections.....                                                       | 15 |
|     | Table 9: Housing Unit Projection .....                                         | 15 |
|     | Figure 1: Existing Land Use Map .....                                          | 15 |
|     | Figure 2: Existing Zoning Map.....                                             | 17 |
| C.  | Demographic Characteristics.....                                               | 18 |
|     | Table 10: Historic Population Growth.....                                      | 18 |
|     | Table 11: Population by Age.....                                               | 19 |
|     | Table 12: Population by Housing Type .....                                     | 20 |
|     | Table 13: Residents’ Place of Birth .....                                      | 20 |
|     | Table 14: Residents’ Race.....                                                 | 21 |
|     | Table 15: Household Median Income.....                                         | 22 |
|     | Table 16: Poverty Status .....                                                 | 22 |
| D.  | Multigenerational Housing Continuity .....                                     | 22 |

E. Employment Data ..... 23  
Table 17: Employment Projection ..... 23

III. Fair Share Plan: Obligations and Compliance Plan ..... 24

A. Introduction and Fourth Round Changes ..... 24

B. Prior Round Need Compliance “Look Back” (2015-2025) ..... 25  
Table 18: Projects cited to satisfy Third Round Realistic Development Potential: ..... 26

C. Present and Prospective Need Obligation (2025-2035) ..... 28  
Figure 3: Prospective Need Projects Maps ..... 30  
Table 18: Projects Description and Suitability Analysis ..... 32  
Table 19: Fourth Round Prospective Obligation Compliance Summary ..... 33  
Table 20: Mandatory Obligation Subsets..... 35

IV. Appendices..... 36

Appendix A – Spending Plan..... 37

Appendix B – Affirmative Marketing Plan ..... 45

Appendix C – Regulatory Resolutions (Adopting Obligation Number) ..... 46

Appendix D – Affordable Housing and Development Fee Ordinance..... 47

Appendix E – Prospective Obligation Plans..... 48

Appendix F – Resolution of intent to fund cost of municipality’s municipally sponsored affordable housing development as well as its rehabilitation program..... 49

Appendix G – Copies of resolutions appointing Administrative Agent(s) and ordinance creating the position of and appointing the Municipal Affordable Housing Liaison ..... 50

Appendix H – Village Home Improvement Program – Policies and Procedures Manual ..... 51

Appendix I: Vacant Land Adjustment..... 52

## I. Introduction

This Housing Element and Fair Share Plan will exhibit the Village of South Orange’s (herein the “Village” or “South Orange”) commitment to providing affordable housing within the municipality. This document seeks to frame South Orange’s efforts based on the current best knowledge of the affordable housing framework created by the State, applicable past rules established by the Council on Affordable Housing (COAH), and the requirements of P.L.2024, c.2<sup>1</sup> (the “Law” or “Amended Law”) which governs municipal responsibilities concerning provisions of affordable housing in the Fourth Round.

This Plan has three sections. The first section (“Introduction”) includes a brief history of New Jersey Housing Policy. The second section (“Housing Element”) includes a Demographic Analysis, Housing Inventory, Employment Analysis, and review of land uses and policies, as required by statute. The third section (Fair Share Plan) summarizes the Village’s affordable housing obligations for 2025-2035 and its plan for complying with these obligations.

### A. History of New Jersey Affordable Housing Policy

#### *1975 – 1985 | Mount Laurel Doctrine and the Fair Housing Act*

In 1975 the New Jersey Supreme Court decided *Southern Burlington County NAACP v. the Township of Mount Laurel*, more commonly referred to as “Mount Laurel I,” wherein it interpreted the New Jersey Constitution to create an affirmative obligation for developing municipalities to provide a “realistic opportunity for the construction of low- and moderate-income housing in their communities.” In 1983, the New Jersey Supreme Court expanded the obligation from only developing municipalities to all municipalities in a decision commonly referred to as “Mount Laurel II”. In addition, the Supreme Court required the establishment of each municipality’s fair share obligation and required each municipality, through its zoning, to provide a realistic opportunity for the construction of that established fair share obligation. Subject to several prerequisites, conditions and requirements, Mount Laurel II also created the “builder’s remedy” as a mechanism to enforce the doctrine in instances where a developer successfully demonstrated a municipality’s zoning failed to create the requisite realistic opportunity. Under such circumstances, a plaintiff may be entitled to have its site rezoned for an inclusionary development with an affordable set aside if the site is available, developable, approvable, and suitable for the proposed project and all other requirements for a successful builder’s remedy are met and all defenses defeated.

In 1985, in response to Mount Laurel II and the flood of litigation stemming from it, the Legislature adopted the Fair Housing Act (“FHA”) to discourage litigation and incentivize voluntary compliance (see N.J.S.A. 52-27D-303). The FHA established, among other things, the Council on Affordable Housing (“COAH”) as an administrative alternative to litigation and

---

<sup>1</sup> <https://pub.njleg.state.nj.us/Bills/2024/PL24/2 .PDF>

judicial intervention. COAH was charged with establishing various housing regions in the state, estimating regional affordable housing obligations, and adopting criteria and guidelines for the municipal determination of housing need as well as guidelines for satisfying those obligations. The FHA also linked municipal planning and zoning powers to the satisfaction of affordable housing obligations. Under the FHA, a municipal zoning ordinance is presumptively invalid if a municipality fails to adopt a housing element as part of its master plan or enacts zoning regulations that are inconsistent with their housing plan.

#### 1987 – 2004 | Establishment and Administration of First Round and Second Round COAH Rules

After the adoption of the Fair Housing Act, COAH adopted procedural and substantive rules to effectuate the FHA's legislative intent in both the First Round (1987-1993) (N.J.A.C 5:91 and 5:92) and Second Round (1993-1999) (N.J.A.C. 5:93). The Second Round substantive regulations (Chapter 93) superseded the First Round substantive regulations (Chapter 92) and recalculated the First Round obligations. Under COAH's regulations, low-income households were defined as those with incomes no greater than 50 percent of the area median income (AMI), adjusted for household size, and moderate-income households were those with incomes no greater than 80 percent and no less than 50 percent of the median household income. AMI limits were calculated based upon housing regions as established by COAH.

#### 2004 – 2010 | Third Round Litigation and Revisions

In December 2004, COAH promulgated its Third Round "Growth Share" methodology, which adjusted prior round obligations and devised a new system for projecting future municipal housing obligations. Growth Share obligations were based upon municipal growth and the Third Round was defined as the period of 1999-2014. The initial Growth Share methodology required municipalities to provide one affordable housing unit for every eight market rate units and one affordable unit for every 25 jobs created. In January 2007, the Appellate Division invalidated the Growth Share Methodology and required COAH to revise its rules, which it did in May 2008 via the Third Round substantive regulations of Chapter 97.

The FHA was subsequently amended in July 2008. This round of amendments, among other things, eliminated Regional Contribution Agreements and reduced non-residential development fees. In September 2008, Executive Order #114 was which amended the COAH rules to ensure consistency with the Highlands Regional Master Plan.

#### 2010 – 2023 | COAH's Noncompliance and Resumption of Court Responsibility

During this period, there was inaction and increased uncertainty in the realm of affordable housing.

After taking office Governor Chris Christie signed Executive Order No. 12, establishing the Housing Opportunity Task Force and charging them with a full review of the Fair Housing Act, COAH, and COAH's regulatory structure. Ultimately, the task force recommended a model which included adjusted definitions of present and prospective need, a benchmark of 10 percent

growth predicted by the State Planning Commission to guide obligations, and transferring of procedural responsibility from COAH to the Home Mortgage Finance Agency (HMFA).

Further complicating matters, in October 2010, the Appellate Division invalidated a substantial portion of COAH's rules. Most notably, the Court invalidated the Third Round Growth Share methodology and ordered COAH to revise its rules in accordance with the decision. In addition, the Court prohibited certification of housing plans that rely upon municipally sponsored affordable housing projects without specified funding and required COAH to create an incentive structure for inclusionary developments.

In January 2011, the legislature passed S-1 / A-3447, which was subsequently vetoed. Then, in June Governor Christie issued a reorganization plan which transferred the administration of the State's affordable housing program from COAH to the New Jersey Department of Community Affairs. Upon challenge by the Fair Share Housing Center, the Appellate Court invalidated Governor Christie's Reorganization Plan in March 2012. The Supreme Court upheld this decision in July 2013.

In September 2013, the Supreme Court confirmed the invalidation of the previously adopted Third Round regulations, upholding that the methodology used for projecting housing needs in these rules was unconstitutional. In that ruling, the court established a February 2014 deadline for development and adoption of new COAH rules, which was eventually extended to November 2014. Significantly, no rules were adopted.

In March 2015, in the case entitled *In re: Adoption of N.J.A.C. 5:96 & 5:97*, 221 N.J. 1 (2015), more commonly referred to as "Mount Laurel IV," the State Supreme Court determined that COAH was "moribund" and unable to carry out its duties as intended by the Fair Housing Act. The Court further held "that the courts may resume their role as the forum of first instance for evaluating municipal compliance with Mount Laurel obligations."

Thus, the Court designed a transitional process whereby municipalities could seek judicial approval of their HEFSPs. Those transitional procedures gave municipalities the choice whether to seek compliance voluntarily via a Declaratory Judgment (DJ) Action or to not file a DJ Action and risk being sued. During this period, and in the absence of COAH, many municipalities entered into court-mediated Settlement Agreements involving the Fair Share Housing Center.

*2024 – Present | Adoption of P.L. 2024, c.2 and Fourth Round Methodology Changes and Department of Community Affairs*

With the impending end of the Third Round in 2025, there was a push at the State level to implement new legislation that would reorganize the affordable housing process and end the transitional and court-oriented process initiated by Mount Laurel IV. The result of this effort was A-4 / S-50, which was signed into law by Governor Phil Murphy on March 20, 2024. This legislation created a framework to be used for the Fourth Round and beyond. In summary, the Law:

1. Abolishes the Council on Affordable Housing ("COAH") and transfers its duties to the DCA and the Administrative Office of the Courts ("AOC");
2. Enables the DCA to implement the judicial methodology provided by Judge Mary C. Jacobson, A.J.S.C. in her March 8, 2018 decision, In re Application of Municipality of Princeton (the "Princeton Case"), to calculate every municipality's affordable housing obligation for the Fourth Round;
3. Creates the Affordable Housing Dispute Resolution Program (the "Program") to oversee disputes and provide for mediation; and
4. Expands the availability of bonus credits, while eliminating the previously offered "rental bonus credit." Bonus credits are further described in this Housing Element and Fair Share Plan.
5. Modifies applicable data and calculations underlying the methodology for calculation of affordable housing obligations, eliminating the prior dependence of Courts and court-appointed Special Adjudicators (formerly known as Special Court Masters) to deploy accepted methodologies to determine each municipality's affordable housing obligation.
6. Sets timeframes under which municipalities must act to preserve immunity from exclusionary zoning litigation.

Critically, the Amended Law requires that municipalities adopt a housing element and fair share plan no later than June 30, 2025 to maintain immunity from exclusionary zoning litigation.

## B. Housing Element and Fair Share Plan Requirements

### Municipal Land Use Law (“MLUL”) + Fair Housing Act (“FHA”)

The MLUL, through incorporation of the New Jersey FHA, requires municipalities to include a housing element in their master plans as a prerequisite to the zoning power. The principal purpose is to enumerate and provide the data, policies, and methods by which municipalities will meet housing needs, with particular attention to low- and moderate-income households.

Pursuant to Section 10 of P.L.1985, c.222 (C.52:27D-310) and as amended per P.L.2024, c.2,<sup>2</sup> as amended, the required contents of the housing element shall contain at least:

- a. *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, and in conducting this inventory the municipality shall have access, on a confidential basis for the sole purpose of conducting the inventory, to all necessary property tax assessment records and information in the assessor's office, including but not limited to the property record cards;*
- b. *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 of lands;*
- c. *An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;*
- d. *An analysis of the existing and probable future employment characteristics of the municipality;*
- e. *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, as established pursuant to section 3 of P.L.2024, c.2 (C.52:27D-304.1);*
- f. *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; and*
- g. *An analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c.273 (C.52:27D-329.20).*

<sup>2</sup> <https://law.justia.com/codes/new-jersey/title-52/section-52-27d-310/> and <https://pub.njleg.state.nj.us/Bills/2024/PL24/2 .PDF>

- h. *For a municipality located within the jurisdiction of the Highlands Water Protection and Planning Council, established pursuant to section 4 of P.L.2004, c.120 (C.13:20-4), an analysis of compliance of the housing element with the Highlands Regional Master Plan of lands in the Highlands Preservation Area, and lands in the Highlands Planning Area for Highlands-conforming municipalities. This analysis shall include consideration of the municipality's most recent Highlands Municipal Build Out Report, consideration of opportunities for redevelopment of existing developed lands into inclusionary or 100 percent affordable housing, or both, and opportunities for 100 percent affordable housing in both the Highlands Planning Area and Highlands Preservation Area that are consistent with the Highlands regional master plan; and*
- i. *An analysis of consistency with the State Development and Redevelopment Plan, including water, wastewater, stormwater, and multi-modal transportation based on guidance and technical assistance from the State Planning Commission.*

In addition to the statutory components of the Housing Element and Fair Share Plan detailed in 52:27D-310, [Administrative Directive #14-24](#),<sup>3</sup> which promulgated the procedures and guidelines for implementing the Affordable Housing Dispute Resolution Program; contains a section entitled “Required Elements of Housing Element and Fair Share Plan.” In summary, the Directive requires four additional elements of the HEFSP to be included:

1. A site suitability analysis for any inclusionary zone and/or 100% affordable site
2. A concept plan for site development of any proposed inclusionary zone.
3. A detailed review of the credit worthiness of all existing units in the municipality.
4. All ordinances and resolutions required to implement the plan attached as an Appendix to the HEFSP.

However, it should be noted that the requirement to adopt all implementing ordinances to effectuate the HEFSP as set forth in the Fair Housing Act is March 15, 2026. Given this discrepancy of the dates, the statutory necessity of implementing ordinances to be reviewed by the Planning Board and deemed consistent with this adopted HEFSP, and the potential for challenges to the HEFSP as adopted, such ordinance amendments will be prepared following adoption of this plan element.

---

<sup>3</sup> [https://www.njcourts.gov/sites/default/files/administrative-directives/2024/12/dir\\_14\\_24.pdf](https://www.njcourts.gov/sites/default/files/administrative-directives/2024/12/dir_14_24.pdf)

## II. Housing Element: Municipal Summary

South Orange Village is roughly 2.85 square miles in area and is located in Essex County. For regional and planning purposes, South Orange is located in Housing Region 2, a region that consists of Essex, Morris, Union and Warren counties.

In compiling the analysis for the Housing Element, this report utilizes the following data:

1. American Community Survey (“ACS”): The most up to date information is the ACS estimates, which are generated between the decennial censuses. ACS figures are based on data collected over a 5-year time period. The estimates represent the average characteristics of population and housing between 2018-2023 and DO NOT represent a single point in time. Comparisons will be made with the 2018-2023 ACS to show change over time.<sup>4</sup>
2. Decennial Census: Every ten years, the Census conducts detailed data collection to create an image that is as accurate as possible of the conditions throughout the country in that year. Data from the decennial census is used for comparison when equivalent ACS information is unavailable, as well as for longitudinal analysis.<sup>5</sup>
3. North Jersey Transportation Planning Authority (“NJTPA”): Every four years, the NJTPA updates its regional forecasts for population, households and employment as part of updating its long range transportation plan (LRTP), the region’s blueprint for transportation investment.<sup>6</sup>
4. State or Other Agency Sources: for select data types, State sources are used instead of the Census Bureau when equivalent Census data does not exist or the State data provides a more complete picture.

### A. Housing Conditions

The analysis in this section shall satisfy Part A of P.L.1985, c.222 (C.52:27D-310), which requires:

- A) *“Inventory of 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, and in conducting this inventory the municipality shall have access, on a confidential basis for the sole purpose of conducting the inventory, to all necessary property tax assessment records and information in the assessor's office, including but not limited to the property record cards”*

<sup>4</sup> <https://data.census.gov/table>

<sup>5</sup> <https://data.census.gov/table?d=DEC%20Demographic%20Profile>

<sup>6</sup> <https://www.njtpa.org/NJTPA/media/Documents/Planning/Plans-Guidance/Planning%20for%202050/draft%20final/E-2050-Demographic-Forecasts.pdf>

### Housing Stock by Age and Condition

According to the 2023 ACS, there are an estimated 6,110 housing units in South Orange Village which represented no increase since 2020.

67.2% of South Orange Village's housing structures were built prior to 1960, suggesting that more than 2 out of 3 units are older than 65 years.

**Table 1: Year Structure Built**

|                       | UNITS | PERCENT |
|-----------------------|-------|---------|
| Total housing units   | 6,110 | -       |
| Built 2020 or later   | 0     | 0.0     |
| Built 2010 to 2019    | 476   | 7.8     |
| Built 2000 to 2009    | 309   | 5.1     |
| Built 1990 to 1999    | 170   | 2.8     |
| Built 1980 to 1989    | 404   | 6.6     |
| Built 1970 to 1979    | 197   | 3.2     |
| Built 1960 to 1969    | 450   | 7.4     |
| Built 1950 to 1959    | 740   | 12.1    |
| Built 1940 to 1949    | 507   | 8.3     |
| Built 1939 or earlier | 2,857 | 46.8    |

*Source: 5-Year American Community Survey, 2023, DP04*

The table below details the condition of housing within South Orange Village based on heating fuel, plumbing facilities, kitchen facilities. These factors help determine the number of inadequate housing units within the Village. According to the current ACS estimate, 84 housing units in South Orange Village lacked either heating fuel, plumbing or kitchen facilities, which is greater than 2018.

**Table 2: Housing Condition**

|                                                   | 2023 | PERCENT | 2018 | PERCENT | PERCENT CHANGE |
|---------------------------------------------------|------|---------|------|---------|----------------|
| Occupied housing units lacking certain facilities | 84   | 1.4     | 67   | 1.3     | 0.1            |
| Lacking heating fuel                              | 0    | 0.0     | 57   | 1.1     | -1.1           |
| Lacking complete plumbing facilities              | 36   | 0.6     | 0    | 0.0     | 0.6            |
| Lacking complete kitchen facilities               | 48   | 0.8     | 10   | 0.2     | 0.6            |

*Source: 5-Year American Community Survey, 2018 & 2023, DP04*

### Housing Values and Costs

Since 2018, home values in the Village have increased by \$231,100 (40.05%). This change is accompanied by an increase in homes worth more than \$1,000,000 and a decrease in homes worth between \$300,000 and \$499,999.

**Table 3: Value of Owner-Occupied Housing Units**

|                            | 2023      | PERCENT | 2018      | PERCENT | PERCENT CHANGE |
|----------------------------|-----------|---------|-----------|---------|----------------|
| Total Owner-occupied units | 3,903     | 100     | 3,555     | 100     | -              |
| Less than \$50,000         | 14        | 0.4     | 37        | 1.0     | -0.6           |
| \$50,000 to \$99,999       | 8         | 0.2     | 16        | 0.5     | -0.3           |
| \$100,000 to \$149,999     | 20        | 0.5     | 20        | 0.6     | -0.1           |
| \$150,000 to \$199,999     | 42        | 1.1     | 17        | 0.5     | 0.6            |
| \$200,000 to \$299,999     | 88        | 2.3     | 217       | 6.1     | -3.8           |
| \$300,000 to \$499,999     | 487       | 12.5    | 1,129     | 31.8    | -19.3          |
| \$500,000 to \$999,999     | 2,226     | 57.0    | 1,939     | 54.5    | 2.5            |
| \$1,000,000 or more        | 1,018     | 26.1    | 180       | 5.1     | 21             |
| Median (dollars)           | \$808,100 | (X)     | \$577,000 | (X)     | 40.05          |

*Source: 5-Year American Community Survey, 2018 & 2023, DP04*

The table below shows the housing expenditures for those who own and rent in South Orange. The general affordability standard is that no more than 30% of gross income should be allocated for housing costs.

A cost burden is the ratio of housing costs to household income. For renters, housing cost is the gross rent (lease rent plus utilities). For owners, housing cost is the monthly owner costs, which may include mortgage, utilities, association fees, insurance, and real estate taxes. Interestingly, the below data presents an “inverted bell,” where most homeowners and renters have low housing costs (below 20%) or are cost burdened. Regardless of mortgage status, homeowner cost burdened rates are nearly identical (34.1% with mortgage, 34.3% without mortgage), while a majority (51%) of renters are cost burdened.

**Table 4: Housing Cost Burden, 2023**  
(Monthly Costs as Percentage of Household Income)

| RANGES        | OWNER       |         |              |         | RENTER |         |
|---------------|-------------|---------|--------------|---------|--------|---------|
|               | W/ MORTGAGE |         | W/O MORTGAGE |         | TOTAL  | PERCENT |
|               | TOTAL       | PERCENT | TOTAL        | PERCENT |        |         |
| Less than 20% | 570         | 19.4    | 533          | 55      | 561    | 29.6    |
| 20.0-24.9%    | 286         | 9.7     | 64           | 6.6     | 219    | 11.6    |
| 25.0-29.9%    | 161         | 5.5     | 39           | 4.0     | 150    | 7.9     |
| 30.0-34.9%    | 431         | 14.7    | 77           | 8.0     | 221    | 11.7    |
| 35.0% or more | 570         | 19.4    | 255          | 26.3    | 744    | 39.3    |
| Not Computed  | 0           | 0       | 0            | 0       | 134    | 7.1     |

Source: 5-Year American Community Survey, 2023, DP04

#### Occupancy Characteristics and Type of Housing

As of 2023, the Village is predominately comprised of owner-occupied households, which comprise 65.8% of the Village's households. A total of 34.2% of households are renters, and 2.9% of the Village's housing units are vacant. Since 2018, the Village has seen a shift away from owner-occupied households, coming from a 3.4% increase in renters and an 5.2% decrease in the Village's vacancy rate.

**Table 5: Housing Tenure and Occupancy**

|                 | 2023  | PERCENT | 2018  | PERCENT | PERCENT CHANGE |
|-----------------|-------|---------|-------|---------|----------------|
| Total           | 6,110 | 100     | 5,593 | 100     | -              |
| Owner Occupied  | 3,903 | 65.8    | 3,555 | 69.2    | -3.4           |
| Renter Occupied | 2,029 | 34.2    | 1,584 | 30.8    | 3.4            |
| Vacant Units    | 178   | 2.9     | 454   | 8.1     | -5.2           |

Source: 5-Year American Community Survey, 2018 & 2023, DP04

Housing units with more than one occupant per room are considered overcrowded. Overcrowded households in the Village have remained constant since 2018.

**Table 6: Occupants Per Room + Inadequate Units in Occupied Housing Units**

| OCCUPANTS PER ROOM | 2023  | PERCENT | 2018  | PERCENT |
|--------------------|-------|---------|-------|---------|
| Total              | 5,932 | 100     | 5,139 | 100     |
| 1.00 or less       | 5,860 | 98.8    | 5,072 | 98.7    |
| 1.01 to 1.50       | 15    | 0.3     | 28    | 0.5     |
| 1.51 or more       | 57    | 1.0     | 39    | 0.8     |

Source: 5-Year American Community Survey, 2018 & 2023, DP04

Since 2018, the share of Village’s housing stock has increased from 5,593 units to 6,110 units, representing a 9.2% increase in the housing stock over just 5 years. This increase is driven by growth in 1-unit attached units and apartment buildings with at least 10 units, while other housing types saw modest decreases in unit counts.

**Table 7: Housing Type and Size**

| HOUSING UNITS       | 2023  | PERCENT | 2018  | PERCENT | PERCENT CHANGE |
|---------------------|-------|---------|-------|---------|----------------|
| Total housing units | 6,110 | 100     | 5,593 | 100     | -              |
| 1-unit, detached    | 3,471 | 56.8    | 3,504 | 62.6    | -5.8           |
| 1-unit, attached    | 336   | 5.5     | 119   | 2.1     | 3.4            |
| 2 units             | 285   | 4.7     | 355   | 6.3     | -1.6           |
| 3 or 4 units        | 112   | 1.8     | 116   | 2.1     | -0.3           |
| 5 to 9 units        | 58    | 0.9     | 86    | 1.5     | -0.6           |
| 10 to 19 units      | 399   | 6.5     | 373   | 6.7     | -0.2           |
| 20 or more units    | 1,434 | 23.5    | 1,040 | 18.6    | 4.9            |
| Mobile home         | 15    | 0.2     | 0     | 0.0     | 0.2            |
| Boat, RV, van, etc. | 0     | 0.0     | 0     | 0.0     | 0              |

*Source: 5-Year American Community Survey, 2018 & 2023, DP04*

Since 2018, the bedroom typology of Village has decreased in “family” sized 3+ bedroom type from 66.8% to 62.2% in 2023, despite a modest increase in 5+ bedroom units. This trend contrasts with growth in efficiency, 1-, and 2-bedroom units.

**Table 8: Number of Bedrooms Per Unit**

| ROOMS              | 2023 TOTAL | PERCENT | 2018 TOTAL | PERCENT | PERCENT CHANGE |
|--------------------|------------|---------|------------|---------|----------------|
| Total              | 6,110      |         | 5,593      |         |                |
| No Bedroom         | 387        | 6.3     | 200        | 3.6     | 2.7            |
| 1 Bedroom          | 940        | 15.4    | 742        | 13.3    | 2.1            |
| 2 Bedrooms         | 987        | 16.2    | 913        | 16.3    | -0.1           |
| 3 Bedrooms         | 1,210      | 19.8    | 1,248      | 22.3    | -2.5           |
| 4 Bedrooms         | 1,433      | 23.5    | 1,375      | 24.6    | -1.1           |
| 5 or more Bedrooms | 1,153      | 18.9    | 1,115      | 19.9    | -1             |

*Source: American Community Survey [2023](#) and [2018](#)*

### Existing Low- and Moderate-Income Housing Units

Based on review of available records, there are 231 LMI units approved and/or constructed in the Village. The Village is following the applicable requirements regarding unit monitoring and reporting.

### **B. Housing Projections**

The analysis in this section shall satisfy Part B of P.L.1985, c.222 (C.52:27D-310), which requires:

- B) *“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 of lands.”*

### Projection of Housing Stock

Below is a general prediction by NJTPA of South Orange Village’s household population growth to 6,739 households in 2050. This 19.3% increase in households would require available units to accommodate and may be a predictive indicator of new projected housing stock.

**Table 9: Housing Unit Projection**

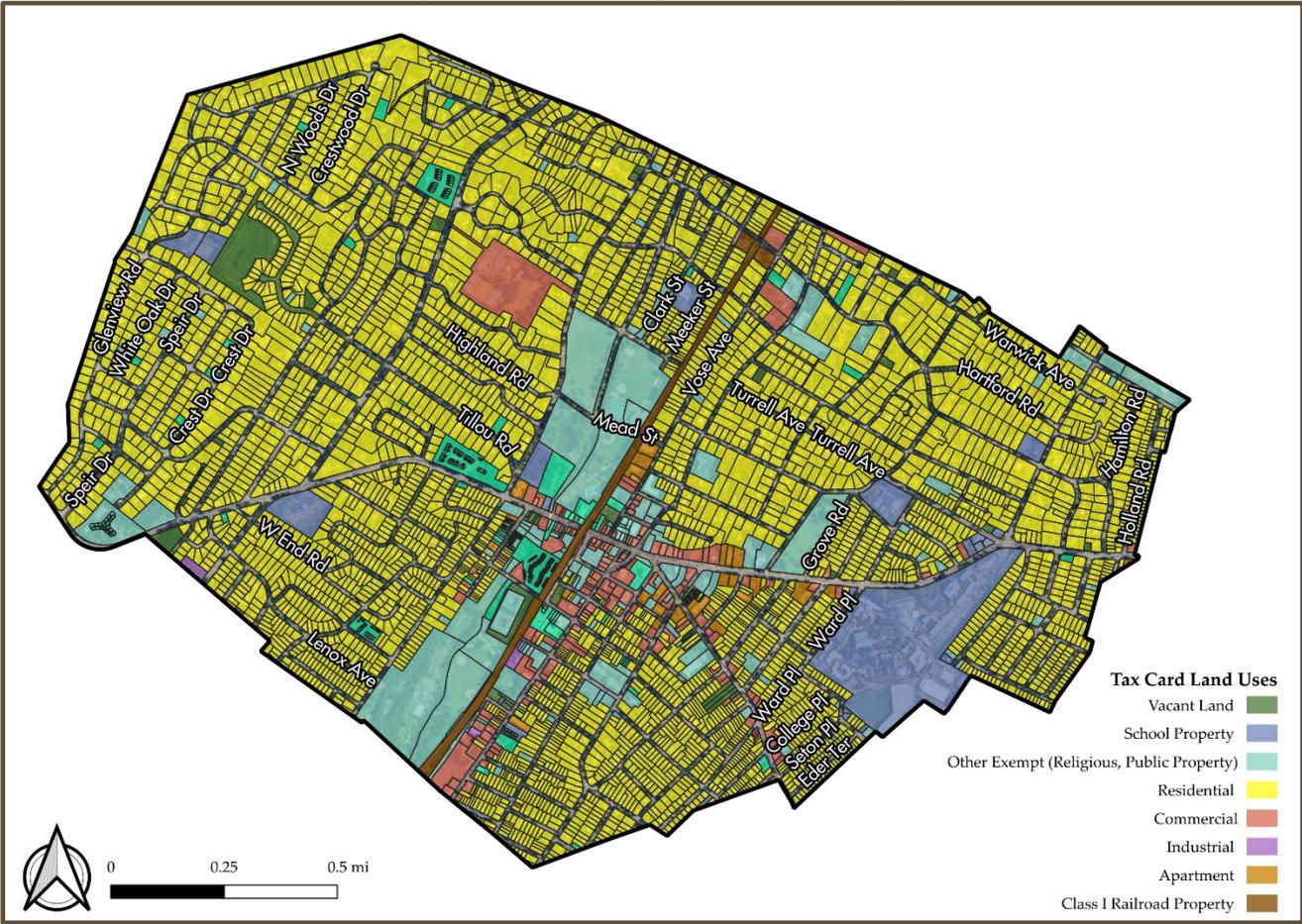
| YEAR             | POPULATION | ANNUALIZED % CHANGE |
|------------------|------------|---------------------|
| 2015             | 5,647      | -                   |
| 2050 (Predicted) | 6,739      | 0.5%                |

*Source: [NJTPA, "Appendix E - 2050 Demographic Forecasts"](#)*

Zoning regulations and existing capital infrastructure may help determine where growth is expected and where new housing units are likely to be developed in the future.

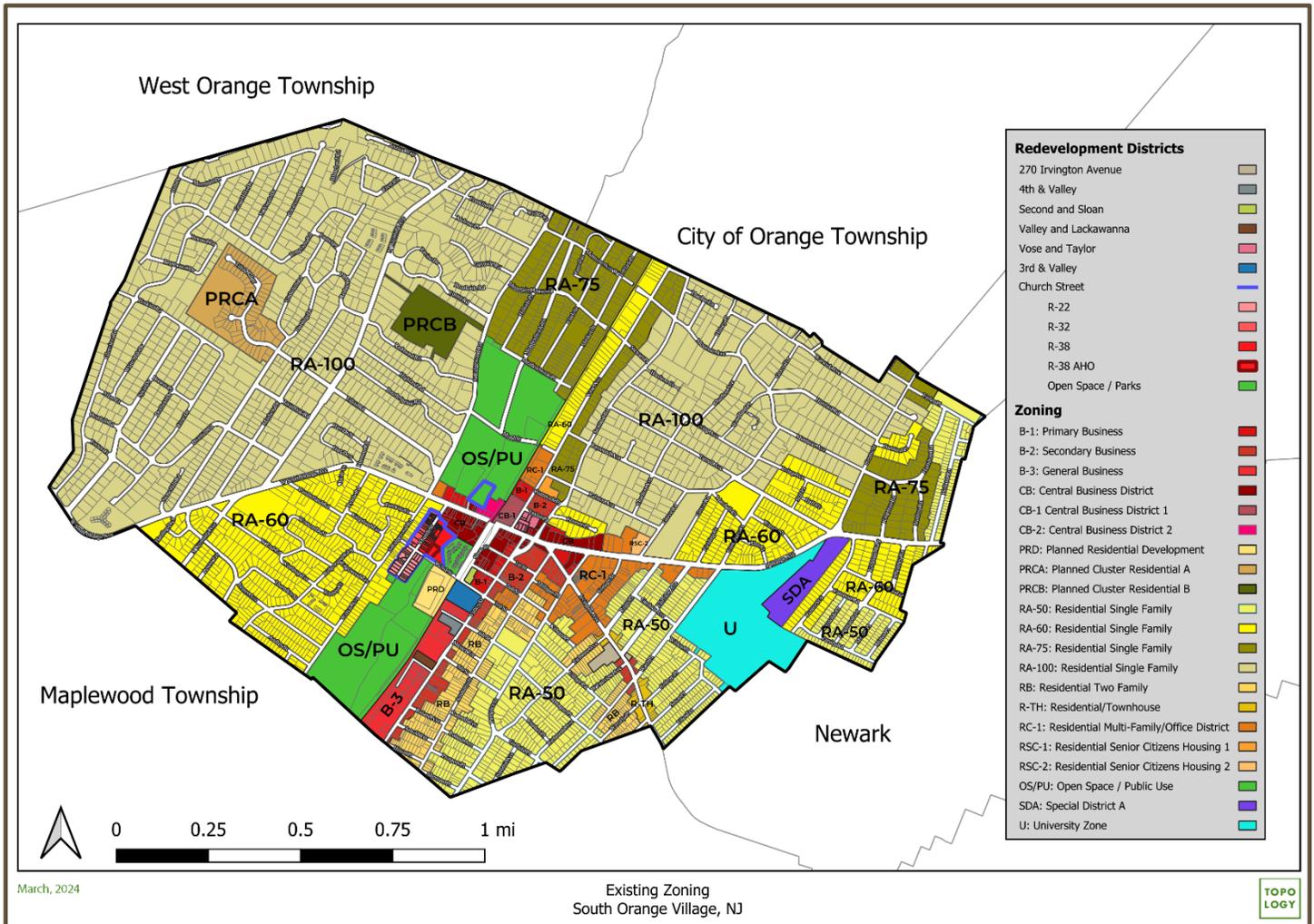
South Orange expects new developments to bear the cost that such development puts upon the existing infrastructure. This includes the addition of capacity necessitated by the new development, as well as associated maintenance costs. New developments that contribute revenue to the Village through annual service charges or ad valorem taxes should not be a burden on the Village’s infrastructure.

Figure 1: Existing Land Use Map



South Orange Village Land Use Map

Figure 2: Existing Zoning Map



[South Orange Village Zoning Map](#)

### C. Demographic Characteristics

The analysis in this section shall satisfy Part C of P.L.1985, c.222 (C.52:27D-310), which requires:

- C) "An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age."

#### Population, General

The population estimate for South Orange in 2023 was 18,208, which represents a decrease of 276 from the 2020 Census (-1.5%). Despite this trend, the NJTPA predicts South Orange's population to grow to 18,843 people in 2050.

**Table 10: Historic Population Growth**

| YEAR             | POPULATION | CHANGE | % CHANGE |
|------------------|------------|--------|----------|
| 1940             | 13,742     | N/A    | 0.8%     |
| 1950             | 15,230     | 1,488  | 10.8%    |
| 1960             | 16,175     | 945    | 6.2%     |
| 1970             | 16,971     | 796    | 4.9%     |
| 1980             | 15,864     | -1,107 | -6.5%    |
| 1990             | 16,390     | 526    | 3.3%     |
| 2000             | 16,964     | 574    | 3.5%     |
| 2010             | 16,198     | -766   | -4.5%    |
| 2020             | 18,484     | 2,286  | 14.1%    |
| 2023             | 18,208     | -276   | -1.5%    |
| 2050 (Predicted) | 18,843     | 635    | 3.5%     |

Source: [NJ State Data Center, New Jersey Population Trends 1790 to 2000](#), [US Census Bureau; NJTPA, "Appendix E - 2050 Demographic Forecasts"](#)

### Population Composition by Age

The estimated current median age in South Orange Village is 36.8, compared to 37.7 for Essex County and 40.1 for New Jersey.

**Table 11: Population by Age**

| AGE RANGE         | SOUTH ORANGE VILLAGE | PERCENT | ESSEX COUNTY | PERCENT |
|-------------------|----------------------|---------|--------------|---------|
| Under 5 years     | 1,049                | 5.7     | 53,778       | 6.3     |
| 5 to 9 years      | 1,104                | 6.0     | 54,763       | 6.4     |
| 10 to 14 years    | 1,121                | 6.1     | 59,811       | 7.0     |
| 15 to 19 years    | 2,469                | 13.5    | 55,697       | 6.5     |
| 20 to 24 years    | 1,569                | 8.6     | 54,093       | 6.3     |
| 25 to 34 years    | 1,490                | 8.1     | 115,572      | 13.5    |
| 35 to 44 years    | 2,637                | 14.4    | 120,576      | 14.1    |
| 45 to 54 years    | 2,573                | 14.1    | 115,952      | 13.6    |
| 55 to 59 years    | 1,002                | 5.5     | 54,486       | 6.4     |
| 60 to 64 years    | 920                  | 5.0     | 50,019       | 5.9     |
| 65 to 74 years    | 1,349                | 7.4     | 70,370       | 8.2     |
| 75 to 84 years    | 666                  | 3.6     | 33,959       | 4.0     |
| 85 years and over | 350                  | 1.9     | 15,054       | 1.8     |
| Median Age        | 36.8                 | (X)     | 37.7         | (X)     |

*Source: 5-Year American Community Survey, 2023, DP05*

### Households

According to the US Census Bureau's classification system, people either live in a household, housing unit, or in "group quarters." Two types of "households" exist: family and non-family. A "household" consists of one or more persons living and eating together separately from other persons who may be in the same building. A "family" is a household with two or more related persons living together in the same housing unit. For the purposes of this analysis, household data is used.

South Orange saw housing unit / household growth greater than County trends, while the Village deviated from the County on average household size, seeing a modest increase in owner-occupied household size and a 22% decrease in renter household size. Consistent with County trends, the number of single-member households decreased by over one-third.

**Table 12: Population by Housing Type**

|                                                                              | SOUTH ORANGE VILLAGE |       |          | ESSEX COUNTY |         |          |
|------------------------------------------------------------------------------|----------------------|-------|----------|--------------|---------|----------|
|                                                                              | 2018                 | 2023  | % CHANGE | 2018         | 2023    | % CHANGE |
| Total Housing Units                                                          | 5,593                | 6,110 | 9.2      | 316,136      | 335,500 | 6.13     |
| Total Households                                                             | 5,139                | 5,932 | 15.4     | 282,502      | 317,473 | 12.38    |
| Average Household Size (Owner)                                               | 3.08                 | 3.18  | 3.24     | 3.06         | 2.94    | -3.92    |
| Average Household Size (Renter)                                              | 2.21                 | 1.72  | -22.17   | 2.47         | 2.37    | -4.05    |
| Householders living alone                                                    | 1,274                | 840   | -34.07   | 86,895       | 55,984  | -35.57   |
| <i>Source: 5-Year American Community Survey, 2018 &amp; 2023, DP02, DP04</i> |                      |       |          |              |         |          |

***Race & Nationality***

South Orange has evolved into a diverse, inclusive, and welcoming community for households from a variety of backgrounds.

Foreign born residents make up 14.5% percent of South Orange Village's population, which is lower than County (29.3%) and State (23.5%) levels. Conversely, significantly more of South Orange's foreign-born residents have become naturalized citizens (70.4%) compared to a smaller share across Essex County (51.1%) and the State (56.9%).

**Table 13: Residents' Place of Birth**

|                                                             | SOUTH ORANGE VILLAGE |         | ESSEX COUNTY |         | NEW JERSEY |         |
|-------------------------------------------------------------|----------------------|---------|--------------|---------|------------|---------|
|                                                             | COUNT                | PERCENT | COUNT        | PERCENT | COUNT      | PERCENT |
| Total                                                       | 18,299               | 100     | 854,130      | 100     | 9,267,014  | 100     |
| Born in United States                                       | 15,208               | 83.1    | 575,941      | 67.4    | 6,849,548  | 73.9    |
| Foreign Born                                                | 2,659                | 14.5    | 250,406      | 29.3    | 2,181,755  | 23.5    |
| Foreign Born                                                | 2,659                | 100     | 250,406      | 100     | 2,181,755  | 100     |
| Naturalized Citizen                                         | 1,871                | 70.4    | 127,877      | 51.1    | 1,241,100  | 56.9    |
| Not a Citizen                                               | 788                  | 29.6    | 122,529      | 48.9    | 940,655    | 43.1    |
| <i>Source: 5-Year American Community Survey, 2023, DP02</i> |                      |         |              |         |            |         |

South Orange is located at a crossroads in Essex County between the State's main urban center around Newark and its further-flung suburbs. In this position, South Orange represents a diverse, suburban community of the highest quality. Notably, South Orange's racial demographics closely mirror that of New Jersey at large, with the exception of a significantly greater share of African American residents.

**Table 14: Residents' Race**

|                                              | SOUTH ORANGE VILLAGE |         | ESSEX COUNTY |         | NEW JERSEY |         |
|----------------------------------------------|----------------------|---------|--------------|---------|------------|---------|
|                                              | COUNT                | PERCENT | COUNT        | PERCENT | COUNT      | PERCENT |
| Total                                        | 18,299               | 100     | 854,130      | 100     | 9,267,014  | 100     |
| Two or More Races                            | 1,860                | 10.2    | 97,291       | 11.4    | 978,591    | 10.6    |
| One race                                     | 16,439               | 89.8    | 756,839      | 88.6    | 8,288,423  | 89.4    |
| - White                                      | 11,032               | 60.3    | 283,278      | 33.2    | 5,276,142  | 56.9    |
| - Black or African American                  | 3,933                | 21.5    | 315,154      | 36.9    | 1,201,053  | 13      |
| - American Indian and Alaska Native          | 6                    | 0.0     | 3,926        | 0.5     | 41,900     | 0.5     |
| - Asian                                      | 1,094                | 6.0     | 49,935       | 5.8     | 918,644    | 9.9     |
| - Native Hawaiian and Other Pacific Islander | 0                    | 0.0     | 318          | 0.0     | 2,658      | 0.0     |

*Source: 5-Year American Community Survey, 2023, DP05*

### Income and Poverty Status

The median household income for South Orange Village grew dramatically from 2018 to 2023, growing 40.5% and far outpacing the County (27%) and the State (22.1%).

**Table 15: Household Median Income**

|                      | 2023    | 2018    | INCREASE | % INCREASE |
|----------------------|---------|---------|----------|------------|
| South Orange Village | 187,583 | 133,555 | 54,028   | 40.5       |
| Essex County         | 80,463  | 63,368  | 17,095   | 27.0       |
| New Jersey           | 99,781  | 81,740  | 18,041   | 22.1       |

*Source: 5-Year American Community Survey, 2018 & 2023, S2503*

In South Orange Village, 1,020 residents (6.4%) live below the poverty line, a decrease from 10% in 2018. In this regard, the Village had a similar trajectory to Essex County, which experienced a more modest decrease from 15.2% to 14.2% over the same period.

**Table 16: Poverty Status**

| SOUTH ORANGE VILLAGE | 2023    | PERCENT | 2018    | PERCENT | CHANGE |
|----------------------|---------|---------|---------|---------|--------|
| Total Persons        | 15,978  |         | 14,520  |         | 1,458  |
| Total Below Poverty  | 1,020   | 6.4     | 1,450   | 10.0    | -3.6%  |
| ESSEX COUNTY         | 2023    | PERCENT | 2018    | PERCENT | CHANGE |
| Total Persons        | 833,508 |         | 779,167 |         | 54,341 |
| Total Below Poverty  | 118,250 | 14.2    | 118,156 | 15.2    | -1%    |

*Source: 5-Year American Community Survey, 2018 & 2023, S1701*

## **D. Multigenerational Housing Continuity**

The analysis in this section shall satisfy Part G of P.L.1985, c.222 (C.52:27D-310), which requires:

- G) *“An analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c.273 (C.52:27D-329.20).”*

On November 8, 2021, the Senate and General Assembly of the State of New Jersey adopted C.52:27D-329.20,<sup>7</sup> which establishes the “Multigenerational Family Housing Continuity Commission” for the purpose of conducting research, obtaining public input, and adopting

<sup>7</sup> <https://pub.njleg.gov/Bills/2020/AL21/273 .HTM>

recommendations on how to most effectively advance the goal of enhancing multigenerational family housing continuity, which can be defined broadly as the degree to which senior citizens are able to reside at the homes of their extended families.

In short, the bill requires a municipal housing plan element to provide an analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity, as expressed in the recommendations of the commission.

The municipality is committed to promoting intergenerational harmony through the provision of diverse housing options in a manner consistent with the regulation. As demonstrated in the above demographic and housing analysis, South Orange is diversifying its housing stock as the size of owner-occupied households increases and single-member households significantly decrease. The municipality is employing a variety of approaches to accomplish this task, such as the Village's Accessory Dwelling Unit Ordinance (#2022-34), adopted on February 1, 2023. Strategies proposed or already implemented include the creation of family housing. The municipality, in setting forth its compliance plan, is abiding by the limitations included in the statute.

## E. Employment Data

The analysis in this section shall satisfy Part D of P.L.1985, c.222 (C.52:27D-310), which requires:

- C) *"An analysis of the existing and probable future employment characteristics of the municipality."*

Below is a general prediction by NJTPA of South Orange Village's employment forecast, which is a growth to 8,793 in 2050.

**Table 17: Employment Projection**

| YEAR             | LABOR FORCE | CHANGE | ANNUALIZED % CHANGE |
|------------------|-------------|--------|---------------------|
| 2015             | 7,593       | -      | -                   |
| 2050 (Predicted) | 8,793       | 1,200  | 0.4                 |

Source: [NJTPA, "Appendix E - 2050 Demographic Forecasts"](#)

### III. Fair Share Plan: Obligations and Compliance Plan

#### A. Introduction and Fourth Round Changes

As stated in the History of New Jersey Affordable Housing section of this Plan, New Jersey's Fourth Round methodology of calculating and fulfilling municipal obligations is set forth in the Law under a new system. The housing need obligations discussed herein consist of the following components: Prior Round Compliance; Present Need or "Rehabilitation Obligation;" and the "Prospective Need" Collectively, the Present ("Gap") Need and the Prospective Need are referred to as the Round 4 obligation.

The figures that are presented in the fair share obligations below have been derived from were adopted by the Village via Resolution 2025-017 on January 27, 2025 (See Appendix A). Under the Resolution, the Village Present Need or "Rehabilitation Obligation" is 20 credits, and the "Prospective Need" is 163 credits.

The purpose of this section of the Plan is to set forth the Village's proposed approach to satisfying its Round 4 obligation.

Importantly, the Law sets forth opportunities for bonus credits. These credits include:

- a. One (1) bonus credit for special needs or permanent supportive housing;
- b. One (1) bonus credit for 100% affordable housing projects for which the host municipality has contributed towards the cost of the project, subject to certain minimum contribution requirements;
- c. One (1) bonus credit for market rate units that are converted to affordable units;
- d. One-half (0.5) bonus credit for ownership units created in a partnership sponsorship with a non-profit housing developer;
- e. One-half (0.5) bonus credit for units located within a one-half mile radius (or a one-mile radius for projects located in a Garden State Growth Zone) of NJ Transit or Port Authority rail, bus, or ferry stations, including all light rail stations;
- f. One-half (0.5) bonus credit for age-restricted units, subject to certain caps;
- g. One-half (0.5) bonus credit for each three-bedroom unit in excess of the three-bedroom requirements set forth in the Uniform Housing Affordability Controls;
- h. One-half (0.5) bonus credit for housing units constructed on previously developed land that was utilized for retail, office, or commercial space; and
- i. One-half (0.5) bonus credit for units whose affordability controls are extended for a new term of affordability;

---

Municipalities will also be restricted to only claim one type of bonus credit per affordable unit. Such bonus credits may only satisfy 25% of their Fourth Round obligation.

### **B. Prior Round Need Compliance “Look Back” (2015-2025)**

Through its proactive planning practices, the Village is proud to have achieved a longstanding history of fulfilling its affordable housing obligations, beginning with the Village’s Substantive Certification for its prior round of affordable housing compliance. Most recently, in 2020, the Village received a Judgment of Compliance and Repose (“JCR”) relating to its Third Round obligation. The JCR was issued after a period of negotiation and settlement, primarily between the Village and Fair Share Housing Center (“FSHC”). During this period of negotiation, the Village adopted an HEFSP in January 2020 (amended through November 2022). Correspondingly, the Village and FSHC entered into a settlement agreement in May 2019. The HEFSP and settlement agreements set forth the Village’s Third Round obligation and identified the actions required by the Village to fulfill these obligations. The Village’s commitments, and the corresponding status of these commitments, is reflected in the table below, which demonstrates the Village’s ability to provide a variety of affordable housing typologies in projects big and small throughout South Orange:

**Table 18: Projects cited to satisfy Third Round Realistic Development Potential:**

| PROJECT                                | CREDIT TYPE                     | CREDITS IDENTIFIED IN HEFSP / SETTLEMENT REQUIREMENT | STATUS                                                                      |
|----------------------------------------|---------------------------------|------------------------------------------------------|-----------------------------------------------------------------------------|
| <b>IDENTIFIED IN THIRD ROUND HEFSP</b> |                                 |                                                      |                                                                             |
| B'nai B'rith                           | Rental, Senior                  | 48 (capped)                                          | Completed                                                                   |
| Third + Valley                         | Rental, Family                  | 21                                                   | Completed                                                                   |
| 320 Valley Street                      | Rental, Family                  | 2                                                    | Completed                                                                   |
| Fourth + Valley                        | Rental, Family                  | 10                                                   | Completed                                                                   |
| 14 Second Street                       | Rental, Family                  | 1                                                    | Completed                                                                   |
| 41-45 Third Street                     | Rental, Family                  | 10                                                   | Under Construction<br>16 Supportive Credits Only<br>(plus 10 rental family) |
|                                        | Rental, Non-Family (Supportive) | 19                                                   |                                                                             |
| Vose + Taylor                          | Rental, Family                  | 11                                                   | Completed                                                                   |
| 270 Irvington Avenue                   | Rental, Family                  | 12                                                   | Application Approved                                                        |
| Second + Sloan                         | Rental, Family                  | 8                                                    | Under Construction<br>Deed Restrictions Recorded                            |
| 6-8 S. Orange Avenue                   | Rental, Family                  | 1                                                    | Application Approved                                                        |
| JESPY Unit                             | Rental, Non-Family (Supportive) | 1                                                    | Not Executed – 0 Credits                                                    |
| Rental Bonus, All                      | Rental                          | 48 (capped)                                          | Court-approved                                                              |
| <b>ADDITIONAL IDENTIFIED CREDITS</b>   |                                 |                                                      |                                                                             |
| Madeline / 232 Waverly                 | Rental, Non-Family (Supportive) | 4                                                    | Under Construction                                                          |
| 179 Irvington Avenue                   | Rental, Family                  | 3                                                    | Under Construction                                                          |
| 202 South Orange Avenue                | Rental, Family                  | 2                                                    | Under Construction                                                          |
| <b>Total Credits Planned</b>           |                                 |                                                      | <b>192</b>                                                                  |
| <b>TOTAL Credits Achieved</b>          |                                 |                                                      | <b>197</b>                                                                  |
| <b>Prospective Obligation</b>          |                                 |                                                      | <b>192</b>                                                                  |
| <b>Surplus</b>                         |                                 |                                                      | <b>5</b>                                                                    |

Zoning actions to capture additional affordable housing opportunities:

As demonstrated in the table above and supported by the issuance of the July 2019 JCR, the Village fully satisfied its obligations under the Third Round as articulated in its settlement with the FSHC. As such, no “unmet need” obligation remained to be addressed. Nonetheless, the Village was thorough in its planning and identified a variety of mechanisms through which to provide additional credit opportunities should realistic development potential credits be unfulfilled. Such mechanisms include:

- Development Fee Ordinance (Adopted via Ordinance #10-2 on February 24, 2010 and replaced by Ordinance #2019-28 on January 27, 2020).
- Inclusionary Zoning Ordinance (Adopted via Ordinance #10-1 on February 24, 2010 and replaced by Ordinance #2019-28 on January 27, 2020), providing a 20% affordable housing set-aside requirement in the Village’s RC-1, B-1, B-2, B-3, CS R-22, CS R-32, and CS R-38 Zoning Districts.
- Identification of seven adopted and planned redevelopment areas that will provide further inclusionary housing.

Given the above analysis, no obligation is carried forward to the Fourth Round.

### C. Present and Prospective Need Obligation (2025-2035)

The analysis in this section shall satisfy Part E of P.L.1985, c.222 (C.52:27D-310), which requires:

- E) *“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, as established pursuant to section 3 of P.L.2024, c.2 (C.52:27D-304.1)”*

#### Present Need (Rehabilitation Share)

The Rehabilitation Share is described as “deficient housing units occupied by low- and moderate-income households within a municipality and is a component of “present need” under N.J.A.C. 5:93-1.3. In South Orange, the rehabilitation obligation through the end of the Fourth Round (i.e. July 2035) has been determined to be 20. The Village plans to address this obligation through the continuation of its municipal Rehabilitation Program, currently being administered by the Village’s Administrative Agent. Attached to the Element as Appendix H is a copy of the Village’s current Rehabilitation Program Manual, which will be updated by the Administrative Agent once new UHAC Regulations are proposed and adopted.

In response to increasing construction costs and inflation, the Village will increase the funding limit of its Home Improvement Program to \$20,000 basic limit for an owner-occupied, single-family unit; an additional \$5,000 may be allocated via a special waiver on a case-by-case basis. For the Village’s Present Need Obligation of 20, this will require a total contribution of approximately \$400,000. Pursuant to COAH’s rules that allow municipalities to utilize money collected from development fees for this purpose, the Town shall set aside the required \$400,000 from its affordable housing trust fund account to be made available to income-qualified households to participate in the program. As of March 31, 2025, that account contains \$1,302,108.31. As detailed in the Village’s Spending Plan (see Appendix “A”), the Village will proactively seek solutions through its Affordable Housing Trust Fund to support the provision of affordable housing in South Orange, such as but not limited to the financing of market-to-affordable conversions of existing housing and supporting the development of workforce housing to serve the South Orange community serving populations at 60% and 80% of AMI. Because the Village has been a vanguard in providing affordable housing in its region, the Village seeks to focus its attention on the “missing middle” by utilizing Redevelopment to create affordable and “workforce” housing with a preference for qualified households who live and/or work in South Orange or in its consolidated fire department and school district, both shared with the Village’s sister community of Maplewood. Affordable units created from this endeavor and marketed with this preference will be credited toward the Village’s rehabilitation obligation.

Additionally, the Village proposes to participate in Essex County’s rehabilitation program. Essex County provides deferred payment loans to low- and moderate- income homeowners occupying a one- to three-family home in the Essex County Consortium, which includes South

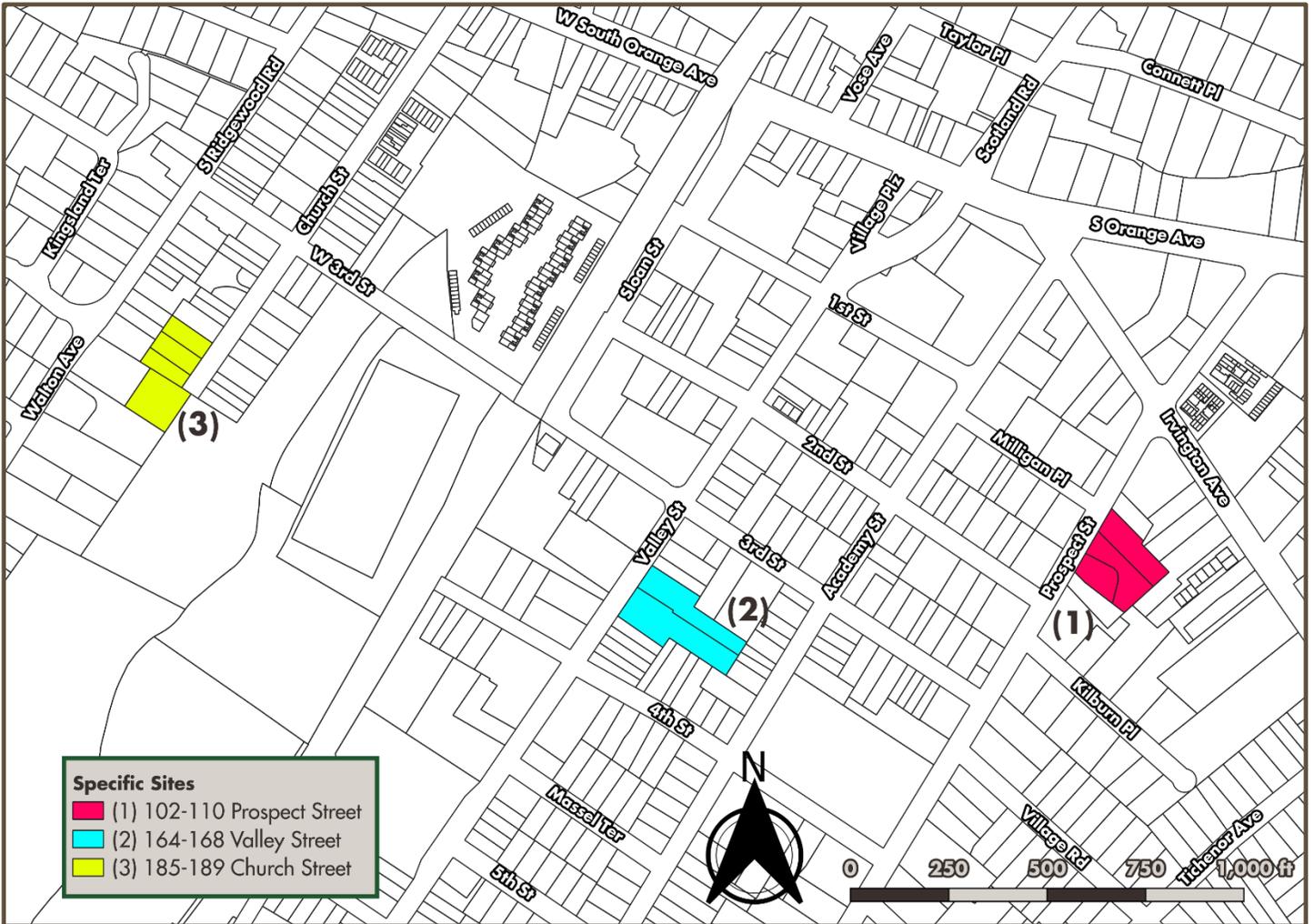
Orange. A 10-year zero interest loan in the amount of assistance required for the rehabilitation work will be made to the homeowner by the County Division of Housing and Community Development. The Home Improvement Program will market the available funds to qualified residents and vet residents to ensure they qualify and manage the repairs. The program will primarily serve owner-occupied units and address homes with lack of heat, lack of hot water, roof leaks, dangerous electrical problems, broken pipes, problems with sanitary facilities, and other housing conditions that threaten the health, safety, or well-being of the household members per COAH rules (N.J.A.C. 5:93). All rehabilitated units shall remain affordable to low- and moderate-income households for a period of at least 10 years (the control period). For owner-occupied units, the control period is enforced with a recorded lien; and for renter occupied units, the control period is enforced with a recorded deed restriction.

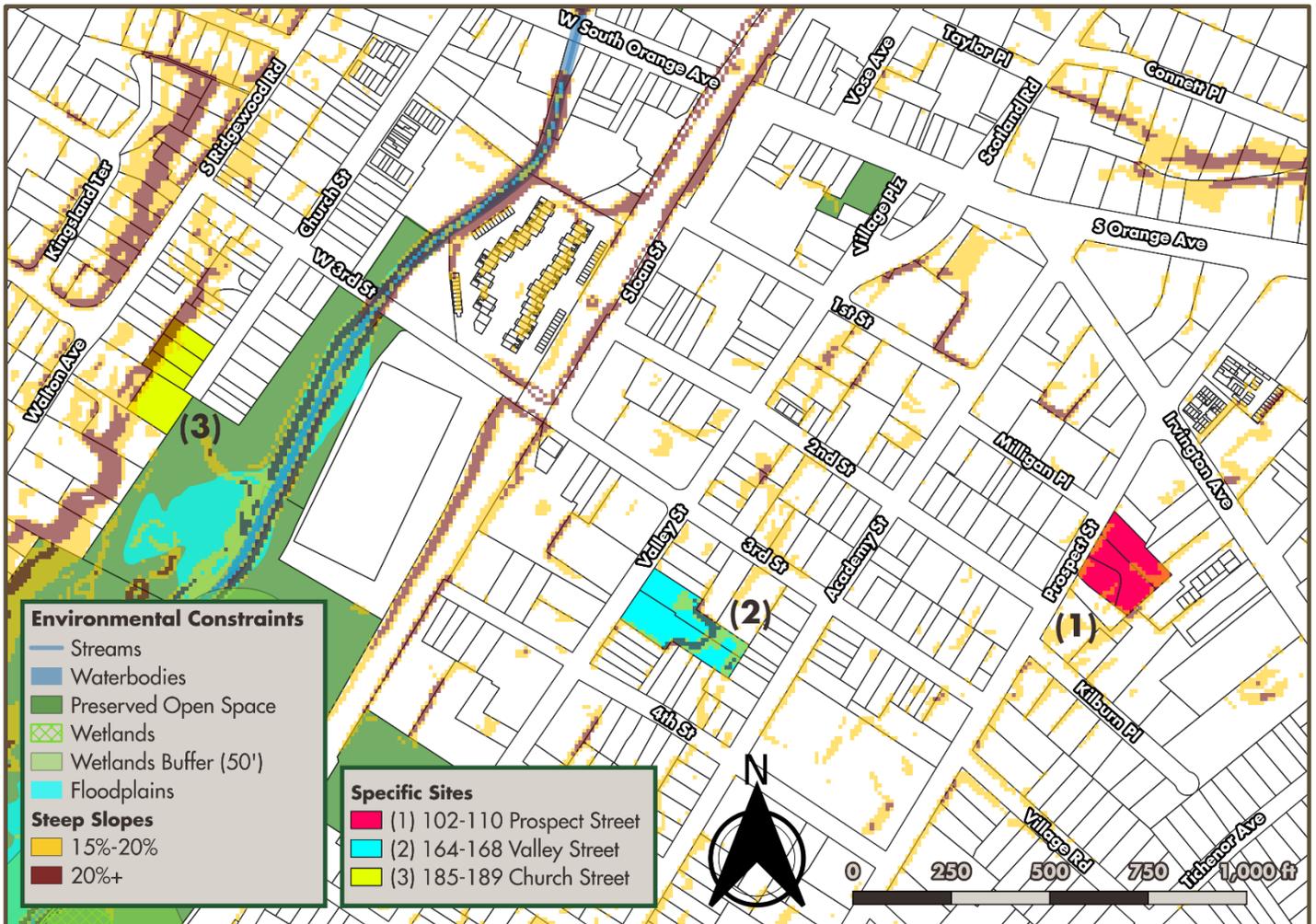
Prospective Need Obligation

The Village has a Fourth Round prospective need of 163 credits. The Village has prepared a Vacant Land Adjustment (attached hereto as Appendix "I"), which concludes that the Village has a Realistic Development Potential of 0. However, in following the Village's strong tradition of constructing affordable housing, the Village has already provided the realistic zoning needed to create 118.5 new credits – in addition to 5 surplus Third Round credits – well beyond the statute's requirement that a municipality seeking a vacant land adjustment must create realistic zoning for 25% of the "adjusted" Prospective Need Obligation. While there is some question as to what the 25% language in the statute entails, the Village has proudly met and exceeded whatever the final determination of this language by the Program and/or Appellate Court will be. For example, if the Village's adjusted prospective need is 0, 123.5 credits is significantly more. If it is interpreted as 25% of 163 credits, the total would be 41, and South Orange would still be producing credits in excess of 300% of this requirement.

The Village will satisfy this obligation through the following projects:

Figure 3: Prospective Need Projects Maps





### Prospective Need Projects Description and Suitability Analysis

Municipalities shall designate sites that are available, suitable, developable and approvable, as defined in N.J.A.C. 5:93-1. As such, the criteria for crediting units must meet the following:

1. "Available site" – a site with clear title, free of encumbrances which preclude development for low- and moderate-income housing.
2. "Suitable site" – a site that is adjacent to compatible land uses, has access to appropriate streets and is consistent with the environmental policies delineated in N.J.A.C. 5:93-4.
3. "Developable site" – a site that has access to appropriate water and sewer infrastructure, and is consistent with the applicable area wide water quality management plan (including the wastewater management plan) or is included in an amendment to the area wide water quality management plan submitted to and under review by DEP.

4. “Approvable site” – a site that may be developed for low- and moderate-income housing in a manner consistent with the rules or regulations of all agencies with jurisdiction over the site. A site may be approvable although not currently zoned for low- and moderate-income housing.

**Table 18: Projects Description and Suitability Analysis**

| <b>PROJECT</b>                     | <b>DESCRIPTION</b>                                                                                                                                                                                                                                                                |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>185-189 Church Street</b>       | Total Units: 23 Units<br>Round Four LMI Units: 4 Units                                                                                                                                                                                                                            |
| <i>Description of Availability</i> | Site is Owned by Applicant and free of encumbrances that would preclude affordable unit development.                                                                                                                                                                              |
| <i>Description of Suitable</i>     | Site is within Church Street Redevelopment Area and accordingly zoned alongside adjacent properties for residential uses, in addition to proximity to downtown businesses, transit, and parks. No environmental features preclude development.                                    |
| <i>Description of Developable</i>  | Site is serviced by municipal water, sewer, and electric service via Church Street.                                                                                                                                                                                               |
| <i>Description of Approvable</i>   | Redevelopment zoning permits the proposed project, with an associated Planning Board Application #306 filed for development approval with variances limited to bulk setback variances, which are under the Planning Board’s jurisdiction to approve under the Redevelopment Plan. |
| <b>102-110 Prospect Street</b>     | Total Units: 46 Bedrooms (Supportive)<br>Round Four LMI Units: 46 Bedrooms                                                                                                                                                                                                        |
| <i>Description of Availability</i> | Site is Owned by Applicant and free of encumbrances that would preclude affordable unit development.                                                                                                                                                                              |
| <i>Description of Suitable</i>     | Site has existing street access on Prospect Street in proximity to other residential and multifamily uses, in addition to proximity to downtown businesses, transit, and parks. No environmental features preclude development.                                                   |
| <i>Description of Developable</i>  | Site is serviced by municipal water, sewer, and electric service via Prospect Street.                                                                                                                                                                                             |
| <i>Description of Approvable</i>   | Application #300 was approved by the Planning Board on January 6, 2025.                                                                                                                                                                                                           |
| <b>164-168 Valley Street</b>       | Total Units: 50 Units<br>Round Four LMI Units: 10 Units                                                                                                                                                                                                                           |
| <i>Description of Availability</i> | Site is Owned by Prospective Redeveloper and free of encumbrances that would preclude affordable unit development.                                                                                                                                                                |
| <i>Description of Suitable</i>     | Site has existing street access on Valley Street along a mixed-use corridor, in addition to proximity to downtown businesses, transit, and parks. No environmental features preclude development.                                                                                 |
| <i>Description of Developable</i>  | Site is serviced by municipal water, sewer, and electric service via Valley Street.                                                                                                                                                                                               |

| PROJECT                          | DESCRIPTION                                                                                                                                                                                                                                                            |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Description of Approvable</i> | The Site is planned for inclusion in the Valley Street Redevelopment Plan, which will expressly accommodate this development through review and incorporation of a concept plan and associated bulk conditions provided by the Prospective Redeveloper to the Village. |

### Land Most Appropriate for Affordable Housing

The analysis in this section shall satisfy Part F of P.L.1985, c.222 (C.52:27D-310), which requires:

- *F) “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”*

As part of this Fair Share Plan, the Village has considered land that is appropriate for the construction of low- and moderate-income housing. As noted above, the Village has identified projects to fulfill three times its the most generous interpretation of therequirement of its “likely to redevelop” obligation of 41 credits through on-going projects, actively proceeding concept plans, and proactive Village planning. The Village believes that the approach set forth in this document represents the best approach to satisfying the requirements of the Amended Law. Having satisfied exceeded the requirements of the Amended Law, the Village is excited to identify and implement innovative solutions to provide affordable housing in South Orange, working collaboratively with developers thatwho may express interest in proposing projects that include low or moderate income housing. share the Village’s commitment to growing its affordable housing base.

As a Transit Village, South Orange recognizes the importance of transit access for the community’s vitality, providing access to jobs, services, recreation, and other amenities locally and across the region. This mobility also makes South Orange livable for residents in all life stages and can make housing more affordable by reducing transportation costs. In this context, NJ Transit remains an important partner for the Village to continue implementing wholistic planning and redevelopment, particularly in and around the downtown.

More broadly, the Village has embraced and continues to pursue “missing middle” solutions to provide affordable housing solutions. This includes small-lot infill redevelopment, diversification of for-sale housing products beyond single-family homes – such as townhomes and family-oriented apartments – and providing affordability solutions for the Village’s workforce that may otherwise be overlooked or underserved within the Village’s compliance program for its Fourth Round obligation, especially for households at 60% and 80% AMI.

In addition to the above, the Village already has already proactively implemented a range of zoning mechanisms to facilitate the development of affordable housing. As aforementioned, various zoning districts permit multifamily housing, including the RC-1, B-1, B-2, B-3, CS R-22,

CS R-32, and CS R-38 Zoning Districts at densities between 22 and 43 units per acre. In addition, the Village permits multifamily housing in redevelopment areas where parcels remain that have not been redeveloped, including the Central Business District Redevelopment Area and Church Street Redevelopment Area. In conjunction with the Town’s mandatory set-aside ordinance, these zoning mechanisms create the opportunity for new housing opportunities, both affordable and market-rate, beyond what is cited in this HEFSP as being relevant to South Orange’s prospective need. This action, while grounded in recommendations and vision set forth by the municipality’s master plan, is also consistent with the findings set forth in the Law, namely that: “comprehensive planning in alignment with smart growth principles, and the State Development and Redevelopment Plan” is critical to meeting the housing needs of the State.

Finally, the Village will focus on very-low, low-, and moderate-income seniors who wish to age in place within South Orange by pursuing a market-to-affordable program to deed restrict existing senior units within the Village for a period of at least forty (40) years in exchange for a subsidy to the property owner. The Village’s Administrative Agent will provide a manual for the program and fill the newly-deed-restricted units utilizing the required affirmative marketing.

**Table 19: Fourth Round Prospective Obligation Compliance Summary**

| PROJECT                                                             | ACRES | DENSITY | OWNER-SHIP | UNITS          | AH UNITS       | AH TYPE                            | BONUS CREDITS            | BONUS TYPE                         |
|---------------------------------------------------------------------|-------|---------|------------|----------------|----------------|------------------------------------|--------------------------|------------------------------------|
| 185-189 Church Street                                               | 0.863 | 26.66   | Sale       | 23             | 4              | Family                             | 2.0                      | TOD                                |
| 102-110 Prospect                                                    | 0.872 | N/A     | Rental     | 46<br>Bedrooms | 46<br>Bedrooms | Permanent<br>Supportive<br>Housing | 46.0                     | Permanent<br>Supportive<br>Housing |
| 164-168 Valley Street                                               | 0.903 | 55      | Rental     | 50             | 10             | Family                             | 5.0                      | TOD                                |
| Age-Restricted Market-to-Affordable Conversion Program              | N/A   | N/A     | Rental     | 18             | 18             | Age-Restricted                     | 18                       | Market-to-Affordable               |
| <b>Grand Total: 118.5 R4 Credits + 5 R3 Surplus = 123.5 Credits</b> |       |         |            | <b>137</b>     | <b>78</b>      | <b>N/A</b>                         | <b>40.5<br/>(capped)</b> | <b>N/A</b>                         |
| TOD = Transit-Oriented Development                                  |       |         |            |                |                |                                    |                          |                                    |

Below is a table reviewing additional obligation requirement thresholds.

**Table 20: Mandatory Obligation Subsets**

| MANDATORY OBLIGATIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | CITATION                       | # REQUIRED OF ACTUAL UNITS* | PROPOSED           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|--------------------|
| Very Low-Income Units (13% Minimum)<br><i>Shall count towards the minimum 50 percent of the housing units required to be made available for occupancy by low-income households to address a municipality's prospective need obligation.</i>                                                                                                                                                                                                                                              | <a href="#">52:27D-329.1</a>   | 17                          | 17                 |
| Family VLI Units<br>(50% Minimum of VLI Units)                                                                                                                                                                                                                                                                                                                                                                                                                                           | <a href="#">52:27D-329.1</a>   | 9                           | 9                  |
| Low-Income Units (50% Minimum)<br><i>Conversely, the maximum of Moderate-Income Units shall not exceed 50%.</i>                                                                                                                                                                                                                                                                                                                                                                          | <a href="#">52:27D-329.1</a>   | 62                          | 62                 |
| Family Units (50% Minimum)                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <a href="#">52:27D-311.1</a>   | 62                          | 178                |
| Rental Units (25% Minimum)                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <a href="#">52:27D-311.1</a>   | 31                          | 201                |
| Family Rental Units<br>(50% Minimum of Rental Units)                                                                                                                                                                                                                                                                                                                                                                                                                                     | <a href="#">52:27D-311.k.5</a> | 101                         | 155                |
| Age-restricted units (30% Maximum)                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <a href="#">52:27D-302.q</a>   | 37                          | 0                  |
| Transitional Housing<br>(10% Maximum of Total Credits)                                                                                                                                                                                                                                                                                                                                                                                                                                   | <a href="#">52:27D-311.e</a>   | 16                          | 0                  |
| Age-Restricted Housing Bonus Credit<br>(10% Maximum of Age-Restricted Units)                                                                                                                                                                                                                                                                                                                                                                                                             | <a href="#">52:27D-311.k.4</a> | 1.5                         | 0 Used<br>(Capped) |
| <p><i>*Except where otherwise noted, actual units do not count bonus credits. In other words, actual units are the Prospective Need Credits of 163 minus bonus credits of 40.5 = 123.5 units.</i></p> <p><i>Note: Maximum bonus credits shall not exceed 25% of Prospective Need per 52:27D-311.k.</i></p> <p><i>Note: Proposed values in italics are targets based on required units and will be enforced throughout the Fourth Round as part of site plan review and approval.</i></p> |                                |                             |                    |

---

## IV. Appendices

- A. Spending Plan
- B. Affirmative Marketing Plan
- C. Regulatory Resolutions (Adopting Obligation Number)
- D. Affordable Housing Ordinance and Development Fee Ordinance
- E. Prospective Obligation Plans
- F. Resolution of intent to fund cost of municipality's municipally sponsored affordable housing development as well as its rehabilitation program
- G. Copies of resolutions appointing Administrative Agent(s) and ordinance creating the position of and appointing the Municipal Affordable Housing Liaison
- H. Village Home Improvement Program – Policies and Procedures Manual
- I. Vacant Land Adjustment

## Appendix A – Spending Plan

*NOTE: South Orange Village shall update its Spending Plan if and as needed at such a time when final UHAC amendments are promulgated.*

### Introduction

Pursuant to N.J.A.C. 5:99, a Spending Plan means “a method of allocating funds contained in an affordable housing trust fund account, which includes, but is not limited to, development fees collected and to be collected pursuant to an approved municipal development fee ordinance, or pursuant to N.J.S.A. 52:27D-329.1 et seq., for the purpose of meeting the housing needs of low- and moderate-income individuals.”

All residential and non-residential development fees, payment in lieu of constructing affordable units, barrier-free escrow funds, recapture funds, proceeds from the sale of affordable units, rental income, repayments from affordable housing program loans, enforcement fines, unexpended RCA funds remaining from a completed RCA project, application fees, and any other funds collected by the municipality in connection with its affordable housing programs are deposited into this interest-bearing Affordable Housing Trust Fund (AHTF). These funds shall be spent in accordance with N.J.A.C. 5:99 or applicable regulations.

A development fee ordinance creating a dedicated revenue source for - and moderate-income housing was adopted by the municipality in 2010 and replaced in 2019 establishing South Orange’s AHTF. As such, South Orange has prepared this Spending 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 Proposed New Rules: N.J.A.C. 5:99.

### Authorization of Affordable Housing Trust Fund

A municipality shall not spend, or commit to spend, any affordable housing trust funds, including Statewide non-residential fees collected and deposited into the municipal affordable housing trust fund, without first obtaining the approval of the expenditure as part of its compliance certification or by the Division pursuant to N.J.S.A. 52:27D-329.2.a(4). A municipality within the jurisdiction of the Program or a court of competent jurisdiction shall not spend affordable housing trust funds unless the Program has approved a plan for spending such funds in accordance with N.J.S.A. 52:27D-329.2.a(4) or the Division has approved spending plan expenditures for emergent opportunities to create affordable housing after a municipality has obtained compliance certification in conformance with N.J.A.C. 5:99-4.

### Account Requirements and Use of Funds (5:99-2.2 to 2.8)

#### Account Requirements

(a) All affordable housing trust funds shall be deposited in a separate, interest-bearing account. In establishing the account, the municipality shall provide written authorization, in the form of a three-party escrow agreement between the municipality, the bank or other financial institution, and the Division, to permit the Division to direct the disbursement of the funds, as provided for at N.J.A.C. 5:99-5.6, shall be maintained at all times. This authorization shall be submitted to the Division within 21 days from the opening of the trust fund account and/or within 21 days of any change in banks or other financial institutions in which trust funds are deposited.

(b) With the approval of the Department's Division of Local Government Services, the municipality may invest its affordable housing trust fund in the State of New Jersey cash management fund, provided that the amount of money in the cash management fund that comprises the funds and income attributable to such funds shall at all times be identifiable.

(c) All interest accrued in the affordable housing trust fund shall only be used on eligible affordable housing activities included in an approved spending plan or an emergent opportunity authorized by the Division.

(d) A municipality within the jurisdiction of the Program or a court of competent jurisdiction shall not spend affordable housing trust funds unless the Program or a court of competent jurisdiction has approved a plan for spending such funds in accordance with N.J.S.A. 52:27D-329.2.a(4) or the Division has approved spending plan expenditures for emergent opportunities to create affordable housing after a municipality has obtained compliance certification in conformance with N.J.A.C. 5:99-4.1.

(e) Any municipality with an affordable housing trust fund account shall be subject to N.J.A.C. 5:99-4.

(f) Municipal affordable housing trust funds shall not be expended:

1. To reimburse the municipality for activities that occurred prior to the authorization of a municipality to collect development fees;
2. On attorney fees or court costs to obtain a judgment of compliance or order of repose, including any associated administration costs;
3. On any costs in connection with a challenge to a determination of the municipality's fair share obligation; or
4. On any costs in connection with a challenge to the municipality's obligation, housing element, or fair share plan.

(g) In addition to the restrictions at (f) above, no more than 20 percent of all affordable housing trust funds, exclusive of those collected prior to July 17, 2008, to fund an RCA, may be expended on administration, in accordance with N.J.A.C. 5:99-2.4.

(h) A municipality shall set aside a portion of its affordable housing trust fund for the purpose of providing affordability assistance to low- and moderate-income households in affordable units included in a municipal fair share plan, in accordance with N.J.A.C. 5:99-2.5.

(i) Compliant municipalities, Qualified Urban Aid Municipalities, or municipalities that have previously collected such funds while under the protection of presumptive validity of their affordable housing plan or immunity from exclusionary zoning litigation and in accordance with an approved spending plan are authorized to commit or expend affordable housing trust funds in accordance with this chapter, UHAC, and the Act.

(j) A non-compliant Qualified Urban Aid Municipality meeting the criteria set forth in paragraph (1) of subsection c. of section 7 at P.L. 2024, c. 2, which has been authorized to collect residential development fees pursuant to N.J.A.C. 5:99-3.5(b), may not spend, or commit to spend, any affordable housing development fees, without first obtaining the Division's approval of the expenditure by submitting a spending plan for current funds in the municipal affordable housing trust fund and projected funds through the current round. The Division shall review the spending plan for consistency with N.J.A.C. 5:99-2 and shall notify the municipality upon the approval of the spending plan.

#### Use of Funds for Housing Activity

(a) A municipality may use affordable housing trust funds for any housing activity as itemized in the spending plan and approved by the Program or as approved by the Division as an emergent opportunity to create affordable housing. Such activities include, but are not limited to:

1. A rehabilitation program whose purpose is to renovate deficient housing units that are occupied by low- and moderate-income households, in accordance with the New Jersey State Housing Code, N.J.A.C. 5:28, or the requirements of the Rehabilitation Subcode, N.J.A.C. 5:23-6, as applicable. Any recaptured funds from a rehabilitation program shall be deposited into a municipality's affordable housing trust fund and subject to the provisions thereof;
2. New construction of affordable housing units and related development costs; in the case of inclusionary developments, eligible costs shall be prorated based on the proportion of affordable housing units included in the development;
3. Creation of a market to affordable program to pay down the cost of unrestricted units and offer them in sound condition, for sale or rent, at affordable prices to low- and moderate-income households to address all or a portion of the affordable housing obligation;
4. Extensions or improvements of roads and infrastructure directly serving affordable housing development sites; in the case of inclusionary developments, costs shall be prorated based on the proportion of affordable housing units included in the development;
5. RCAs, approved prior to July 17, 2008;
6. Acquisition and/or improvement of land to be used for affordable housing;
7. Accessory dwelling units;
8. The extension of expiring controls;
9. The construction of group homes and supportive and special needs housing;
10. Maintenance and repair of affordable housing units;

11. To defray the costs of structured parking; in the case of inclusionary developments, eligible costs shall be prorated based on the proportion of affordable housing units included in the development;
12. Affordability assistance in accordance with N.J.A.C. 5:99-2.5;
13. Repayment of municipal bonds issued to finance low- and moderate-income housing activity;
14. Any other activity as specified in the approved spending plan or as approved by the Division as an emergent affordable housing opportunity; or
15. Any other activity approved by the Division.

#### Use of Funds for Administrative Expenses

- (a) No more than 20 percent of all affordable housing trust funds, exclusive of those collected prior to July 17, 2008, to fund an RCA, shall be expended on administration.
- (b) Administrative expenses may include costs reasonably related to the determination of the fair share obligation and the development of a municipal housing element and fair share plan and may include fees necessary to develop or implement affordable housing programs, an affirmative marketing program, and/or expenses that are reasonably necessary for compliance with the processes of the Program, including, but not limited to, the costs to the municipality of resolving a challenge pursuant to the Program.
- (c) Administrative expenses may also include costs associated with functions carried out in compliance with UHAC, including activities related to the marketing program and waitlist management, administering the placement of occupants in housing units, income qualification of households, monitoring the turnover of sale and rental units, preserving existing affordable housing, and compliance with the Division's monitoring requirements.
- (d) The proportion of a municipal employee's salary related to the MHL or RCA administrator functions and fees for required educational programs, may be paid as an administrative expense from the municipal affordable housing trust fund.

#### Use of Funds for Affordability Assistance

- (a) A municipality shall set aside a portion of all development fees collected and interest earned for the purpose of providing affordability assistance to low- and moderate-income households in affordable units included in the municipality's fair share plan.
  1. Affordability assistance for very-low-income households may include offering a subsidy to developers of inclusionary or 100 percent affordable housing developments or buying down the cost of low- or moderate-income units in a municipal fair share plan to make them affordable to very low-income households, including special needs and supportive housing opportunities.

---

(b) A municipality may contract with a private or public entity to administer any part of its housing element and fair share plan, including the requirement for affordability assistance, or any program or activity for which the municipality expends development fee proceeds.

### Barrier-Free Escrow

An affordable housing trust fund may include fees collected to adapt affordable unit entrances to be accessible in accordance with the Act and the Barrier Free Subcode, N.J.A.C. 5:23-7. The municipality shall set forth the mechanism by which it will collect and distribute funds intended to convert adaptable entrances in compliance with the technical design standards of the Barrier Free Subcode at N.J.A.C. 5:23-7. Funds collected for this purpose shall at all times be identifiable from other funds. A municipality that collects, or anticipates collecting, funds to adapt affordable unit entrances shall identify the funds on its monitoring report pursuant to N.J.A.C. 5:99-5.

### Payments in Lieu of Constructing Affordable Units On-Site

(a) Payments in lieu of constructing affordable units shall not be imposed on any non-residential development.

(b) A municipality that chooses to collect or anticipates collecting payments in lieu of constructing affordable units shall identify the funds on its monitoring report pursuant to N.J.A.C. 5:99-5.2 and include a plan for the use of the funds in its spending plan.

(c) Payment-in-lieu fees shall be deposited into the municipality's affordable housing trust fund, but shall be accounted for separately from any other fees collected by a municipality. Whenever a payment-in-lieu fee is assessed by a municipality pursuant to this section, a development fee authorized pursuant to N.J.S.A. 52:27D-329.2 shall not be charged in connection with the same development.

### Other Funds

(a) An affordable housing trust fund may also contain recaptured funds, proceeds from the sale of affordable units, rental income, repayments from affordable housing program loans, enforcement fines and application fees, and any other funds collected by the municipality in connection with its affordable housing programs. A municipality that collects, or anticipates collecting, such fees shall identify the funds on its monitoring report pursuant to N.J.A.C. 5:99-5 and include a plan for the use of the funds in its spending plan.

(b) An affordable housing trust fund shall also contain any excess RCA funds, where the RCA has been completed in accordance with the RCA project plan.

(c) A municipality that is not a compliant municipality may not retain excess RCA funds and shall transfer any such funds to the New Jersey Affordable Housing Trust fund established pursuant to N.J.S.A. 52:27D-320.

## South Orange Spending Pla

### Revenues + Expenditures for Certification Period

South Orange has considered the following AHTF revenue sources between the period of 2025-2035:

- Development fees: South Orange analyzed six years (2019 through 2024) of residential and nonresidential development fees deposited into the AHTF and averaged these annual incomes to determine the expected annual fee. Through this analysis of qualifying projects, we determined an annual average revenue fee of \$363,815 to determine potential developer fees for the years of 2025 to 2035.

No deposits were entered into the AHTF in 2019, which is an outlier among the subsequent years. Therefore, 2019 was not considered as part of the annual average revenue calculations.

|         |              |
|---------|--------------|
| 2020    | \$53,905.80  |
| 2021    | \$515,903.00 |
| 2022    | \$835,120.00 |
| 2023    | \$390,783.00 |
| 2024    | \$23,364.28  |
| Average | \$363,815    |

- Payment in lieu of constructing affordable units is anticipated for 1 unit, with a fee of \$100,000.
- Barrier-free escrow funds are not anticipated.
- Funds from other sources such as the sale of units with extinguished controls, repayment of affordable housing program loans, rental income, or proceeds from the sale of affordable units are not anticipated.

Based on existing funds and anticipated revenue as described above, the municipality estimates the AHTF's funds to amount to a revenue of \$5,057,908.11.

As such, South Orange intends to use affordable housing trust fund revenues in accordance with 5:99-2.2 to 2.8, as detailed in the table on the following page.

### Excess or Shortfall of Funds

The governing body reserves the right to revise projections and anticipated funding commitments based upon actual revenues to the Affordable Housing Trust Fund and any revisions to the Housing Element and Fair Share Plan.

In the event that a shortfall of anticipated revenues occurs, the municipality will revise its Spending Plan accordingly.

In the event of excess funds, any remaining funds above the amount necessary to satisfy the municipal affordable housing obligation will be used toward low- and moderate-income housing in accordance with 5:99-2.2 to 2.8 and the Spending Plan will be revised accordingly.

| <b>Revenues</b>                                                                                                                                                                                                                                                                                                             |   |                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|-----------------------|
| Current cash on hand as of March 31, 2025                                                                                                                                                                                                                                                                                   |   | \$1,302,108.31        |
| Projected developer fee revenue<br>(Average annual developer fees x 10 years)                                                                                                                                                                                                                                               | + | \$3,638,150.00        |
| Projected payment in lieu of constructing affordable units                                                                                                                                                                                                                                                                  | + | \$100,000.00          |
| Projected barrier-free escrow funds                                                                                                                                                                                                                                                                                         | + | \$0                   |
| Projected recapture funds, sale of affordable units, rental income, repayments from affordable housing program loans, enforcement fines, unexpended RCA funds remaining from a completed RCA project, application fees, or any other funds collected by the municipality in connection with its affordable housing programs | + | \$0                   |
| Projected Interest<br>(Average annual interest of \$1,764.98 x 10 years)                                                                                                                                                                                                                                                    | + | \$17,649.80           |
| <b>Projected Revenues</b>                                                                                                                                                                                                                                                                                                   | = | <b>\$5,057,908.11</b> |
| <b>Expenditures</b>                                                                                                                                                                                                                                                                                                         |   |                       |
| Rehabilitation program whose purpose is to renovate deficient housing units that are occupied by low- and moderate-income households                                                                                                                                                                                        | - | (\$400,000)           |
| Total Administration (Max 20%)                                                                                                                                                                                                                                                                                              | - | (\$1,011,581.62)      |
| Age-Restricted Market-to-Affordable Conversion "Buy-Down" @ \$75,000 / Unit                                                                                                                                                                                                                                                 | - | (\$1,350,000.00)      |
| Affordability Assistance OR new construction of affordable housing units and related development costs                                                                                                                                                                                                                      | - | (\$2,296,326.49)      |
| <b>Total Projected Expenditures</b>                                                                                                                                                                                                                                                                                         | = | <b>\$5,057,908.11</b> |
| <b>Remaining Balance</b>                                                                                                                                                                                                                                                                                                    | = | <b>\$0</b>            |

---

## **Appendix B – Affirmative Marketing Plan**

NOTE: The current South Orange Village Affirmative Marketing Plan is inconsistent with current UHAC regulations but was approved for the Third Round. The Affirmative Marketing Plan will be updated when the final UHAC amendments have been adopted.

**TOWNSHIP OF SOUTH ORANGE VILLAGE  
ESSEX COUNTY, NEW JERSEY**

**RESOLUTION ADOPTING AN AFFIRMATIVE MARKETING PLAN FOR THE  
TOWNSHIP OF SOUTH ORANGE VILLAGE**

**WHEREAS**, in accordance with applicable Committee on Affordable Housing (“COAH”) regulations, the New Jersey Uniform Housing Affordability Controls (“UHAC”)(N.J.A.C. 5:80-26., et seq.), and the terms of a Settlement Agreement between the Township of South Orange Village and Fair Share Housing Center (“FSHC”), which was entered into as part of the Village’s Declaratory Judgment action entitled “In the Matter of the Application of the Township of South Orange Village, County of Essex, Docket No. ESX-L-4173-15, which was filed in response to Supreme Court decision In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1, 30 (2015) (“Mount Laurel IV”), the Township of South Orange Village is required to adopt by resolution an Affirmative Marketing Plan to ensure that all affordable housing units created, including those created by rehabilitation, are affirmatively marketed to very low, low and moderate income households, particularly those living and/or working within Housing Region 2, which encompasses the Township of South Orange Village; and

**NOW, THEREFORE, BE IT RESOLVED**, that the Village President and Board of Trustees of the Township of South Orange Village, County of Essex, State of New Jersey, do hereby adopt the following Affirmative Marketing Plan:

**Affirmative Marketing Plan**

- A. All affordable housing units in the Township of South Orange Village shall be marketed in accordance with the provisions herein unless otherwise provided in N.J.A.C. 5:93-1, et seq.
  
- B. The Township of South Orange Village has a Gap (1999-2015) and Prospective Need (2015-2025) affordable housing obligation. This Affirmative Marketing Plan shall apply to all developments that require an Affirmative Marketing Plan or will contain very low, low and moderate income units, including those that are part of the Village’s current Housing Element and Fair Share Plan, and those that may be constructed in future developments not contemplated in the Village’s Housing Element and Fair Share Plan. This Affirmative Marketing Plan shall also apply to any rehabilitated rental units that are vacated and re-rented during the applicable period of controls for identified rehabilitated rental units.

- C. The Affirmative Marketing Plan shall be implemented by the Administrative Agent under contract to the Township of South Orange Village. All of the costs of advertising and affirmatively marketing affordable housing units shall be borne by the developer/seller/owner of the affordable unit(s).
- D. In implementing the Affirmative Marketing Plan, the Administrative Agent, acting on behalf of the Village, shall undertake all of the following strategies:
  - 1. Publication of one advertisement in a newspaper of general circulation within the housing region.
  - 2. Broadcast of one advertisement by a radio or television station broadcasting throughout the housing region.
  - 3. At least one additional regional marketing strategy using one of the other sources listed below.
- E. The Affirmative Marketing Plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to housing units which are being marketed by a developer or sponsor of affordable housing. The Affirmative Marketing Plan is also intended to target those potentially eligible persons who are least likely to apply for affordable units in that region. It is a continuing program that directs all marketing activities toward Housing Region 2 in which the Village is located and covers the entire period of deed restriction for each restricted housing unit.
- F. The Affirmative Marketing Plan is a continuing program intended to be followed throughout the entire period of restrictions and shall meet the following requirements:
  - 1. All newspaper articles, announcements and requests for application for very low, low and moderate income units shall appear in the Star Ledger.
  - 2. The primary marketing shall take the form of at least one press release and a paid display advertisement in the above newspaper during the first week of the marketing program. Additional advertising and publicity shall be on an “as needed” basis. The developer/owner shall disseminate all public service announcements and pay for display advertisements. The developer/owner shall provide proof of publication to the Administrative Agent. All press releases and advertisements shall be approved in advance by the Village’s Administrative Agent.

3. The advertisement shall include a description of the:
  - i. Location of the units;
  - ii. Direction of the units;
  - iii. Range of prices for the units;
  - iv. Size, as measured in bedrooms, of units;
  - v. Maximum income permitted to qualify for the units;
  - vi. Location of applications;
  - vii. Business hours when interested households may obtain an application; and
  - viii. Application fees.
4. Newspaper articles, announcements and information on where to request applications for very low, low and moderate income housing shall appear in at least three locally oriented weekly newspapers within the region, one of which shall be circulated primarily in Essex County and the other two of which shall be circulated primarily outside of Essex County but within the housing region.
5. Advertisements will be broadcast on the following regional cable television station: Comcast TV-36 and Verizon Fios 24.
6. Applications, brochure(s), sign(s), and/or poster(s) used as part of the affirmative marketing program shall be available/posted in the following locations:
  - i. Village Municipal Building
  - ii. Village Public Library
  - iii. Village Website
  - iv. Developer's Sales/Rental Office
  - v. Essex County Administration Building

Applications shall be mailed by the Administrative Agent to the prospective applications upon request. Locations of applications, brochures, and flyers to affirmatively market the program are listed in attached Appendix I. Also, applications shall be made available at the developer's sales/rental office and shall be mailed to prospective applicants upon request. When on-line preliminary

applications are utilized, if prospective applicants do not have internet access they will be given a phone number to call the Administrative Agent, who will then enter all pre-application information online during the phone call.

7. The Administrative Agent shall develop, maintain and update a list of community contact person(s) and/or organization(s) in Essex, Morris, Union, and Warren Counties that will aid in the affirmative marketing program with particular emphasis on contacts that will reach out to groups that are least likely to apply for housing within the region, including major regional employers.

- i. Quarterly informational flyers and applications shall be sent to each of the following agencies for publication in their journals and for circulation among their members:

Greater Union County Board of Realtors

North Central Board of Realtors (Essex and Morris County offices)

Warren County Board of Realtors

- ii. Quarterly informational circulars and applications shall be sent to the administrators of each of the following agencies in the counties of Essex, Morris, Union, and Warren:

Welfare or Social Service Board

Office on Aging or Division of Senior Services

Housing Authority

Community Action Agencies

Community Development Departments

- iii. Quarterly informational circulars and applications shall be sent to the chief personnel administrators of all the major employers within the region as listed in attached Appendix II in accordance with the Region 2 Affirmative Marketing Plan.

- iv. Quarterly informational circulars, applications, and copies of press releases and advertisements of the availability of low and moderate income housing shall be sent to the following additional community and regional organizations:

Fair Share Housing Center (510 Park Boulevard, Cherry Hill, NJ 08002)

New Jersey State Conference of the NAACP (4326 Harbor Beach Blvd #775, Brigantine, NJ 08203)

The Latino Action Network (P.O. Box 943, Freehold, NJ 07728)

Oranges and Maplewood NAACP (P.O. Box 1127, East Orange, NJ 07019)

Newark NAACP (P.O. Box 1262, Newark, NJ 07101)

Morris County NAACP (P.O. Box 2256, Morristown, NJ 07962)

Elizabeth NAACP (P.O. Box 6732, Elizabeth, NJ 07206)

Supportive Housing Association (185 Valley Street, South Orange, NJ 07079)

- v. The Administrative Agent will also provide specific direct notice to the following community and regional organizations whenever affordable housing units become available in the Village to the organizations listed in attached Appendix I including those listed below:

Fair Share Housing Center (510 Park Boulevard, Cherry Hill, NJ 08002)

New Jersey State Conference of the NAACP (4326 Harbor Beach Blvd #775, Brigantine, NJ 08203)

The Latino Action Network (P.O. Box 943, Freehold, NJ 07728)

Oranges and Maplewood NAACP (P.O. Box 1127, East Orange, NJ 07019)

Newark NAACP (P.O. Box 1262, Newark, NJ 07101)

Morris County NAACP (P.O. Box 2256, Morristown, NJ 07962)

Elizabeth NAACP (P.O. Box 6732, Elizabeth, NJ 07206)

Supportive Housing Association (185 Valley Street, South Orange, NJ 07079)

8. A random selection method to select occupants of very low, low and moderate income housing will be used by the Administrative Agent in conformance with

N.J.A.C. 5:80-26.16(1). The Affirmative Marketing Plan shall provide a regional preference for all households that live and/or work in Housing Region 2 comprised of Essex, Morris, Union, and Warren Counties.

9. The Administrative Agent shall administer the Affirmative Marketing Plan. The Administrative Agent has the responsibility to income qualify very low, low and moderate income households; to place income eligible households in very low, low and moderate income units upon initial occupancy; to provide for the initial occupancy of very low, low and moderate income units with income qualified households; to continue to qualify households for re-occupancy of units as they become vacant during the period of affordability controls; to assist with outreach to very low, low and moderate income households; and to enforce the terms of the deed restriction and mortgage loan as per N.J.A.C. 5:80-26.1, et seq.
10. Whenever appropriate, the Administrative Agent shall provide or direct qualified very low, low and moderate income applicants to counseling services on subjects such as budgeting, credit issues, mortgage qualifications, rental lease requirements and landlord/tenant law and shall develop, maintain and update a list of entities and lenders willing and able to perform such services.
11. All developers/owners of very low, low and moderate income housing units shall be required to undertake and pay the costs of the marketing of the affordable units in their respective developments, subject to the direction and supervision of the Administrative Agent.
12. The implementation of the Affirmative Marketing Plan for a development that includes affordable housing shall commence at least 120 days before the issuance of either a temporary or permanent certificate of occupancy. The implementation of the Affirmative Marketing Plan shall continue until all very low, low and moderate income housing units are initially occupied and for as long as affordable units exist that remain deed restricted and for which the occupancy or re-occupancy of units continues to be necessary. Please note that in addition to complying with this Village-wide Affirmative Marketing Plan that the Administrative Agent shall also review and approve a separate Affirmative Marketing Plan for every new affordable development in South Orange Village that is subject to N.J.A.C. 5:80-26.1 et seq. That document shall be completed by the owner/developer and will be compliant with the Village's Affirmative Marketing Plan as presented herein, and incorporate development specific details and permitted options, all subject to the Administrative Agent's review and approval. The development specific affirmative marketing plans will use the standard form for Region 2, which is attached hereto as Appendix III.

13. The Administrative Agent shall provide the Affordable Housing Liaison with the information required to comply with monitoring and reporting requirements pursuant to N.J.A.C.5:80-26-1, et seq. and the Order granting the Village a Final Judgment of Compliance and Repose.

**BE IT FURTHER RESOLVED** that the appropriate Village officials and professionals are authorized to take all actions required to implement the terms of this Resolution.

**BE IT FURTHER RESOLVED** that this Resolution shall take effect pursuant to law.

**APPROVED** this \_\_\_\_ day of \_\_\_\_, 2020.

ATTEST:

\_\_\_\_\_  
Kevin Harris, Village Clerk

Appendix 1

| <u>Business Name</u>                    | <u>Address1</u>                  | <u>Address 2</u> | <u>City State Zip</u>  |
|-----------------------------------------|----------------------------------|------------------|------------------------|
| Warren County North East Branch Library | 40 US Highway 46                 |                  | Hackettstown, NJ 07840 |
| Morris County Library                   | 30 E. Hanover Ave.               |                  | Whippany, NJ 07981     |
| Warren County Library Headquarters      | 2 Shotwell Dr                    |                  | Belvidere, NJ 07823    |
| Essex County/Hall of Records            | 465 Dr. Martin Luther King Drive |                  | Newark, NJ 07102       |
| Union County/Administration Building    | 10 Elizabethtown Plaza           |                  | Elizabeth, NJ 07207    |
| Township of South Orange Village        | 76 South Orange Avenue           |                  | South Orange, NJ 07079 |
| South Orange Public Library             | 65 Scotland Road                 |                  | South Orange, NJ 07079 |

## Appendix 2

| <u>Business Name</u>                       | <u>Additional name</u> | <u>Address1</u>             | <u>Address 2</u> | <u>City State Zip</u>     | <u>Email</u> | <u>County</u> | <u>Type of Organization</u> |
|--------------------------------------------|------------------------|-----------------------------|------------------|---------------------------|--------------|---------------|-----------------------------|
| Roseland Free Public Library               |                        | 20 Roseland Ave.            |                  | Roseland, NJ 07068        |              | ESSEX COUNTY  | Libraries                   |
| South Orange Public Library                |                        | 65 Scotland Rd.             |                  | South Orange, NJ 07079    |              | ESSEX COUNTY  | Libraries                   |
| The Orange Public Library                  |                        | 348 Main St.                |                  | Orange, NJ 07050          |              | ESSEX COUNTY  | Libraries                   |
| Verona Free Public Library                 |                        | 17 Gould Street             |                  | Verona, NJ 07044          |              | ESSEX COUNTY  | Libraries                   |
| West Caldwell Public Library               |                        | 30 Clinton Rd.              |                  | West Caldwell, NJ 07006   |              | ESSEX COUNTY  | Libraries                   |
| West Orange Free Public Library            |                        | 46 Mt. Pleasant Ave.        |                  | West Orange, NJ 07052     |              | ESSEX COUNTY  | Libraries                   |
| Boonton Holmes Public Library              |                        | 621 Main St.                |                  | Boonton, NJ 07005         |              | MORRIS COUNTY | Libraries                   |
| Chatham's Joint Free Public Library        |                        | 214 Main St.                |                  | Chatham, NJ 07928         |              | MORRIS COUNTY | Libraries                   |
| Chester Library                            |                        | 250 West Main St.           |                  | Chester, NJ 07930         |              | MORRIS COUNTY | Libraries                   |
| Denville Free Public Library               |                        | 121 Diamond Spring Rd.      |                  | Denville, NJ 07834        |              | MORRIS COUNTY | Libraries                   |
| Dover Free Public Library                  |                        | 32 E. Clinton St.           |                  | Dover, NJ 07801           |              | MORRIS COUNTY | Libraries                   |
| East Hanover Township Free Public Library  |                        | 415 Ridgedale Ave.          |                  | East Hanover, NJ 07936    |              | MORRIS COUNTY | Libraries                   |
| Florham Park Free Public Library           |                        | 107 Ridgedale Ave.          |                  | Florham Park, NJ 07932    |              | MORRIS COUNTY | Libraries                   |
| Harding Township Library                   |                        | 21 Blue Mill Rd.            |                  | New Vernon, NJ 07976      |              | MORRIS COUNTY | Libraries                   |
| Kinnelon Public Library                    |                        | 132 Kinnelon Rd.            |                  | Kinnelon, NJ 07405        |              | MORRIS COUNTY | Libraries                   |
| Lincoln Park Public Library                |                        | 12 Boonton Turnpike         |                  | Lincoln Park, NJ 07035    |              | MORRIS COUNTY | Libraries                   |
| Long Hill Township Free Public Library     |                        | 917 Valley Rd.              |                  | Gillette, NJ 07980        |              | MORRIS COUNTY | Libraries                   |
| Mendham Free Public Library                |                        | 10 Hilltop Rd.              |                  | Mendham, NJ 07945         |              | MORRIS COUNTY | Libraries                   |
| Mendham Township Library                   |                        | 2 East Main St.             |                  | Brookside, NJ 07926       |              | MORRIS COUNTY | Libraries                   |
| Montville Township Public Library          |                        | 90 Horseneck Rd.            |                  | Montville, NJ 07045       |              | MORRIS COUNTY | Libraries                   |
| Morris County Library                      |                        | 30 E. Hanover Ave.          |                  | Whippany, NJ 07981        |              | MORRIS COUNTY | Libraries                   |
| Morris Plains Library                      |                        | 77 Glenbrook Rd.            |                  | Morris Plains, NJ 07950   |              | MORRIS COUNTY | Libraries                   |
| Morristown-Morris Twp Joint Public Library |                        | 1 Miller Rd.                |                  | Morristown, NJ 07960      |              | MORRIS COUNTY | Libraries                   |
| Mount Arlington Public Library             |                        | 333 Howard Blvd.            |                  | Mount Arlington, NJ 07856 |              | MORRIS COUNTY | Libraries                   |
| Mount Olive Public Library                 |                        | 202 Flanders-Drakestown Rd. |                  | Flanders, NJ 07836        |              | MORRIS COUNTY | Libraries                   |
| Mountain Lakes Free Public Library         |                        | 9 Elm Rd.                   |                  | Mountain Lakes, NJ 07046  |              | MORRIS COUNTY | Libraries                   |
| Parsippany-Troy Hills Public Library       |                        | 449 Halsey Rd.              |                  | Parsippany, NJ 07054      |              | MORRIS COUNTY | Libraries                   |
| Randolph Township Free Public Library      |                        | 28 Calais Rd.               |                  | Randolph, NJ 07869        |              | MORRIS COUNTY | Libraries                   |
| Riverdale Public Library                   |                        | 93 Newark Pompton Tpke      |                  | Riverdale, NJ 07457       |              | MORRIS COUNTY | Libraries                   |
| Rockaway Borough Free Public Library       |                        | 82 E. Main St.              |                  | Rockaway, NJ 07866        |              | MORRIS COUNTY | Libraries                   |
| Rockaway Township Free Public Library      |                        | 61 Mount Hope Rd.           |                  | Rockaway, NJ 07866        |              | MORRIS COUNTY | Libraries                   |
| Roxbury Township Public Library            |                        | 103 Main St.                |                  | Succasunna, NJ 07876      |              | MORRIS COUNTY | Libraries                   |
| Washington Twp Public Library-Morris       |                        | 37 E. Springtown Rd.        |                  | Long Valley, NJ 07853     |              | MORRIS COUNTY | Libraries                   |

|                                        |                      |                             |               |                 |
|----------------------------------------|----------------------|-----------------------------|---------------|-----------------|
| Wharton Public Library                 | 15 S. Main St.       | Wharton, NJ 07885           | MORRIS COUNTY | Libraries       |
| Whippanong Library-Hanover Township    | 1000 Route 10        | Whippany, NJ 07981          | MORRIS COUNTY | Libraries       |
| Clark Public Library                   | 303 Westfield Ave.   | Clark, NJ 07066             | UNION COUNTY  | Libraries       |
| Elizabeth Free Public Library          | 11 South Broad. St.  | Elizabeth, NJ,07202         | UNION COUNTY  | Libraries       |
| Fanwood Memorial Library               | 5 Forrest Road       | Fanwood, NJ 07023           | UNION COUNTY  | Libraries       |
| Garwood Free Public Library            | 411 Third Ave.       | Garwood, NJ 07027           | UNION COUNTY  | Libraries       |
| Hillside Free Public Library           | 1409 Liberty Avenue  | Hillside, NJ 07205          | UNION COUNTY  | Libraries       |
| Kenilworth Public Library              | 548 Blvd.            | Kenilworth, NJ 07033        | UNION COUNTY  | Libraries       |
| Linden Free Public Library             | 31 E. Henry St.      | Linden, NJ 07036            | UNION COUNTY  | Libraries       |
| Mountainside Free Public Library       | 1 Constitution Plaza | Mountainside, NJ 07092      | UNION COUNTY  | Libraries       |
| New Providence Memorial Library        | 377 Elkwood Ave.     | New Providence, NJ 07974    | UNION COUNTY  | Libraries       |
| Plainfield Free Public Library         | 800 Park Ave.        | Plainfield, NJ 07060        | UNION COUNTY  | Libraries       |
| Rahway Public Library                  | 2 City Hall Plaza    | Rahway, NJ 07065            | UNION COUNTY  | Libraries       |
| Roselle Free Public Library            | 104 W. Fourth Ave.   | Roselle, NJ 07203           | UNION COUNTY  | Libraries       |
| Roselle Park Veterans Memorial Library | 404 Chestnut St.     | Roselle Park, NJ 07204      | UNION COUNTY  | Libraries       |
| Scotch Plains Public Library           | 1927 Bartle Ave.     | Scotch Plains, NJ 07076     | UNION COUNTY  | Libraries       |
| Springfield Free Public Library        | 66 Mountain Ave.     | Springfield, NJ 07081       | UNION COUNTY  | Libraries       |
| Summit Free Public Library             | 75 Maple St.         | Summit, NJ 07901            | UNION COUNTY  | Libraries       |
| Union Free Public Library              | 1980 Morris Ave.     | Union, NJ 07083             | UNION COUNTY  | Libraries       |
| Westfield Memorial Library             | 550 E. Broad. St.    | Westfield, NJ 07090         | UNION COUNTY  | Libraries       |
| Catherine D. Hofman Library            | 4 Lambert Rd.        | Blairstown, NJ 07825-9348   | Warren County | Libraries       |
| Hackettstown Public Library            | 110 Church St.       | Hackettstown, NJ 07840-2206 | Warren County | Libraries       |
| Oxford Public Library                  | 42 Washington Avenue | Oxford, NJ 07863            | Warren County | Libraries       |
| Phillipsburg Free Public Library       | 200 Frost Ave.       | Phillipsburg NJ 08865       | Warren County | Libraries       |
| W H Walters Free Library               | 1001 East Blvd       | Phillipsburg NJ 08865-4418  | Warren County | Libraries       |
| Warren Co. Community College Library   | 475 Route 57 West    | Washington, NJ 07882        | Warren County | Libraries       |
| Warren Co. Library                     | 199 Hardwick St.     | Belvidere, NJ 07823         | Warren County | Libraries       |
| Washington Public Library              | 20 West Carlton Ave. | Washington, NJ 07882-1202   | Warren County | Libraries       |
| A.J. Seabra inc,                       | 574 Ferry St         | Newark, NJ 07105-4402       | ESSEX COUNTY  | Major Employers |
| Alaris Health at Cedar Grove           | 110 Grove Ave        | Cedar Grove, NJ 07009       | ESSEX COUNTY  | Major Employers |
| Applied Business Concepts              | 324 Bellville Ave.   | Bloomfield, NJ 07003        | ESSEX COUNTY  | Major Employers |
| ARC of Essex County                    | 123 Naylon Ave       | Livingston, NJ 07039        | ESSEX COUNTY  | Major Employers |
| Berkeley College                       | 536 Broad. St.       | Newark, NJ 07102            | ESSEX COUNTY  | Major Employers |
| Cambridge Bagel Factory                | 648 Bloomfield Ave.  | Bloomfield, NJ 07003        | ESSEX COUNTY  | Major Employers |

|                                                      |                                       |                              |           |                         |  |               |                 |
|------------------------------------------------------|---------------------------------------|------------------------------|-----------|-------------------------|--|---------------|-----------------|
| Care One                                             |                                       | 68 Passaic Ave               |           | Livingston, NJ 07039    |  | ESSEX COUNTY  | Major Employers |
| Continental Airlines                                 |                                       | 1 Newark Airport             |           | Newark, NJ 07102        |  | ESSEX COUNTY  | Major Employers |
| Essex County Hospital Center                         |                                       | 204 Grove Ave                |           | Cedar Grove, NJ 07009   |  | ESSEX COUNTY  | Major Employers |
| Essex Regional Health                                |                                       | 204 Hillside Ave             |           | Livingston, NJ 07039    |  | ESSEX COUNTY  | Major Employers |
| Hoffman La Roche                                     |                                       | 340 Kingsland St.            |           | Nutley, NJ 07110        |  | ESSEX COUNTY  | Major Employers |
| Horizon Blue Cross & Blue Shield                     |                                       | 3 Penn Central Railroad      |           | Newark, NJ 07105        |  | ESSEX COUNTY  | Major Employers |
| Horizon Blue Cross & Blue Shield of NJ               |                                       | 3 Raymond Plaza W            |           | Newark, NJ 07102        |  | ESSEX COUNTY  | Major Employers |
| Horizon Blue Cross & Blue Shield of NJ               |                                       | 540 Broad Street             |           | Newark, NJ 07102        |  | ESSEX COUNTY  | Major Employers |
| Horizon Business Products                            |                                       | 753 N. 6th St.               |           | Newark, NJ 07102        |  | ESSEX COUNTY  | Major Employers |
| IDT Telecom                                          |                                       | 520 Broad. St.               |           | Newark, NJ 07102        |  | ESSEX COUNTY  | Major Employers |
| Livingston Board of Education                        |                                       | 11 Foxcroft Drive            |           | Livingston, NJ 07039    |  | ESSEX COUNTY  | Major Employers |
| Newark Liberty International Airport                 |                                       | Newark Airport               |           | Newark, NJ 07102        |  | ESSEX COUNTY  | Major Employers |
| PNC Bank - Bloomfield Center                         |                                       | 2 Broad. St.                 |           | Bloomfield, NJ 07003    |  | ESSEX COUNTY  | Major Employers |
| Prudential Financial                                 |                                       | 751 Broad. St.               |           | Newark, NJ 07102        |  | ESSEX COUNTY  | Major Employers |
| PSEG                                                 |                                       | 80 Park Plaza                |           | Newark, NJ 07102        |  | ESSEX COUNTY  | Major Employers |
| Rutgers                                              |                                       | 123 Washington Street        | Suite 590 | Newark, NJ 07102        |  | ESSEX COUNTY  | Major Employers |
| St. Barnabas Hospital                                |                                       | 94 Old Short Hills Road      |           | Livingston, NJ 07039    |  | ESSEX COUNTY  | Major Employers |
| St. Barnabas Hospital Ambulatory Care                |                                       | 200 South Orange Avenue      |           | Livingston, NJ 07039    |  | ESSEX COUNTY  | Major Employers |
| Stanlar Industries                                   |                                       | 24 Federal Plaza             |           | Bloomfield, NJ 07003    |  | ESSEX COUNTY  | Major Employers |
| Summit Medical                                       |                                       | 75 E. Northfield Road        |           | Livingston, NJ 07039    |  | ESSEX COUNTY  | Major Employers |
| University of Medicine/Dentistry                     | Office of Marketing & Media Relations | 150 Bergen Street, Room D347 |           | Newark, NJ 07103        |  | ESSEX COUNTY  | Major Employers |
| Verizon Business                                     |                                       | 271 Mount Pleasant Ave.      |           | West Orange, NJ 07090   |  | ESSEX COUNTY  | Major Employers |
| Verizon Communications                               |                                       | 540 Broad Street             |           | Newark, NJ 07102        |  | ESSEX COUNTY  | Major Employers |
| West Essex Board of Realtors                         |                                       | 10 Erie St                   |           | Montclair, NJ, 07042    |  | ESSEX COUNTY  | Major Employers |
| AT&T                                                 |                                       | 15 Midlan Ave #1             |           | Paramus, NJ 07932       |  | MORRIS COUNTY | Major Employers |
| AT&T                                                 |                                       | 295 N Maple Ave              |           | Basking Ridge, NJ 07920 |  | Morris County | Major Employers |
| AT&T                                                 |                                       | 180 Park Avenue              |           | Florham Park, NJ 07932  |  | Morris County | Major Employers |
| Atlantic Health System- Morristown Memorial Hospital |                                       | 100 Madison Ave.             |           | Morristown, NJ 07962    |  | MORRIS COUNTY | Major Employers |
| Avaya Inc. Headquarters                              |                                       | 350 Mt Kemble Ave            |           | Morristown, NJ 07960    |  | Morris County | Major Employers |
| Honeywell                                            |                                       | 101 Columbia Rd              |           | Morristown, NJ 07960    |  | MORRIS COUNTY | Major Employers |
| Kraft foods                                          |                                       | 200 Deforest Ave.            |           | East Hanover, NJ 07936  |  | MORRIS COUNTY | Major Employers |
| Kraft foods                                          |                                       | 7 Campus Drive               |           | Parsippany, NJ 07054    |  | Morris County | Major Employers |
| Lucent Technologies                                  |                                       | 24 Mountain Ave.             |           | Mendham, NJ 07945       |  | MORRIS COUNTY | Major Employers |
| Lucent Technologies                                  |                                       | 67 Whippany Road             |           | Whippany, NJ 07981      |  | Morris County | Major Employers |

|                                    |  |                                     |             |                             |  |               |                 |
|------------------------------------|--|-------------------------------------|-------------|-----------------------------|--|---------------|-----------------|
| Lucent Technologies                |  | 475 South Street                    |             | Morristown, NJ 07960        |  | Morris County | Major Employers |
| Lucent Technologies                |  | 5 Wood Hollow Road                  |             | Parsippany, NJ 07054        |  | Morris County | Major Employers |
| Mennen Sports Arena                |  | 161 E Hanover Ave                   |             | Morristown, NJ 07960        |  | MORRIS COUNTY | Major Employers |
| Novartis Pharmaceutical            |  | 59 State Route 10                   |             | East Hanover, NJ 07936      |  | MORRIS COUNTY | Major Employers |
| Pfizer                             |  | 5 Wood Hollow Road                  |             | Parsippany, NJ 07054        |  | Morris County | Major Employers |
| Pfizer                             |  | 175 Tabor Road                      |             | Morris Plains, NJ 07950     |  | Morris County | Major Employers |
| St. Clare's Hospital               |  | 130 Powerville Rd.                  |             | Boonton Township, NJ 07005  |  | MORRIS COUNTY | Major Employers |
| St. Clare's Hospital               |  | 25 Pocono Rd.                       |             | Denville, NJ 07834          |  | MORRIS COUNTY | Major Employers |
| St. Clare's Hospital               |  | 400 West Blackwell St.              |             | Dover, NJ 07801             |  | MORRIS COUNTY | Major Employers |
| St. Clare's Hospital               |  | 3219 Route 46 East, Suite 110       |             | Parsippany, NJ 07054        |  | MORRIS COUNTY | Major Employers |
| UNION COUNTY College               |  | 1033 Springfield Ave.               |             | Cranford, NJ 07016          |  | MORRIS COUNTY | Major Employers |
| US Army Armament R&D               |  | 21 Picatinny Arsenal                |             | Picatinny Arsenal, NJ 07806 |  | Morris County | Major Employers |
| A&M Industrial Supply Co           |  | 37 West Cherry Street               | PO Box 1044 | Rahway, NJ 07065            |  | UNION COUNTY  | Major Employers |
| A&M Industrial Supply Co           |  | 1414 Campbell Street                |             | Rahway, NJ 07065            |  | Union County  | Major Employers |
| Bristol-Myers Products R & D       |  | 1350 Liberty Avenue                 |             | Hillside, NJ 07205          |  | Union County  | Major Employers |
| Cede Candy Inc                     |  | 1091 Lousons Road                   | PO Box 271  | Union, NJ 07083             |  | Union County  | Major Employers |
| Comcast Network                    |  | 800 Rahway Ave.                     |             | Union, NJ 07084             |  | UNION COUNTY  | Major Employers |
| Honeywell Inc                      |  | 1515 West Blancke Street, Bldg 1501 |             | Linden, NJ 07036            |  | Union County  | Major Employers |
| Honeywell Inc                      |  | 1515 West Blancke Street, Bldg 1525 |             | Linden, NJ 07036            |  | Union County  | Major Employers |
| Howard Press                       |  | 450 West First Ave.                 |             | Roselle, NJ 07203           |  | UNION COUNTY  | Major Employers |
| IBM Corporation                    |  | 27 Commerce Drive                   |             | Cranford, NJ 07016          |  | Union County  | Major Employers |
| Kerry Industries                   |  | 160 Terminal Ave.                   |             | Clark, NJ 07066             |  | Union County  | Major Employers |
| L'Oréal                            |  | 222 Terminal Ave.                   |             | Clark, NJ 07066             |  | Union County  | Major Employers |
| Lucent Technologies                |  | 600 Mountain Ave.                   |             | Murray Hill, NJ 07974-2008  |  | UNION COUNTY  | Major Employers |
| Rahway Hospital                    |  | 865 Stone St.                       |             | Rahway, NJ 07065            |  | UNION COUNTY  | Major Employers |
| Rotuba Extruders, Inc              |  | 1401 Park Ave. South                |             | Linden, NJ 07036            |  | UNION COUNTY  | Major Employers |
| ARC Warren County                  |  | 319 W. Washington Ave. #2           |             | Washington, NJ 07882        |  | Warren County | Major Employers |
| Asbury Graphite                    |  | P.O. Box 144                        |             | Asbury, NJ 08802            |  | Warren County | Major Employers |
| Atlantic States Cast Iron Pipe Co. |  | 183 SitgreAve.s St.                 |             | Phillipsburg, NJ 08865      |  | Warren County | Major Employers |
| Bihler of America                  |  | 85 Industrial Dr.                   |             | Alpha, NJ 08865             |  | Warren County | Major Employers |
| Blair Academy                      |  | 2 Park Street                       | PO Box 600  | Blairstown, NJ 07825        |  | Warren County | Major Employers |
| Captive Plastics, Inc.             |  | 190 Strykers Rd.                    |             | Phillipsburg, NJ 08865      |  | Warren County | Major Employers |
| Centenary College                  |  | 400 Jefferson St                    |             | Hackettstown, NJ 07840      |  | Warren County | Major Employers |
| Hackettstown Hospital              |  | 651 Willow Grove St.                |             | Hackettstown, NJ 07840      |  | Warren County | Major Employers |

|                                           |  |                       |  |                        |  |               |                     |
|-------------------------------------------|--|-----------------------|--|------------------------|--|---------------|---------------------|
| Hunterdon Transformer                     |  | 75 Industrial Dr.     |  | Phillipsburg, NJ 08865 |  | Warren County | Major Employers     |
| Lopatcong Care Center                     |  | 390 Red School Lane   |  | Phillipsburg, NJ 08865 |  | Warren County | Major Employers     |
| Mallinckrodt Baker INC                    |  | 222 Red School Lane   |  | Phillipsburg, NJ 08865 |  | Warren County | Major Employers     |
| Masterfoods                               |  | 800 High St.          |  | Hackettstown, NJ 07840 |  | Warren County | Major Employers     |
| Nova Borealis Compounds LLC               |  | 176 Thomas Rd.        |  | Port Murray, NJ 07865  |  | Warren County | Major Employers     |
| Pechiney                                  |  | 191 Route 31 North    |  | Washington, NJ 07882   |  | Warren County | Major Employers     |
| Roche Vitamins                            |  | 206 Roche Dr.         |  | Belvidere, NJ 07823    |  | Warren County | Major Employers     |
| Warren Hospital                           |  | 185 Roseberry St.     |  | Phillipsburg, NJ 08865 |  | Warren County | Major Employers     |
| Comcast of Northwest NJ                   |  | 155 Port Murray Rd.   |  | Port Murray, NJ 07865  |  | Warren County | Media               |
| Star-Ledger                               |  | 1 Star Ledger Plaza   |  | Newark, NJ 07102       |  | Warren County | Media               |
| North Central Board of Realtors           |  | 375 Broad Street      |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Realtor             |
| North Central Board of Realtors           |  | 910 Mt. Kemble Avenue |  | Morristown, NJ 07960   |  | Morris County | Realtor             |
| Greater Union County Board of Realtors    |  | 767 Central Ave       |  | Westfield, NJ 07090    |  | Union County  | Realtor             |
| Warren County Board of Realtors           |  | 292 Route 46W         |  | Oxford, NJ 07863-0038  |  | Warren County | Realtor             |
| Agape Worship Center                      |  | 33 West St. #100      |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |
| Bethany United Presbyterian               |  | 293 West Passaic Ave. |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |
| Bethel Church of Love & Praise            |  | 55 Lawrence St.       |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |
| Bloomfield Presbyterian                   |  | 147 Broad. St.        |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |
| Brookdale Baptist Church                  |  | 1350 Broad. St.       |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |
| Christian Bible Center                    |  | 430 Franklin St.      |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |
| Christian Faith Center                    |  | 132 Montgomery St.    |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |
| First Baptist Church                      |  | 1 Washington St.      |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |
| Korean United Presbyterian Church         |  | 27 Bay Ave.           |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |
| New Life Christian Church                 |  | 12 Prospect St.       |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |
| New Light Baptist Church                  |  | 91 Dewey St.          |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |
| Park United Methodist Church              |  | 12 Park St.           |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |
| Personnel Board of the Newark Archdiocese |  | 194 Broad. St.        |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |
| Presbyterian Church on the Green          |  | 147 Broad. St.        |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |
| Presbytery of Newark                      |  | 192 Broad. St.        |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |
| Sacred Heart Church                       |  | 76 Broad. St.         |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |
| Saint Thomas the Apostle                  |  | 60 Byrd Ave.          |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |
| Saint Valentines                          |  | 120 North Spring St.  |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |
| Skyline Community Church                  |  | 498 Watchung Ave.     |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |
| Temple Ner Tamid                          |  | 936 Broad. St.        |  | Bloomfield, NJ 07003   |  | ESSEX COUNTY  | Religious Buildings |

|                                                                  |                     |                                     |                |                           |  |                  |                     |
|------------------------------------------------------------------|---------------------|-------------------------------------|----------------|---------------------------|--|------------------|---------------------|
| Union Baptist Church                                             |                     | 21 Conger St.                       |                | Bloomfield, NJ 07003      |  | ESSEX COUNTY     | Religious Buildings |
| Watchung Presbyterian Church                                     |                     | 375 Watchung Ave.                   |                | Bloomfield, NJ 07003      |  | ESSEX COUNTY     | Religious Buildings |
| Jehovah's Witness                                                |                     | 1170 Old Raritan Road               |                | Clark, NJ 07066           |  | Union County     | Religious Buildings |
| St. Agnes RC Church                                              |                     | 332 Madison Hill Road               |                | Clark, NJ 07066           |  | Union County     | Religious Buildings |
| St. John the Apostle Church                                      |                     | 1805 Penbrook Terrace               |                | Linden, NJ 07036          |  | Union County     | Religious Buildings |
| Mountaintop Church                                               |                     | 6 Naughtright Rd.                   |                | Hackettstown, NJ 07840    |  | Warren County    | Religious Buildings |
| St. James Episcopal Church                                       |                     | 214 Washington St.                  |                | Hackettstown, NJ 07840    |  | Warren County    | Religious Buildings |
| Washington Assembly of God Church                                |                     | 33 Brass Castle Rd.                 |                | Washington, NJ 07882      |  | Warren County    | Religious Buildings |
| Belleville Senior Center                                         |                     | 125 Franklin Avenue                 |                | Belleville, NJ 07109      |  | ESSEX COUNTY     | Social Service      |
| Belleville Senior Citizen Club                                   |                     | 518 Washington Ave.                 |                | Belleville, NJ 07109      |  | ESSEX COUNTY     | Social Service      |
| Essex Co. Board of Social Services                               |                     | 50 South Clinton                    |                | East Orange, NJ 07018     |  | ESSEX COUNTY     | Social Service      |
| Essex Co. Community Action                                       |                     | 50 South Clinton #3                 |                | East Orange, NJ 07018     |  | ESSEX COUNTY     | Social Service      |
| Essex Co. Division of Senior Services                            |                     | 900 Bloomfield Avenue               |                | Verona, NJ 07044          |  | Essex County     | Social Service      |
| Essex Co. Division of Welfare                                    |                     | 18 Rector St. - 9th Floor           |                | Newark, NJ 07102          |  | ESSEX COUNTY     | Social Service      |
| Essex County Division of Housing and Community Development       |                     | 50 South Clinton Street ,Suite 5400 |                | East Orange, NJ 07018     |  | ESSEX COUNTY     | Social Service      |
| Fairfield Golden Age Club                                        |                     | 230 Fairfield Rd.                   |                | Fairfield, NJ 07004       |  | ESSEX COUNTY     | Social Service      |
| Grover Cleveland Senior Center                                   | Borough of Caldwell | 1 Provost Square                    |                | Caldwell, NJ 07006        |  | ESSEX COUNTY     | Social Service      |
| Oranges and Maplewood NAACP                                      |                     | PO Box 1127                         |                | East Orange, NJ 07019     |  | ESSEX COUNTY     | Social Service      |
| Supportive Housing Association                                   |                     | 185 Valley Street                   |                | South Orange, NJ 07079    |  | ESSEX COUNTY     | Social Service      |
| United Way of Essex and West Hudson                              |                     | 60 Park Place, Suite 1400           |                | Newark, NJ 07102          |  | ESSEX COUNTY     | Social Service      |
| United Way of Northern New Jersey - Millburn                     |                     | P.O. Box 546                        |                | Millburn, NJ 07041        |  | ESSEX COUNTY     | Social Service      |
| West Essex YMCA                                                  |                     | 321 South Livingston Ave            |                | Livingston, NJ 07039      |  | ESSEX COUNTY     | Social Service      |
| Northwest New Jersey Community Action Program, Inc. (NORWESCAP)  |                     | 350 Marshall St.                    |                | Phillipsburg, NJ 08865    |  | Middlesex County | Social Service      |
| Homeless Solutions of Morristown                                 |                     | 540 W. Hanover Ave                  |                | Morristown, NJ 07960      |  | Morris County    | Social Service      |
| Housing Partnership for Morris County                            |                     | 2 East Blackwell Street             |                | Dover, NJ 07801           |  | Morris County    | Social Service      |
| Morris Co. Department of Senior, Disability and Veteran Services |                     | 340 W. Hanover Ave                  |                | Morris, NJ 07961          |  | Morris County    | Social Service      |
| Morris Co. Family Services                                       |                     | County of Morris                    | PO Box 900     | Morristown, NJ 07963-0900 |  | MORRIS COUNTY    | Social Service      |
| Morris Co. Human Services                                        |                     | 30 Schuyler Place                   |                | Morristown, NJ 07960      |  | MORRIS COUNTY    | Social Service      |
| Morris Co. Office of Assistance                                  |                     | P.O. Box 900                        | 340 W. Hanover | Morristown, NJ 07963      |  | MORRIS COUNTY    | Social Service      |
| Morris County Housing Authority                                  |                     | 99 Ketch Road                       |                | Morristown, NJ 07960-2606 |  | Morris County    | Social Service      |
| Morris County Office of Community Development                    |                     | 1 Medical Drive                     |                | Morris Plains, NJ 07950   |  | Morris County    | Social Service      |
| United Way of Northern New Jersey                                |                     | PO Box 1948                         |                | Morristown, NJ 07962      |  | MORRIS COUNTY    | Social Service      |
| Catholic Charities                                               |                     | 505 South Ave                       |                | Cranford, NJ 07016        |  | Union County     | Social Service      |
| Community Access Unlimited                                       |                     | 80 Grand St., # 2                   |                | Elizabeth, NJ 07202       |  | UNION COUNTY     | Social Service      |

|                                                |                                   |                                 |                     |                          |                                                                            |               |                |
|------------------------------------------------|-----------------------------------|---------------------------------|---------------------|--------------------------|----------------------------------------------------------------------------|---------------|----------------|
| Jewish Family Service of Central Jersey        |                                   | 655 Westfield Ave.              |                     | Elizabeth, NJ 07202      |                                                                            | UNION COUNTY  | Social Service |
| Salvation Army                                 |                                   | 1005 East Jersey St.            |                     | Elizabeth, NJ 07202      |                                                                            | UNION COUNTY  | Social Service |
| UNION Co. Social Services Department           |                                   | 342 Westminster Ave.            |                     | Elizabeth, NJ 07202      |                                                                            | UNION COUNTY  | Social Service |
| Union County Division on Aging                 |                                   | 342 Westminster Ave.            |                     | Elizabeth, NJ 07202      |                                                                            | UNION COUNTY  | Social Service |
| Union County Housing Authority                 |                                   | 1 Elizabethtown Plaza 5th Floor |                     | Elizabeth, NJ 07202-3467 |                                                                            | UNION COUNTY  | Social Service |
| United Way of Greater Union County             |                                   | 33 West Grand Street            |                     | Elizabeth, NJ 07202      |                                                                            | UNION COUNTY  | Social Service |
| Urban League of Union County                   |                                   | 288 N Broad St #2               |                     | Elizabeth, NJ 07208      |                                                                            | UNION COUNTY  | Social Service |
| Westfield United Way Fund                      |                                   | 301 North Avenue West           |                     | Westfield, NJ 07090      |                                                                            | UNION COUNTY  | Social Service |
| Women Helping Women                            |                                   | 530 Elm St                      |                     | Westfield, NJ 07090      |                                                                            | Union County  | Social Service |
| North West NJ Community Action Program         |                                   | 350 Marshall St.                |                     | Phillipsburg, NJ 08865   |                                                                            | Warren County | Social Service |
| Warren Co. Administration Building             |                                   | 165 County Route 519 South      |                     | Belvidere, NJ 07823      |                                                                            | Warren County | Social Service |
| Warren Co. Divi. of Aging and Disability Svcs. | Wayne Dumont, Jr. Admin. Bldg.    | 165 County Route 519 South      |                     | Belvidere, NJ 07823-1949 |                                                                            | Warren County | Social Service |
| Warren Co. Division of Senior Services         | Wayne Dumont Jr. Admin. Bldg.     | 165 County Rte 519 So.          |                     | Belvidere, NJ 07823      |                                                                            | Warren County | Social Service |
| Warren Co. Social Services                     | Court House Annex                 | 501 Second St.                  |                     | Belvidere, NJ 07823      |                                                                            | Warren County | Social Service |
| Warren County Housing Authority                |                                   | 415 Front Street                |                     | Belvidere, NJ 07823-1532 |                                                                            | Warren County | Social Service |
| Birth Haven, Inc.                              | Tina Magarino, Executive Director | 4 Academy Street                |                     | Newton, NJ 07860         | tina@birthhaven.org                                                        |               | Social Service |
| Elizabeth NAACP                                |                                   | 1251 Fairmount Avenue           |                     | Elizabeth, NJ 07208      |                                                                            |               | Social Service |
| Fair Share Housing Center                      |                                   | 510 Park Blvd                   |                     | Cherry Hill, NJ 08002    |                                                                            |               | Social Service |
| Latino Action Network                          |                                   | PO Box 943                      |                     | Freehold, NJ 07728       |                                                                            |               | Social Service |
| Mental Health Association of Essex And Morris  | Jonathan Hinkis                   | 33 S Fullerton Ave              |                     | Montclair, NJ 07042      | <a href="mailto:JHinkis@mhaessexmorris.org">JHinkis@mhaessexmorris.org</a> |               | Social Service |
| Morris Co. NAACP                               |                                   | PO Box 2256                     |                     | Morristown, NJ 07962     |                                                                            |               | Social Service |
| New Jersey State Conference of the NAACP       |                                   | 4326 Harbor Beach Blvd. #775    |                     | Brigantine, NJ 08203     |                                                                            |               | Social Service |
| Newark NAACP                                   |                                   | PO Box 1262                     |                     | Newark, NJ 07101         |                                                                            |               | Social Service |
| VA NJ Health Care System                       | Joni Owen, LCSW                   | 151 Knollcroft Rd., Bldg. 53    | Mail code 116D-C34B | Lyons, NJ 07939-5000     | <a href="mailto:joni.owen@va.gov">joni.owen@va.gov</a>                     |               | Social Service |
| Warren/Sussex County Branch Unit of the NAACP  |                                   | President: Charles Boddy        | PO Box 229          | Washington 07882         |                                                                            |               | Social Service |

## AFFIRMATIVE FAIR HOUSING MARKETING PLAN For Affordable Housing in Region II

### I. APPLICANT AND PROJECT INFORMATION

(Complete Section I individually for all developments or programs within the municipality.)

|                                                                                                          |                                                         |                                                                 |                                                           |
|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------|
| 1a. Administrative Agent Name, Address, Phone Number                                                     |                                                         | 1b. Development or Program Name, Address                        |                                                           |
| 1c.<br>Number of Affordable Units: 2<br><br>Number of Rental Units: 2<br><br>Number of For-Sale Units: 0 | 1d. Price or Rental Range<br><br>From: \$<br><br>To: \$ |                                                                 | 1e. State and Federal Funding Sources (if any)<br><br>N/A |
| 1f.<br><br>___ Age Restricted<br><br>___ Non-Age Restricted                                              |                                                         | 1g. Approximate Starting Dates<br><br>Advertising:   Occupancy: |                                                           |
| 1h. County<br>Essex, Morris, Union, Warren                                                               |                                                         | 1i. Census Tract(s):                                            |                                                           |
| 1j. Managing/Sales Agent's Name, Address, Phone Number                                                   |                                                         |                                                                 |                                                           |
| 1k. Application Fees (if any):                                                                           |                                                         |                                                                 |                                                           |

### II. RANDOM SELECTION

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>2. Describe the random selection process that will be used once applications are received.</p> <p>The Administrative Agent will assign random numbers to each applicant through a computerized random number generator.</p> <p>After the list of applications submitted during the initial lottery period is exhausted, the priority of preliminary applications is established by the date the household submitted their preliminary application (Interest Date).</p> <p>In addition to the random number assigned to the household and/or the interest date, there are other factors impacting waiting priority which are described below.</p> <ul style="list-style-type: none"> <li>• <b>Regional Preference:</b> Applicants that indicated that they lived or work in the Affordable Housing Region will be contacted first. Once those applicants are exhausted, applicants outside the region will be contacted.</li> <li>• <b>Household Size:</b> Whenever possible, there will be at least one person for each bedroom. If the waiting list is exhausted and there are no in or out region households with a person for each bedroom size, units will be offered to smaller sized households that do not have a person for each bedroom. The Administrative Agent cannot require an applicant household to take an affordable unit with a greater number of bedrooms, as long as overcrowding is not a factor. A household</li> </ul> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

can be eligible for more than one unit category.

- **Fully Accessible Units:** A household with a person with physical disabilities will get preference on the waiting list because of the very limited number of accessible units. If there is more than one household with a person with physically disabilities on the waiting list, in region households with a person for each bedroom will be contacted first. Applicants must provide a letter from their doctor stating what kind of accommodation they require as a result of their disability.

### III. MARKETING

3a. Direction of Marketing Activity: (indicate which group(s) in the housing region are least likely to apply for the housing without special outreach efforts because of its location and other factors)

- White (non-Hispanic)   
  Black (non-Hispanic)   
  Hispanic   
  American Indian or Alaskan Native  
 Asian or Pacific Islander   
  Other group:

3b. Commercial Media (required) (Check all that applies)

|                                     | DURATION & FREQUENCY OF OUTREACH | NAMES OF REGIONAL NEWSPAPER(S)                                                                                          | CIRCULATION AREA |
|-------------------------------------|----------------------------------|-------------------------------------------------------------------------------------------------------------------------|------------------|
| <b>TARGETS ENTIRE COAH REGION 2</b> |                                  |                                                                                                                         |                  |
| Daily Newspaper                     |                                  |                                                                                                                         |                  |
| <input checked="" type="checkbox"/> | Initial occupancy and as needed  | Star-Ledger                                                                                                             | Region II        |
| <input checked="" type="checkbox"/> | Initial occupancy and as needed  | Verizon Fios 24<br>Comcast 36                                                                                           | Essex County     |
| <input checked="" type="checkbox"/> | Initial occupancy and as needed  | HMFA's Housing Resource Center (njhrc.gov)                                                                              | Regions I-VI     |
| <input checked="" type="checkbox"/> | Initial occupancy and as needed  | Affordable Homes Jersey (CGP&H) website<br>www.affordablehomesnewjersey.com                                             | Regions I-VI     |
| <input checked="" type="checkbox"/> | Initial occupancy and as needed  | The Township of South Orange Village Website<br><a href="https://www.southorange.org/">https://www.southorange.org/</a> | Essex County     |

| 3e. Community Contacts (names of community groups/organizations throughout the housing region that can be contacted to post advertisements and distribute flyers regarding available affordable housing) |                   |                                                  |                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------------------------------------|------------------------------------------------------------|
| Name of Group/Organization                                                                                                                                                                               | Outreach Area     | Racial/Ethnic Identification of Readers/Audience | Duration & Frequency of Outreach                           |
| Fair Share Housing Center                                                                                                                                                                                | Statewide         | Various                                          | At beginning of affirmative marketing period and as needed |
| NJ State Conference of the NAACP                                                                                                                                                                         | Statewide         | African American                                 | At beginning of affirmative marketing period and as needed |
| The Latino Action Network                                                                                                                                                                                | Statewide         | Latino                                           | At beginning of affirmative marketing period and as needed |
| Oranges and Maplewood NAACP                                                                                                                                                                              | Region 2          | African American                                 | At beginning of affirmative marketing period and as needed |
| Newark NAACP                                                                                                                                                                                             | Region 2          | African American                                 | At beginning of affirmative marketing period and as needed |
| Morris County NAACP                                                                                                                                                                                      | Region 2          | African American                                 | At beginning of affirmative marketing period and as needed |
| Elizabeth NAACP                                                                                                                                                                                          | Region 2          | African American                                 | At beginning of affirmative marketing period and as needed |
| Supportive Housing Association                                                                                                                                                                           | Statewide         | Various                                          | At beginning of affirmative marketing period and as needed |
| See attached list of businesses, social service agencies, libraries, and community contacts                                                                                                              | Throughout region | Various                                          | At beginning of affirmative marketing period and as needed |

#### IV. APPLICATIONS

| Applications for affordable housing for the above units will be available at the following locations:                                                                |                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| 4a. County Administration Buildings and/or Libraries for all counties in the housing region (list county building, address, contact person) (Check all that applies) |                                                                      |
| BUILDING                                                                                                                                                             | LOCATION                                                             |
| <input checked="" type="checkbox"/> Morris County Library                                                                                                            | 30 East Hanover Avenue, Whippany, NJ 07981                           |
| <input checked="" type="checkbox"/> Warren County Library Headquarters                                                                                               | 199 Hardwick Street, Belvidere, NJ 07823                             |
| <input checked="" type="checkbox"/> Essex County/Hall of Records                                                                                                     | 465 Dr. Martin Luther King, Jr. Blvd, Newark, NJ 07102 (973)621-4400 |
| <input checked="" type="checkbox"/> Union County/Administration Building                                                                                             | Elizabethtown Plaza, Elizabeth, NJ 07207 (908)527-4100               |
| 4b. Municipality in which the units are located (list municipal building and municipal library, address, contact person)                                             |                                                                      |
| Township of South Orange Village, 76 South Orange Avenue, South Orange, NJ 07079                                                                                     |                                                                      |
| South Orange Public Library, 65 Scotland Road, South Orange, NJ 07079                                                                                                |                                                                      |
| 4c. Sales/Rental Office for units (if applicable)                                                                                                                    |                                                                      |

V. CERTIFICATIONS AND ENDORSEMENTS

I hereby certify that the above information is true and correct to the best of my knowledge. I understand that knowingly falsifying the information contained herein may affect the (select one: Municipality's COAH substantive certification or DCA Balanced Housing Program funding or HMFA UHORP/MONI funding).

\_\_\_\_\_  
Name (Type or Print)

\_\_\_\_\_  
Title/Municipality

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Appendix C – Regulatory Resolutions (Adopting Obligation Number)

**SOUTH ORANGE VILLAGE**  
**Municipal Offices**  
76 South Orange Ave  
Suite 302  
South Orange  
Essex County  
New Jersey 07079

www.southorange.org  
P 973.378.7715  
F 973.763.0987



## **RESOLUTION #2025-017**

**January 27, 2025**

### **RESOLUTION OF THE VILLAGE COUNCIL OF SOUTH ORANGE VILLAGE COMMITTING TO FOURTH ROUND PRESENT AND PROSPECTIVE NEED AFFORDABLE HOUSING OBLIGATIONS**

**WHEREAS**, the South Orange Village (hereinafter the "Village" or "South Orange") has a demonstrated history of voluntary compliance as evidenced by its Prior Round Substantive Certification granted by the Council on Affordable Housing ("COAH") and its Third Round record; and

**WHEREAS**, pursuant to In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1 (2015) (Mount Laurel IV), on June 12, 2015, the South Orange Village filed a Declaratory Judgment Complaint in Superior Court, Law Division seeking, among other things, a judicial declaration that its Third Round Housing Element and Fair Share Plan, to be amended as necessary, satisfied its "fair share" of the regional need for low and moderate income housing pursuant to the "Mount Laurel doctrine;" and

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

**WHEREAS**, on March 20, 2024, Governor Murphy signed into law P.L. 2024, c.2, which amended the 1985 New Jersey Fair Housing Act (hereinafter the "Amended FHA"); and

**WHEREAS**, the Amended FHA required the Department of Community Affairs ("DCA") to provide an estimate of the Fourth Round affordable housing obligations for all municipalities on or before October 20, 2024, based upon the criteria described in the Amended FHA; and

**WHEREAS**, the DCA issued a report on October 18, 2024 ("DCA Report") wherein it reported its estimate of the Fourth Round affordable housing obligations for all municipalities based upon its interpretation of the standards in the Amended FHA; and



**WHEREAS**, the DCA Report calculates the Village's Fourth Round (2025-2035) obligations as follows: a Present Need (Rehabilitation) Obligation of 20 and a Prospective Need (New Construction) Obligation of 163; and

**WHEREAS**, the Amended FHA further provides that, irrespective of the DCA's calculations, municipalities have the ability to either accept, or provide alternate calculations for, the DCA's "present and prospective fair share obligation(s)...by binding resolution no later than January 31, 2025", a deadline which was later extended to February 3, 2025 by the Administrative Office of the Courts ("AOC") via a directive issued on December 19, 2024; and

**WHEREAS**, this Resolution satisfies the requirements of the Amended FHA by accepting the DCA's estimate of the Village's Present and Prospective Need for Round 4 (2025-2035), as described in the DCA Report; and

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

**WHEREAS**, the Village's acceptance of the Fourth Round obligations calculated by the DCA are entitled to a "presumption of validity" because it complies with Sections 6 and 7 of the Amended FHA; and

**WHEREAS**, in addition to the foregoing, the Village specifically reserves the right to adjust its fair share obligations in accordance with applicable Council on Affordable Housing ("COAH") regulations or other applicable law based on one or more of the foregoing adjustments if applicable: 1) a Structural Conditions Survey or similar exterior survey which accounts for a higher-resolution estimate of present need; 2) a Vacant Land Adjustment predicated upon a lack of vacant, developable and suitable land; 3) a Durational Adjustment, whether predicated upon lack of sewer or lack of water; and/or 4) an adjustment predicated upon regional planning entity formulas, inputs or considerations, including but not limited to, the Highlands Council Regional Master Plan and its build out, or the Pinelands Commission or Meadowlands Commission regulations and planning documents; and

**WHEREAS**, in addition to the foregoing, the Village specifically reserves all rights to revoke or amend this Resolution and commitment, as may be necessary, in the event of a successful challenge to the Amended FHA in the context of the case The Borough of Montvale v. the State of New Jersey (MER-L-1778-24), any other such action challenging the Amended FHA, or any legislation adopted and signed



into law by the Governor of New Jersey that alters the deadlines and/or requirements of the Amended FHA; and

**WHEREAS**, in addition to the foregoing, the Village reserves the right to take a position that its Fourth Round Present or Prospective Need Obligations are lower than described herein in the event that a third party challenges the calculations provided for in this Resolution (a reservation of all litigation rights and positions, without prejudice); and

**WHEREAS**, in addition to the foregoing, nothing in the Amended FHA requires or can require an increase in the Village's Fourth Round Present or Prospective Need Obligations based on a successful downward challenge of any other municipality in the region since the plain language and clear intent of the Amended FHA is to establish unchallenged numbers by default on March 1, 2025; and

**WHEREAS**, in addition to the foregoing, the Acting Administrative Director of the Administrative Office of the Courts issued Directive #14-24 (hereinafter "AOC Directive") on December 19, 2024; and

**WHEREAS**, pursuant to AOC Directive #14-24, a municipality seeking a Fourth Round Compliance Certification from the entity created by the Amended FHA known as the Affordable Housing Dispute Resolution Program (hereinafter "the Program"), shall file an action in the appropriate venue with the Program, in the form of a Declaratory Judgment Complaint within 48 hours after adoption of the municipal resolution accepting or challenging its Fourth Round fair share obligations, or by February 3, 2025, whichever is sooner; and

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

**WHEREAS**, the Village seeks a Compliance Certification from the Program and, therefore, wishes to file a Declaratory Judgment Complaint in the appropriate venue with the Program, along with a copy of this Resolution, within 48 hours of the adoption of this Resolution; and

**WHEREAS**, in light of the above, the Mayor and Village Council finds that it is in the best interest of the Village to declare its obligations in accordance with this binding Resolution and in accordance with the Amended FHA; and

**NOW, THEREFORE, BE IT RESOLVED** on this \_\_\_ day of January of 2025, by the Village Council of South Orange Village, Essex County, State of New Jersey, as follows:



1. All of the Whereas Clauses are incorporated into the operative clauses of this Resolution as if set forth in full.

2. For the reasons set forth in this Resolution, the Mayor and Village Council hereby commit to the DCA Fourth Round Present Need (Rehabilitation) Obligation of 20 and the DCA Fourth Round Prospective Need (New Construction) Obligation of 163 as described in this Resolution, subject to all reservations of rights, which specifically include, without limitation, the following:

a) The right to adjust the Village's fair share obligations based on a Structural Conditions Survey or similar exterior survey, a Vacant Land Adjustment, a Durational Adjustment, and all other applicable adjustments, permitted in accordance with applicable COAH regulations or other applicable law; and

b) The right to revoke or amend this Resolution in the event of a successful legal challenge, or legislative change, to the Amended FHA; and

c) The right to take any contrary position, or adjust its fair share obligations, in the event of a third party challenge to the Village's fair share obligations.

3. Pursuant to the requirements of the FHA as amended, and the AOC Directive #14-24 issued on December 19, 2024, the Village hereby directs its Affordable Housing Counsel to file a Declaratory Judgment Complaint, along with this Resolution and a Case Information Statement (Civil CIS), in the appropriate venue with the Program or any other such entity as may be determined to be appropriate, to initiate an action within 48 hours of the adoption of this Resolution, so that the Village's Fourth Round Housing Element and Fair Share Plan can be reviewed and approved.

4. This Resolution shall take effect immediately, according to law.

| <b>Council Member</b> | <b>Motion</b> | <b>Second</b> | <b>Ayes</b> | <b>Nays</b> | <b>Abstain</b> | <b>Absent</b> |
|-----------------------|---------------|---------------|-------------|-------------|----------------|---------------|
| Brown                 |               |               | X           |             |                |               |
| Greenberg             |               | X             | X           |             |                |               |
| Haskins               |               |               | X           |             |                |               |
| Hartshorn Hilton      | X             |               | X           |             |                |               |
| Jones                 |               |               | X           |             |                |               |
| Lewis Chang           |               |               | X           |             |                |               |



**CERTIFICATION**

I, Ojetti E. Davis, Village Clerk of South Orange Village, County of Essex, State of New Jersey, do hereby certify that this is a true and correct copy of the Resolution adopted by the Village Council at their regular meeting held on Monday, January 27, 2025.

A handwritten signature in blue ink, appearing to read "Ojetti E. Davis", is written over a horizontal line.

Ojetti E. Davis  
Village Clerk

## Appendix D – Affordable Housing and Development Fee Ordinance

## **Part 15 Affordable Housing**

[Article XXXVI: General Program Purposes, Procedures](#)

[Article XXXVII: Affordable Unit Controls And Requirements](#)

[Article XXXVIII: Administration](#)

[Article XXXIV: Developer Fees](#)

### HISTORY

Adopted by Ord. [2019-28](#) on 1/27/2020

## **Article XXXVI: General Program Purposes, Procedures**

[185-222 Affordable Housing Obligation](#)

[185-223 Definitions](#)

[185-224 New Construction](#)

[185-225 Permissible Manner Of Satisfaction Of Affordable Housing Obligation Of Residential Developers](#)

[185-227 Reserved](#)

[185-228 Reserved](#)

[185-229 Reserved](#)

[185-230 Reserved](#)

### **185-222 Affordable Housing Obligation**

- A. This section of the Village Code sets forth regulations regarding the low and moderate income housing units in the Village consistent with the provisions known as the "Substantive Rules of the New Jersey Council on Affordable Housing", N.J.A.C. 5:93 et seq., the Uniform Housing Affordability Controls ("UHAC"), N.J.A.C. 5:80-26.1 et seq., except where modified by the requirements for very-low income housing as established in P.L. 2008, c.46 (the "Roberts Bill", codified at N.J.S.A. 52:27D-329.1) as reflected in the terms of a Settlement Agreement between the Village and Fair Share Housing Center ("FSHC") such that the statutory requirement to provide very-low income units equal to 13% of affordable units approved and constructed after July 17, 2008, to be affordable to households at 30% of the regional median income, overrides the UHAC requirement that 10% of all low- and moderate-income units must be affordable at 35% of the regional median income, and the Village's constitutional obligation to provide a fair share of affordable housing for low and moderate income households.
- B. This Ordinance is intended to assure that very-low, low- and moderate-income units ("affordable units") are created with controls on affordability over time and that very-low, low- and moderate-income households shall occupy these units. This Ordinance shall apply to all inclusionary developments and 100% affordable developments (including those funded with low-income housing tax credit financing) except where inconsistent with applicable law.
- C. The South Orange Village Joint Land Use Board has adopted a Housing Element and Fair Share Plan pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1, et seq. The Plan has also been endorsed by the Village Council of South Orange Village. The Fair Share Plan describes the ways the Village shall address its fair share for low- and moderate-income housing as determined by the Superior Court and documented in the Housing Element.
- D. This Ordinance implements and incorporates the Fair Share Plan and addresses the requirements of N.J.A.C. 5:93, as may be amended and supplemented.
- E. The Village shall file monitoring and status reports with Fair Share Housing Center ("FSHC") and place the reports on its municipal website. Any plan evaluation report of the Housing Element and Fair Share Plan and monitoring evaluation report prepared by the Special Master in accordance with N.J.A.C. 5:91 shall be available to the public at the South Orange Municipal Building, 500 West Crescent Avenue, South Orange, New Jersey 07401.

- F. On or about September 15 of each year through the end of the period of Third Round Judgment of Repose, the Village will provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website with a copy of such posting provided to all parties to the Village's Court-approved Settlement Agreements, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC.
- G. The Fair Housing Act includes two provisions regarding action to be taken by the Village during the ten-year period of protection provided in the Village's Court-approved agreement with FSHC. The Village agrees to comply with those provisions as follows:
1. By July 1, 2020, the Village must prepare a midpoint realistic opportunity review, as required pursuant to N.J.S.A. 52:27D-313, which the Village will post on its municipal website, with a copy provided to FSHC, a status report as to its implementation of its Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity. Such posting shall invite any interested party to submit comments to the municipality, with a copy to FSHC, regarding whether any sites no longer present a realistic opportunity and should be replaced and whether any mechanisms to meet unmet need should be revised or supplemented. Any interested party may by motion request a hearing before the Court regarding these issues. In the event the Court determines that a site or mechanism no longer presents a realistic opportunity and should be replaced or supplemented, then the municipality shall have the opportunity to supplement or revise its plan to correct any deficiency.
  2. Within 30 days of September 15, 2020 and September 15, 2024 the Village shall prepare a review of compliance with the very-low income housing requirements required by N.J.S.A. 52:27D-329.1 and its Court-approved Settlement Agreement with FSHC. The Village will post on its municipal website, with a copy provided to FSHC, a status report as to its satisfaction of its very-low income requirements, including the family very-low income requirements referenced herein and in the Village's Settlement Agreement with FSHC. Such posting shall invite any interested party to submit comments to the municipality and FSHC on the issue of whether the municipality has complied with its very-low income housing obligation.

### **185-223 Definitions**

As used herein the following terms shall have the following meanings:

"Accessory apartment" means a self-contained residential dwelling unit with a kitchen, sanitary facilities, sleeping quarters and a private entrance, which is created within an existing home, or through the conversion of an existing accessory structure on the same site, or by an addition to an existing home or accessory building, or by the construction of a new accessory structure on the same site.

"Act" means the Fair Housing Act of 1985, P.L. 1985, c. 222 (N.J.S.A. 52:27D-301 et seq.).

"Adaptable" means constructed in compliance with the technical design standards of the Barrier Free Subcode, N.J.A.C. 5:23-7.

"Administrative agent" means the entity responsible for the administration of affordable units in accordance with this ordinance, N.J.A.C. 5:91, N.J.A.C. 5:93 and N.J.A.C. 5:80-26.1 et seq.

"Affirmative marketing" means a regional marketing strategy designed to attract buyers and/or renters of affordable units pursuant to N.J.A.C. 5:80-26.15.

“Affordability average” means the average percentage of median income at which restricted units in an affordable housing development are affordable to low- and moderate-income households.

“Affordable” means, a sales price or rent within the means of a low- or moderate-income household as defined in N.J.A.C. 5:93-7.4; in the case of an ownership unit, that the sales price for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.6, as may be amended and supplemented, and, in the case of a rental unit, that the rent for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.12, as may be amended and supplemented.

“Affordable development” means a housing development all or a portion of which consists of restricted units.

“Affordable housing development” means a development included in the Housing Element and Fair Share Plan, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100% affordable development.

“Affordable housing program(s)” means any mechanism in a municipal Fair Share Plan prepared or implemented to address a municipality’s fair share obligation.

“Affordable unit” means a housing unit proposed or created pursuant to the Act, credited pursuant to N.J.A.C. 5:93, and/or funded through an affordable housing trust fund.

“Agency” means the New Jersey Housing and Mortgage Finance Agency established by P.L. 1983, c. 530 (N.J.S.A. 55:14K-1, et seq.).

“Age-restricted unit” means a housing unit designed to meet the needs of, and exclusively for, the residents of an age-restricted segment of the population such that: 1) all the residents of the development where the unit is situated are 62 years or older; or 2) at least 80% of the units are occupied by one person that is 55 years or older; or 3) the development has been designated by the Secretary of the U.S. Department of Housing and Urban Development as “housing for older persons” as defined in Section 807(b)(2) of the Fair Housing Act, 42 U.S.C. § 3607.

“Alternative living arrangement” means a structure in which households live in distinct bedrooms, yet share kitchen and plumbing facilities, central heat and common areas. Alternative living arrangement includes, but is not limited to: transitional facilities for the homeless, Class A, B, C, D, and E boarding homes as regulated by the New Jersey Department of Community Affairs; residential health care facilities as regulated by the New Jersey Department of Health; group homes for the developmentally disabled and mentally ill as licensed and/or regulated by the New Jersey Department of Human Services; and congregate living arrangements.

“Assisted living residence” means a facility licensed by the New Jersey Department of Health and Senior Services to provide apartment-style housing and congregate dining and to assure that assisted living services are available when needed for four or more adult persons unrelated to the proprietor and that offers units containing, at a minimum, one unfurnished room, a private bathroom, a kitchenette and a lockable door on the unit entrance.

“Certified household” means a household that has been certified by an Administrative Agent as a low-income household or moderate-income household.

“COAH” means the Council on Affordable Housing, which is in, but not of, the Department of Community Affairs of the State of New Jersey, that was established under the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 et seq.).

“DCA” means the State of New Jersey Department of Community Affairs.

“Deficient housing unit” means a housing unit with health and safety code violations that require the repair or replacement of a major system. A major system includes weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement and/or load bearing structural systems.

“Developer” means any person, partnership, association, company or corporation that is the legal or beneficial owner or owners of a lot or any land proposed to be included in a proposed development including the holder of an option to contract or purchase, or other person having an enforceable proprietary interest in such land.

“Development” means the division of a parcel of land into two or more parcels, the construction, reconstruction, conversion, structural alteration, relocation, or enlargement of any use or change in the use of any building or other structure, or of any mining, excavation or landfill, and any use or change in the use of any building or other structure, or land or extension of use of land, for which permission may be required pursuant to N.J.S.A. 40:55D-1 et seq.

“Development Fee” means money paid by a developer for the improvement of property as permitted in N.J.A.C. 5:93-8.

“Equalized Assessed Value” means the assessed value of a property divided by the current average ratio of assessed to true value for the municipality in which the property is situated, as determined in accordance with Sections 1, 5, and 6 of P.L. 1973, c. 123 (N.J.S.A. 54:1-35a through 54:1-35c).

"Fair Share Plan" means the plan that describes the mechanisms, strategies and the funding sources, if any, by which the Village proposes to address its affordable housing obligation as established in the Housing Element, including the draft ordinances necessary to implement that plan, and addresses the requirements of N.J.A.C. 5:93-5.

"Green Building Strategies" means those strategies that minimize the impact of development on the environment and enhance the health, safety and well-being of residents by producing durable, low-maintenance, resource-efficient housing while making optimum use of existing infrastructure and community services.

"Housing Element" means the portion of the Village's Master Plan, required by the Municipal Land Use Law ("MLUL"), N.J.S.A. 40:55D-28b(3) and the Act, that includes the information required by N.J.A.C. 5:93-5.1 and establishes the Village's fair share obligation.

“Inclusionary development” means a development containing both affordable units and market rate units. This term includes, but is not necessarily limited to: new construction, the conversion of a non-residential structure to residential and the creation of new affordable units through the reconstruction of a vacant residential structure.

“Low-income household” means a household with a total gross annual household income equal to 50% or less of the median household income.

“Low-income unit” means a restricted unit that is affordable to a low-income household.

“Major system” means the primary structural, mechanical, plumbing, electrical, fire protection, or occupant service components of a building which include but are not limited to, weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement or load bearing structural systems.

“Market-rate units” means housing not restricted to low- and moderate-income households that may sell or rent at any price.

“Median income” means the median income by household size for the applicable county, as adopted annually by COAH or approved by the NJ Superior Court.

“Moderate-income household” means a household with a total gross annual household income in excess of 50% but less than 80% of the median household income.

“Moderate-income unit” means a restricted unit that is affordable to a moderate-income household.

“Non-exempt sale” means any sale or transfer of ownership other than the transfer of ownership between husband and wife; the transfer of ownership between former spouses ordered as a result of a judicial decree of divorce or judicial separation, but not including sales to third parties; the transfer of ownership between family members as a result of inheritance; the transfer of ownership through an executor’s deed to a class A beneficiary and the transfer of ownership by court order.

“Random selection process” means a process by which currently income-eligible households are selected for placement in affordable housing units such that no preference is given to one applicant over another except for purposes of matching household income and size with an appropriately priced and sized affordable unit (e.g., by lottery).

“Regional asset limit” means the maximum housing value in each housing region affordable to a four-person household with an income at 80% of the regional median as defined by adopted/approved Regional Income Limits.

“Rehabilitation” means the repair, renovation, alteration or reconstruction of any building or structure, pursuant to the Rehab. Subcode, N.J.A.C. 5:23-6.

“Rent” means the gross monthly cost of a rental unit to the tenant, including the rent paid to the landlord, as well as an allowance for tenant-paid utilities computed in accordance with allowances published by DCA for its Section 8 program. In assisted living residences, rent does not include charges for food and services.

“Restricted unit” means a dwelling unit, whether a rental unit or ownership unit, that is subject to the affordability controls of N.J.A.C. 5:80-26.1, as may be amended and supplemented, but does not include a market-rate unit financed under UHORP or MONI.

“Special master” means an expert appointed by a judge to make sure that judicial orders are followed. A master’s function is essentially investigative, compiling evidence or documents to inform some future action by the court.

“UHAC” means the Uniform Housing Affordability Controls set forth in N.J.A.C. S:80-26.1 et seq.

“Very-low income household” means a household with a total gross annual household income equal to 30% or less of the median household income.

“Very-low income unit” means a restricted unit that is affordable to a very-low income household.

“Weatherization” means building insulation (for attic, exterior walls and crawl space), siding to improve energy efficiency, replacement storm windows, replacement storm doors, replacement windows and replacement doors, and is considered a major system for rehabilitation.

### **185-224 New Construction**

The following requirements shall apply to all new or planned developments that contain low- and moderate- income housing units.

- A. **Quantification of Affordable Housing Obligation for Multifamily Developers.** Any multifamily residential development providing a minimum of five (5) new housing units created through any municipal rezoning, planning board, or zoning board action, use or density variance, or redevelopment plan is required to include an affordable housing set-aside in accordance with the requirements of this section. This requirement does not give any developer the right to any such rezoning, variance or other relief, or establish any obligation on the part of South Orange Village or its Zoning Board to grant such rezoning, variance or other relief. No subdivision shall be permitted or approved for the purpose of avoiding compliance with this requirement. All zones or districts shall be subject to a mandatory set-aside of affordable dwelling units and shall provide affordable dwellings on site in accordance with the requirements of this section.
- B. Any multifamily residential development of five (5) or more dwelling units, whether sold in fee simple or leased (“for sale” or “for-rent” units) shall provide a twenty percent (20%) affordable housing set-aside. For example, if five (5) units are proposed on a site, at least one (1) affordable unit must be constructed on site.
- C. Where the set-aside requirement of twenty (20%) percent results in fractional unit obligation, the affordable housing set-aside requirement shall be rounded upwards to the next whole number, with no exceptions, for units to be constructed on or off site. In all other cases, the fractional obligation shall be converted to a monetary payment-in-lieu of constructing affordable housing based upon the payment in lieu provisions set forth in Section §185-225 (E) below. For example, a thirteen-unit (13 unit) development creates an affordable housing obligation of 2.6 units (13 times .20 = 2.60). In that case, the developer would owe a fractional obligation of 0.60 units. According to Section §185-225 (E) below, therefore, the fractional payment in lieu would be \$60,000.00.

### **185-225 Permissible Manner Of Satisfaction Of Affordable Housing Obligation Of Residential Developers**

- A. Unless otherwise exempt due to preceding and conflicting governmental approvals, executed agreements, or other vested rights, for all residential developments described above, an applicant shall presumptively satisfy its affordable housing production obligation through on-site housing production in connection with the residential project, which is one of the mechanisms permitted pursuant to COAH's regulations. Notwithstanding the aforementioned presumption, however, the applicant may request to satisfy a maximum of fifty percent (50%) of its non-fractional affordable housing obligation off-site, subject to consent by the Village in its sole discretion. For example, in the 13-unit development referenced above, the applicant would be presumptively required to satisfy its 2-unit affordable housing obligation on site; or may secure consent of the Village to construct one unit on site and one unit off-site. The fractional payment in lieu would be unaffected.
- B. If the applicant secures permission from the Village to provide offsite construction of affordable housing as referenced in paragraph A above, it must satisfy its off-site obligation either through:
1. “Market to Affordable” buy-downs pursuant to N.J.A.C. 5:93-5.10 (for vacant or “never-occupied” units) and/or N.J.A.C. 5:93-5.11 (for the “write down/buy down” of previously occupied units); or

2. A \$100,000 per-unit Payment In Lieu of constructing the units pursuant to the provisions set forth in Section E below.

B. Full and complete satisfaction of the affordable housing requirements of this section shall be a specific, automatic, essential and non-severable condition of all land use approvals. Pursuant to this condition, the applicant must demonstrate that it has satisfied the affordable housing condition of approval prior to obtaining the first building permit and compliance with the affordable housing condition shall be a continuing condition of all Board approvals for development.

C. Phasing. Final site plan or subdivision approval shall be contingent upon the affordable housing development meeting the following phasing schedule for low and moderate income units whether developed in a single phase development, or in a multi-phase development:

| Maximum Percentage of Market-Rate Units Completed | Minimum Percentage of Low- and Moderate-Income Units Completed |
|---------------------------------------------------|----------------------------------------------------------------|
| 25                                                | 0                                                              |
| 25+1                                              | 10                                                             |
| 50                                                | 50                                                             |
| 75                                                | 75                                                             |
| 90                                                | 100                                                            |

D. Design. In inclusionary developments, low- and moderate- income units shall be integrated with the market units.

E. Payments-in-lieu and off-site construction. The standards for the collection of payments-in-lieu of constructing affordable units or standards for constructing affordable units off-site, shall be in accordance with the requirements below:

1. The base dollar amount of the payment-in-lieu of constructing an affordable unit (“payment-in-lieu”) at the time of adoption of this Ordinance shall be \$100,000, unless the developer can demonstrate to the satisfaction the Governing Body that a payment-in-lieu of \$100,000 per affordable unit would render the proposed inclusionary development economically unfeasible. Developers seeking a lower per-unit payment-in-lieu amount must present, at a minimum, verifiable information, such as pro formas, Phase 1 and 2 environmental studies, and any other relevant facts to aid the Village in applying its discretion regarding the Developer’s request for an adjusted payment-in-lieu. In addition to the above-referenced information, the Developer must provide the Village with a proposed adjusted payment-in-lieu amount that, if accepted by the Village, would maintain the economic feasibility of the proposed inclusionary development. The Village shall not adjust the payment-in-lieu amount adjustment lower than \$75,000 per affordable unit.

2. The Village shall render decisions regarding an applicant’s request for an adjusted payment-in-lieu amount on a case-by-case basis and based upon the unique facts of each case. The Village shall be under no obligation to provide an explanation, or otherwise justify its decisions, but may do so at its sole discretion. Decisions rendered by the Village in the past shall be irrelevant to, and therefore non-binding upon, subsequent applications.

3. At its sole discretion, the Village may periodically adjust the payment-in-lieu amount applicable to

inclusionary developments to reflect the cost of constructing a new affordable unit at 52 percent of median income in the region, which shall include the sum of development hard costs, related soft costs and developer's fees pursuant to the cost-containment provisions of N.J.A.C. 5:43-2.4(a)1 through 6 and land costs equal to 25 percent of the first quartile of new construction costs as reported to the New Jersey Homeowner Warranty Program.

4. The payment-in-lieu, whether or not adjusted by the Village as set forth above, shall be imposed as a condition of development approval by the Joint Land Use Board.

5. Such payments shall be tendered as follows:

- i. Fifty percent (50%) prior to the first building permit; and
- ii. Fifty percent (50%) prior to issuance of a certificate of occupancy for each unit.

6. Specific Developments Exempted From/Limited In Making Payments in Lieu of Construction. the following development sites are specifically exempted from this section and must rely upon the applicable Redevelopment Plan:

- i. 270 Irvington: pursuant to the applicable Redevelopment Plan, 270 Irvington is prohibited from making payments in lieu of construction.
- ii. Lustbator: pursuant to the applicable Redevelopment Plan and Settlement Agreement with Fair Share Housing Center, Lustbator may make a payment in lieu of \$75,000.00 per unit, pursuant to the payment schedule set forth in subsection (G)5 of this section.

F. Utilities. Affordable units shall utilize the same type of heating source as market units within the affordable development.

G. Low/Moderate Split and Bedroom Distribution of Affordable Housing Units. All developments involving the construction of affordable housing shall conform, in all respects, with relevant COAH and UHAC regulations and relevant provisions of the New Jersey FHA, including but not limited to:

1. The fair share obligation shall be divided equally between low- and moderate- income units, except that where there is an odd number of affordable housing units, the extra unit shall be a low income unit.
2. In each affordable development, at least 50% of the restricted units within each bedroom distribution shall be low-income units.
3. At least 13 percent of all restricted rental units within each bedroom distribution shall be very low income units (affordable to a household earning 30 percent or less of regional median income by household size). The very low income units shall be counted as part of the required number of low income units within the development.
4. Affordable developments that are not age-restricted shall be structured in conjunction with realistic market demands such that:
  - i. The combined number of efficiency and one-bedroom units shall be no greater than 20% of the total low- and moderate-income units;
  - ii. At least 30% of all low- and moderate-income units shall be two bedroom units;
  - iii. At least 20% of all low- and moderate-income units shall be three bedroom units; and

iv. The remaining units may be allocated among two and three bedroom units at the discretion of the developer.

5. Affordable developments that are age-restricted shall be structured such that the number of bedrooms shall equal the number of age-restricted low- and moderate-income units within the inclusionary development. The standard may be met by having all one-bedroom units or by having a two-bedroom unit for each efficiency unit.

#### H. Accessibility Requirements:

1. The first floor of all new restricted townhouse dwelling units and all restricted multistory dwelling units attached to at least one (1) other dwelling unit shall be subject to the technical design standards of the Barrier Free Subcode, N.J.A.C. 5:23-7.

2. All restricted townhouse dwelling units and all restricted multistory dwelling units attached to at least one (1) other dwelling unit shall have the following features:

(a) An adaptable toilet and bathing facility on the first floor;

(b) An adaptable kitchen on the first floor;

(c) An interior accessible route of travel on the first floor;

(d) An interior accessible route of travel shall not be required between stories within an individual unit;

(e) An adaptable room that can be used as a bedroom, with a door or the casing for the installation of a door, on the first floor; and

(f) An accessible entranceway as set forth at P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.) and the Barrier Free Subcode, N.J.A.C. 5:23-7, or evidence that the Village has collected funds from the developer sufficient to make 10% of the adaptable entrances in the development accessible:

(1) Where a unit has been constructed with an adaptable entrance, upon the request of a disabled person who is purchasing or will reside in the dwelling unit, an accessible entrance shall be installed.

(2) To this end, the builder of restricted units shall deposit funds within South Orange Village's affordable housing trust fund sufficient to install accessible entrances in 10% of the affordable units that have been constructed with adaptable entrances.

(3) The funds deposited under paragraph (2) herein, shall be used by the Village for the sole purpose of making the adaptable entrance of any affordable unit accessible when requested to do so by a person with a disability who occupies or intends to occupy the unit and requires an accessible entrance.

(4) The developer of the restricted units shall submit a design plan and cost estimate for the conversion from adaptable to accessible entrances to the Construction Official of South Orange Village.

(5) Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible meet the requirements of the Barrier Free Subcode, N.J.A.C. 5:23-7, and that the cost estimate of such conversion is reasonable, payment shall be made to South Orange Village's affordable housing trust fund in care of

the Chief Financial Officer who shall ensure that the funds are deposited into the affordable housing trust fund and appropriately earmarked.

(6) Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that it is site impracticable to meet the requirements. Determinations of site impracticability shall be in compliance with the Barrier Free Subcode, N.J.A.C. 5:23-7.

#### H. Maximum Rents and Sales Prices.

1. In establishing rents and sales prices of affordable housing units, the Administrative Agent shall follow the procedures set forth in UHAC, utilizing the most recently published regional weighted average of the uncapped Section 8 income limits published by HUD and using calculation procedures approved by the Court.
2. The maximum rent for restricted rental units within each affordable development shall be affordable to households earning no more than 60% of median income, and the average rent for restricted low- and moderate-income units shall be affordable to households earning no more than 52% of median income.
3. The developers and/or municipal sponsors of restricted rental units shall establish at least one rent for each bedroom type for both low-income and moderate-income units.
  - a. At least 13% of all low- and moderate-income rental units shall be affordable to households earning no more than 30% of median income.
4. The maximum sales price of restricted ownership units within each affordable development shall be affordable to households earning no more than 70% of median income, and each affordable development must achieve an affordability average of 55% for restricted ownership units; in achieving this affordability average, moderate-income ownership units must be available for at least three different prices for each bedroom type, and low-income ownership units must be available for at least two different prices for each bedroom type.
5. In determining the initial sales prices and rents for compliance with the affordability average requirements for restricted units other than assisted living facilities, the following standards shall be met:
  - a. A studio or efficiency unit shall be affordable to a one-person household;
  - b. A one-bedroom unit shall be affordable to a one and one-half person household;
  - c. A two-bedroom unit shall be affordable to a three-person household;
  - d. A three-bedroom unit shall be affordable to a four and one-half person household; and
  - e. A four-bedroom unit shall be affordable to a six-person household.
6. In determining the initial rents for compliance with the affordability average requirements for restricted units in assisted living facilities, the following standards shall be met:
  - a. A studio or efficiency unit shall be affordable to a one-person household;
  - b. A one-bedroom unit shall be affordable to a one and one-half person household; and
  - c. A two-bedroom unit shall be affordable to a two-person household or to two and one-half person household.
7. The initial purchase price for all restricted ownership units shall be calculated so that the monthly carrying cost of the unit, including principal and interest (based on a mortgage loan equal to 95% of the purchase price and the Federal Reserve H.15 rate of interest), taxes,

homeowner and private mortgage insurance and condominium or homeowner association fees do not exceed 28% of the eligible monthly income of the appropriate size household as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the price shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.

8. The initial rent for a restricted rental unit shall be calculated so as not to exceed 30% of the eligible monthly income of the appropriate household size as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the rent shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.
9. The price of owner-occupied low- and moderate-income units may increase annually based on the percentage increase in the regional median income limit for each housing region. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.

Income limits for all units for which income limits are not already established through a federal program exempted from the Uniform Housing Affordability Controls pursuant to N.J.A.C. 5:80-26.1 shall be updated by the Village annually within 30 days of the publication of determinations of median income by HUD as follows:

- a. Regional income limits shall be established for the Region 2 based on the median income by household size, which shall be established by a regional weighted average of the uncapped Section 8 income limits published by HUD. To compute this regional income limit, the HUD determination of median county income for a family of four is multiplied by the estimated households within the county according to the most recent decennial Census. The resulting product for each county within the housing region is summed. The sum is divided by the estimated total households from the most recent decennial Census in Region 2. This quotient represents the regional weighted average of median income for a household of four. The income limit for a moderate-income unit for a household of four shall be 80 percent of the regional weighted average median income for a family of four. The income limit for a low-income unit for a household of four shall be 50 percent of the HUD determination of the regional weighted average medium income for a family of four. The income limit for a very-low income unit for a household of four shall be 30 percent of the regional weighted average median income for a family of four. These income limits shall be adjusted by household size based on multipliers used by HUD to adjust median income by household size. In no event shall the income limits be less than those for the previous year.
  - b. The income limits calculated each year shall be the result of applying the percentages set forth in paragraph (a) above to HUD's determination of median income for the relevant fiscal year, and shall be utilized until the Village updates the income limits after HUD has published revised determinations of median income for the next fiscal year.
  - c. The Regional Asset Limit used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)3 shall be calculated by the Village annually by taking the percentage increase of the income limits calculated pursuant to paragraph (a) above over the previous year's income limits, and applying the same percentage increase to the Regional Asset Limit from the prior year. In no event shall the Regional Asset Limit be less than that for the previous year.
10. The rent levels of very-low-, low- and moderate-income units may be increased annually based on the percentage increase in the Housing Consumer Price Index for the Northeast Urban Area, upon its publication for the prior calendar year. This increase shall not exceed nine percent in

any one year. Rents for units constructed pursuant to low income housing tax credit regulations shall be indexed pursuant to the regulations governing low income housing tax credits.

11. Tenant-paid utilities that are included in the utility allowance shall be so stated in the lease and shall be consistent with the utility allowance approved by DCA for its Section 8 program.

**185-227 Reserved**

**185-228 Reserved**

**185-229 Reserved**

**185-230 Reserved**

**Article XXXVII: Affordable Unit Controls And Requirements**

[185-231 Purpose](#)

[185-232 Affirmative Marketing](#)

[185-233 Occupancy Standards](#)

[185-234 Selection Of Occupants Of Affordable Housing Units.](#)

[185-235 Control Periods For Restricted Ownership Units And Enforcement Mechanisms.](#)

[185-236 Price Restrictions For Restricted Ownership Units, Homeowner Association Fees And Resale Prices.](#)

[185-237 Buyer Income Eligibility.](#)

[185-238 Limitations On Indebtedness Secured By Ownership Unit; Subordination.](#)

[185-239 Control Periods For Restricted Rental Units.](#)

[185-240 Price Restrictions For Rental Units; Leases.](#)

[185-241 Tenant Income Eligibility.](#)

[185-242 Conversions.](#)

[185-243 Alternative Living Arrangements.](#)

[185-244 Reserved](#)

[185-245 Reserved](#)

**185-231 Purpose**

The requirements of this section apply to all developments that contain affordable housing units, including any currently unanticipated future developments that will provide low- and moderate- income housing units.

**185-232 Affirmative Marketing**

- A. The Village shall adopt by resolution an Affirmative Marketing Plan, subject to approval of the Superior Court, compliant with N.J.A.C. 5:80-26.15, as may be amended and supplemented.
- B. The affirmative marketing plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to housing units which are being marketed by a developer, sponsor or owner of affordable housing. The affirmative marketing plan is also intended to target those potentially eligible persons who are least likely to apply for affordable units in that region. It is a continuing program that directs all marketing activities toward COAH Housing Region 2 and covers the period of deed restriction.

- C. The affirmative marketing plan shall provide a regional preference for all households that live and/or work in COAH Housing Region 2, comprised of Essex, Morris, and Union Counties.
- D. The Administrative Agent designated by the Village shall assure the affirmative marketing of all affordable units is consistent with the Affirmative Marketing Plan for the municipality.
- E. The Village shall add to the list of community and regional organizations in its affirmative marketing plan, pursuant to N.J.A.C. 5:80-26.15(f)(5), Fair Share Housing Center, the New Jersey State Conference of the NAACP, the Latino Action Network, Oranges and Maplewood NAACP, Newark NAACP, Morris County NAACP, Elizabeth NAACP, and the Supportive Housing Association, and shall, as part of its regional affirmative marketing strategies during its implementation of this plan, provide notice to those organizations of all available affordable housing units. The Village also agrees to notice other entities, including developers or other companies retained to do affirmative marketing, to comply with this paragraph.
- F. In implementing the affirmative marketing plan, the Administrative Agent shall provide a list of counseling services to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements, and landlord/tenant law.
- G. The affirmative marketing process for available affordable units shall begin at least four months prior to the expected date of occupancy.
- H. The costs of advertising and affirmative marketing of the affordable units shall be the responsibility of the developer, sponsor or owner, unless otherwise determined or agreed to by South Orange Village.

#### **185-233 Occupancy Standards**

- A. In referring certified households to specific restricted units, to the extent feasible, and without causing an undue delay in occupying the unit, the Administrative Agent shall strive to:
  1. Provide an occupant for each bedroom;
  2. Provide separate bedrooms for parents and children;
  3. Provide children of different sexes with separate bedrooms; and
  4. Prevent more than two persons from occupying a single bedroom.
- B. Additional provisions related to occupancy standards (if any) shall be provided in the municipal Operating Manual.

#### **185-234 Selection Of Occupants Of Affordable Housing Units.**

- A. The administrative agent shall use a random selection process to select occupants of low- and moderate- income housing.
- B. A waiting list of all eligible candidates will be maintained in accordance with the provisions of N.J.A.C. 5:80-26 et seq.

#### **185-235 Control Periods For Restricted Ownership Units And Enforcement Mechanisms.**

- A. Control periods for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.5, and each restricted ownership unit shall remain subject to the controls on affordability for a period of at least 30 years, until the municipality takes action to release the controls on affordability.
- B. Rehabilitated owner-occupied housing units that are improved to code standards shall be subject to affordability controls for a period of 10 years.
- C. The affordability control period for a restricted ownership unit shall commence on the date the initial certified household takes title to the unit.
- D. The affordability controls set forth in this Ordinance shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to restricted ownership units.
- E. A restricted ownership unit shall be required to obtain a Continuing Certificate of Occupancy or a certified statement from the Construction Official stating that the unit meets all code standards upon the first transfer of title that follows the expiration of the applicable minimum control period provided under N.J.A.C. 5:80-26.5(a), as may be amended and supplemented.

**185-236 Price Restrictions For Restricted Ownership Units, Homeowner Association Fees And Resale Prices.**

Price restrictions for restricted ownership units shall be in accordance with N.J.A.C. 5:80- 26.1, as may be amended and supplemented, including:

- A. The initial purchase price for a restricted ownership unit shall be approved by the Administrative Agent.
- B. The Administrative Agent shall approve all resale prices, in writing and in advance of the resale, to assure compliance with the foregoing standards.
- C. The method used to determine the condominium association fee amounts and special assessments shall be indistinguishable between the low- and moderate- income unit owners and the market unit owners.
- D. The owners of restricted ownership units may apply to the Administrative Agent to increase the maximum sales price for the unit on the basis of capital improvements. Eligible capital improvements shall be those that render the unit suitable for a larger household or the addition of a bathroom.

**185-237 Buyer Income Eligibility.**

- A. Buyer income eligibility for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, such that low-income ownership units shall be reserved for households with a gross household income less than or equal to 50% of median income and moderate-income ownership unit shall be reserved for households with a gross household income less than 80% of median income.
- B. The Administrative Agent shall certify a household as eligible for a restricted ownership unit when the household is a low-income household or a moderate- income household, as applicable to the unit, and the estimated monthly housing cost for the particular unit (including principal, interest, taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, as applicable) does not exceed 33% of the household's certified monthly income.

**185-238 Limitations On Indebtedness Secured By Ownership Unit; Subordination.**

- A. Prior to incurring any indebtedness to be secured by a restricted ownership unit, the administrative agent shall determine in writing that the proposed indebtedness complies with the provisions of this section.
- B. With the exception of original purchase money mortgages, during a control period neither an owner nor a lender shall at any time cause or permit the total indebtedness secured by a restricted ownership unit to exceed 95% of the maximum allowable resale price of that unit, as such price is determined by the administrative agent in accordance with N.J.A.C. 5:80-26.6(b).

**185-239 Control Periods For Restricted Rental Units.**

- A. Control periods for restricted rental units shall be in accordance with N.J.A.C. 5:80-26.11, and each restricted rental unit shall remain subject to the controls on affordability for a period of at least 30 years, until the municipality takes action to release the controls on affordability.
  - 1. Restricted rental units created as part of developments receiving nine percent (9%) Low Income Housing Tax Credits must comply with a control period of not less than a 30-year compliance period plus a 15-year extended use period.
- B. Rehabilitated renter-occupied housing units that are improved to code standards shall be subject to affordability controls for a period of 10 years.
- C. Deeds of all real property that include restricted rental units shall contain deed restriction language. The deed restriction shall have priority over all mortgages on the property, and the deed restriction shall be filed by the developer or seller with the records office of the County of Essex. A copy of the filed document shall be provided to the Administrative Agent within 30 days of the receipt of a Certificate of Occupancy.
- D. A restricted rental unit shall remain subject to the affordability controls of this Ordinance, despite the occurrence of any of the following events:
  - 1. Sublease or assignment of the lease of the unit;
  - 2. Sale or other voluntary transfer of the ownership of the unit; or
  - 3. The entry and enforcement of any judgment of foreclosure.

**185-240 Price Restrictions For Rental Units; Leases.**

- A. A written lease shall be required for all restricted rental units, except for units in an assisted living residence, and tenants shall be responsible for security deposits and the full amount of the rent as stated on the lease. A copy of the current lease for each restricted rental unit shall be provided to the Administrative Agent.
- B. No additional fees or charges shall be added to the approved rent (except, in the case of units in an assisted living residence, to cover the customary charges for food and services) without the express written approval of the Administrative Agent.
- C. Application fees (including the charge for any credit check) shall not exceed 5% of the monthly rent of the applicable restricted unit and shall be payable to the Administrative Agent to be

applied to the costs of administering the controls applicable to the unit as set forth in this Ordinance.

#### **185-241 Tenant Income Eligibility.**

1. Tenant income eligibility shall be in accordance with N.J.A.C. 5:80-26.13, as may be amended and supplemented, and shall be determined as follows:
2. Very-low-income rental units shall be reserved for households with a gross household income less than or equal to 30% of median income.
3. Low-income rental units shall be reserved for households with a gross household income less than or equal to 50% of median income.
4. Moderate-income rental units shall be reserved for households with a gross household income less than 80% of median income.
5. The Administrative Agent shall certify a household as eligible for a restricted rental unit when the household is a very-low-income, low-income household or a moderate-income household, as applicable to the unit, and the rent proposed for the unit does not exceed 35% (40% for age-restricted units) of the household's eligible monthly income as determined pursuant to N.J.A.C. 5:80-26.16, as may be amended and supplemented; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:
6. The household currently pays more than 35% (40% for households eligible for age-restricted units) of its gross household income for rent, and the proposed rent will reduce its housing costs;
7. The household has consistently paid more than 35% (40% for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;
8. The household is currently in substandard or overcrowded living conditions;
9. The household documents the existence of assets with which the household proposes to supplement the rent payments; or
10. The household documents proposed third-party assistance from an outside source such as a family member in a form acceptable to the Administrative Agent and the owner of the unit.
11. The applicant shall file documentation sufficient to establish the existence of the circumstances in (b)1 through 5 above with the Administrative Agent, who shall counsel the household on budgeting.

#### **185-242 Conversions.**

Each housing unit created through the conversion of a non-residential structure shall be considered a new housing unit and shall be subject to the affordability controls for a new housing unit.

#### **185-243 Alternative Living Arrangements.**

- A. The administration of an alternative living arrangement shall be in compliance with N.J.A.C. 5:93-5.8 and UHAC, with the following exceptions:
  1. Affirmative marketing (N.J.A.C. 5:80-26.15), provided, however, that the units or bedrooms may be affirmatively marketed by the provider in accordance with an alternative plan approved by the Court;

2. Affordability average and bedroom distribution (N.J.A.C. 5:80-26.3).

- B. With the exception of units established with capital funding through a 20-year operating contract with the Department of Human Services, Division of Developmental Disabilities, alternative living arrangements shall have at least 30 year controls on affordability in accordance with UHAC, unless an alternative commitment is approved by the Court.
- C. The service provider for the alternative living arrangement shall act as the Administrative Agent for the purposes of administering the affirmative marketing and affordability requirements for the alternative living arrangement.

**185-244 Reserved**

**185-245 Reserved**

**Article XXXVIII: Administration**

[185-246 Municipal Housing Liaison](#)

[185-247 Administrative Agent](#)

[185-248 Enforcement Of Affordable Housing Regulations](#)

[185-249 Appeals](#)

**185-246 Municipal Housing Liaison**

- A. The position of Municipal Housing Liaison for South Orange Village is hereby established. The Municipal Housing Liaison shall be appointed by duly adopted resolution of the Village Council and be subject to the approval by the Superior Court.
- B. The Municipal Housing Liaison must be either a full-time or part-time employee of South Orange Village.
- C. The Municipal Housing Liaison must meet the requirements for qualifications, including initial and periodic training found in N.J.A.C. 5:93.
- D. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program for South Orange Village, including the following responsibilities which may not be contracted out to the Administrative Agent:
  - 1. Serving as the municipality's primary point of contact for all inquiries from the State, affordable housing providers, Administrative Agents and interested households;
  - 2. The implementation of the Affirmative Marketing Plan and affordability controls.
  - 3. When applicable, supervising any contracting Administrative Agent.
  - 4. Monitoring the status of all restricted units in South Orange Village's Fair Share Plan;
  - 5. Compiling, verifying and submitting annual reports as required by the Superior Court;
  - 6. Meeting with affordable housing developers and Administrative Agents, as applicable; and
  - 7. Attending continuing education opportunities on affordability controls, compliance monitoring and affirmative marketing as offered or approved by the Superior Court.

**185-247 Administrative Agent**

- A. The Village shall designate by resolution of the Village Council, subject to the approval of the Superior Court, one or more Administrative Agents to administer newly constructed affordable units in accordance with N.J.A.C. 5:93 and UHAC.
- B. An Operating Manual shall be provided by the Administrative Agent(s) to be adopted by resolution of the governing body and subject to approval of the Superior Court. The Operating Manuals shall be available for public inspection in the Office of the Municipal Clerk and in the office(s) of the Administrative Agent(s).
- C. The Administrative Agent shall perform the duties and responsibilities of an administrative agent as are set forth in UHAC and which are described in full detail in the Operating Manual, including those set forth in N.J.A.C. 5:80-26.14, 16 and 18 thereof, which includes:
  - 1. Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by the Superior Court;
  - 2. Affirmative Marketing;
  - 3. Household Certification;
  - 4. Affordability Controls;
  - 5. Records retention;
  - 6. Resale and re-rental;
  - 7. Processing requests from unit owners; and
  - 8. Enforcement, although the ultimate responsibility for retaining controls on the units rests with the municipality.
  - 9. The Administrative Agent shall, as delegated by the Village Council, have the authority to take all actions necessary and appropriate to carry out its responsibilities, hereunder.

**185-248 Enforcement Of Affordable Housing Regulations**

- A. Upon the occurrence of a breach of any of the regulations governing the affordable unit by an Owner, Developer or Tenant, the municipality shall have all remedies provided at law or equity, including but not limited to foreclosure, tenant eviction, municipal fines, a requirement for household recertification, acceleration of all sums due under a mortgage, recoupment of any funds from a sale in the violation of the regulations, injunctive relief to prevent further violation of the regulations, entry on the premises, and specific performance.
- B. After providing written notice of a violation to an Owner, Developer or Tenant of a low- or moderate-income unit and advising the Owner, Developer or Tenant of the penalties for such violations, the municipality may take the following action against the Owner, Developer or Tenant for any violation that remains uncured for a period of 60 days after service of the written notice:
  - 1. The municipality may file a court action pursuant to N.J.S.A. 2A:58-11 alleging a violation, or violations, of the regulations governing the affordable housing unit. If the Owner, Developer or Tenant is found by the court to have violated any provision of the regulations governing affordable housing units the Owner, Developer or Tenant shall be subject to one or more of the following penalties, at the discretion of the court:

- a. A fine of not more than \$500.00 or imprisonment for a period not to exceed 90 days, or both. Each and every day that the violation continues or exists shall be considered a separate and specific violation of these provisions and not as a continuing offense;
    - b. In the case of an Owner who has rented his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment into the South Orange Village Affordable Housing Trust Fund of the gross amount of rent illegally collected;
    - c. In the case of an Owner who has rented his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment of an innocent tenant's reasonable relocation costs, as determined by the court.
  2. The municipality may file a court action in the Superior Court seeking a judgment, which would result in the termination of the Owner's equity or other interest in the unit, in the nature of a mortgage foreclosure. Any judgment shall be enforceable as if the same were a judgment of default of the First Purchase Money Mortgage and shall constitute a lien against the low- and moderate-income unit.
- C. Such judgment shall be enforceable, at the option of the municipality, by means of an execution sale by the Sheriff, at which time the low- and moderate-income unit of the violating Owner shall be sold at a sale price which is not less than the amount necessary to fully satisfy and pay off any First Purchase Money Mortgage and prior liens and the costs of the enforcement proceedings incurred by the municipality, including attorney's fees. The violating Owner shall have the right to possession terminated as well as the title conveyed pursuant to the Sheriff's sale.
- D. The proceeds of the Sheriff's sale shall first be applied to satisfy the First Purchase Money Mortgage lien and any prior liens upon the low- and moderate-income unit. The excess, if any, shall be applied to reimburse the municipality for any and all costs and expenses incurred in connection with either the court action resulting in the judgment of violation or the Sheriff's sale. In the event that the proceeds from the Sheriff's sale are insufficient to reimburse the municipality in full as aforesaid, the violating Owner shall be personally responsible for and to the extent of such deficiency, in addition to any and all costs incurred by the municipality in connection with collecting such deficiency. In the event that a surplus remains after satisfying all of the above, such surplus, if any, shall be placed in escrow by the municipality for the Owner and shall be held in such escrow for a maximum period of two years or until such earlier time as the Owner shall make a claim with the municipality for such. Failure of the Owner to claim such balance within the two-year period shall automatically result in a forfeiture of such balance to the municipality. Any interest accrued or earned on such balance while being held in escrow shall belong to and shall be paid to the municipality, whether such balance shall be paid to the Owner or forfeited to the municipality.
- E. Foreclosure by the municipality due to violation of the regulations governing affordable housing units shall not extinguish the restrictions of the regulations governing affordable housing units as the same apply to the low- and moderate- income unit. Title shall be conveyed to the purchaser at the Sheriff's sale, subject to the restrictions and provisions of the regulations governing the affordable housing unit. The Owner determined to be in violation of the provisions of this plan and from whom title and possession were taken by means of the Sheriff's sale shall not be entitled to any right of redemption.
- F. If there are no bidders at the Sheriff's sale, or if insufficient amounts are bid to satisfy the First Purchase Money Mortgage and any prior liens, the municipality may acquire title to the low- and moderate-income unit by satisfying the First Purchase Money Mortgage and any prior liens and

crediting the violating owner with an amount equal to the difference between the First Purchase Money Mortgage and any prior liens and costs of the enforcement proceedings, including legal fees and the maximum resale price for which the low- and moderate-income unit could have been sold under the terms of the regulations governing affordable housing units. This excess shall be treated in the same manner as the excess which would have been realized from an actual sale as previously described.

- G. Failure of the low- and moderate-income unit to be either sold at the Sheriff's sale or acquired by the municipality shall obligate the Owner to accept an offer to purchase from any qualified purchaser which may be referred to the Owner by the municipality, with such offer to purchase being equal to the maximum resale price of the low- and moderate-income unit as permitted by the regulations governing affordable housing units.
- H. The Owner shall remain fully obligated, responsible and liable for complying with the terms and restrictions of governing affordable housing units until such time as title is conveyed from the Owner.

### **185-249 Appeals**

Appeals from all decisions of an Administrative Agent designated pursuant to this Ordinance shall be filed in writing with the Village.

### **Article XXXIV: Developer Fees**

[185-250 Purpose](#)

[185-251 Basic Requirements](#)

[185-252 Definitions](#)

[185-253 Residential Development Fees](#)

[185-254 Non-Residential Development Fees](#)

[185-255 Collection Procedures](#)

[185-256 Affordable Housing Trust Fund](#)

[185-257 Use Of Funds](#)

[185-258 Monitoring](#)

[185-259 Ongoing Collection Of Fees](#)

### **185-250 Purpose**

- A. In *Holmdel Builder's Association V. Holmdel Township*, 121 N.J. 550 (1990), the New Jersey Supreme Court determined that mandatory development fees are authorized by the Fair Housing Act of 1985 (the Act), N.J.S.A. 52:27d-301 et seq., and the State Constitution, subject to the Council on Affordable Housing's (COAH's) adoption of rules.
- B. Pursuant to P.L.2008, c.46 section 8 (C. 52:27D-329.2) and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7), COAH is authorized to adopt and promulgate regulations necessary for the establishment, implementation, review, monitoring and enforcement of municipal affordable housing trust funds and corresponding spending plans. Municipalities that are under the jurisdiction of the Council or court of competent jurisdiction and have a COAH-approved spending plan may retain fees collected from non-residential development.
- C. In *Re: Adoption of N.J.A.C. 5:96 and 5:97* by the New Jersey Council on Affordable Housing, 221 N.J. 1 (2015), also known as the Mount Laurel IV decision, the Supreme Court remanded COAH's duties to the Superior Court. As a result, affordable housing development fee collections and expenditures from the municipal affordable housing trust funds to implement municipal Third Round Fair Share Plans through July 1, 2025 are under the Court's jurisdiction and are subject to approval by the Court.

- D. This ordinance establishes standards for the collection, maintenance, and expenditure of development fees pursuant to COAH's regulations and in accordance P.L.2008, c.46, Sections 8 and 32-38. Fees collected pursuant to this ordinance shall be used for the sole purpose of providing low- and moderate-income housing. This ordinance shall be interpreted within the framework of COAH's rules on development fees, codified at N.J.A.C. 5:93-8.

### **185-251 Basic Requirements**

- A. This ordinance shall not be effective until approved by Superior Court approves the Borough's development fee ordinance in accordance with N.J.A.C. 5:93-8.
- B. South Orange Village shall not spend development fees until the Superior Court has approved a plan for spending such fees in conformance with N.J.A.C. 5:93-8.

### **185-252 Definitions**

- A. The following terms , as used in this ordinance, shall have the following meanings:
1. "Affordable housing development" means a development included in the Housing Element and Fair Share Plan, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100 percent affordable development.
  2. "COAH" or the "Council" means the New Jersey Council on Affordable Housing established under the Act which has primary jurisdiction for the administration of housing obligations in accordance with sound regional planning consideration in the State. Pursuant to the opinion and order of the New Jersey Supreme Court dated March 10, 2015, in the matter of "In re Adoption of N.J.A.C. 5:96 and 5:97 by N.J. Council on Affordable Housing (M-392-14) 067126," any reference to COAH or the Council shall be understood to refer to the Superior Court of New Jersey, Law Division-Essex County.
  3. "Development fee" means money paid by a developer for the improvement of property as permitted in N.J.A.C. 5:97-8.3.
  4. "Developer" means the legal or beneficial owner or owners of a lot or of any land proposed to be included in a proposed development, including the holder of an option or contract to purchase, or other person having an enforceable proprietary interest in such land.
  5. "Equalized assessed value" means the assessed value of a property divided by the current average ratio of assessed to true value for the municipality in which the property is situated, as determined in accordance with sections 1, 5, and 6 of P.L.1973, c.123 (C.54:1-35a through C.54:1-35c).
  6. "Green building strategies" means those strategies that minimize the impact of development on the environment, and enhance the health, safety and well-being of residents by producing durable, low-maintenance, resource-efficient housing while making optimum use of existing infrastructure and community services.

### **185-253 Residential Development Fees**

- A. Imposed fees

1. Within all zoning districts, residential developers, except for developers of the types of development specifically exempted below, shall pay a fee of one and a half percent (1.5%) of the equalized assessed value for residential development provided no increased density is permitted.
2. When an increase in residential density pursuant to N.J.S.A. 40:55D-70d(5) (known as a "d" variance) has been permitted, developers may be required to pay a development fee of six percent (6%) of the equalized assessed value for each additional unit that may be realized. However, if the zoning on a site has changed during the two-year period preceding the filing of such a variance application, the base density for the purposes of calculating the bonus development fee shall be the highest density permitted by right during the two-year period preceding the filing of the variance application.

B. Eligible exactions, ineligible exactions and exemptions for residential development

1. Affordable housing developments, developments where the developer is providing for the construction of affordable units elsewhere in the municipality, and developments where the developer has made a payment in lieu of on-site construction of affordable units shall be exempt from development fees.
2. Developments that have received preliminary or final site plan approval prior to the adoption of a municipal development fee ordinance shall be exempt from development fees, unless the developer seeks a substantial change in the approval. Where a site plan approval does not apply, a zoning and/or building permit shall be synonymous with preliminary or final site plan approval for this purpose. The fee percentage shall be vested on the date that the building permit is issued.
3. Owner-occupied residential structures demolished and replaced as a result of a fire, flood, or natural disaster shall be exempt from paying a development fee.
4. Development fees shall be imposed and collected when an existing structure undergoes a change to a more intense use, is demolished and replaced, or is expanded, if the expansion is not otherwise exempt from the development fee requirement. The development fee shall be calculated on the increase in the equalized assessed value of the improved structure.

### **185-254 Non-Residential Development Fees**

A. Imposed fees

1. Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall pay a fee equal to two and one-half percent (2.5%) of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots.
2. Non-residential developers, except for developers of the types of development specifically exempted, shall also pay a fee equal to two and one-half percent (2.5%) of the increase in equalized assessed value resulting from any additions to existing structures to be used for non-residential purposes.
3. Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of two and one-half percent (2.5%) shall be calculated on the difference between the equalized assessed value of the pre-existing land and improvement and the equalized assessed value of the newly improved

structure, i.e. land and improvement, at the time final certificate of occupancy is issued. If the calculation required under this section results in a negative number, the non-residential development fee shall be zero.

**B. Eligible exactions, ineligible exactions and exemptions for non-residential development**

1. The non-residential portion of a mixed-use inclusionary or market rate development shall be subject to the two and a half (2.5) percent development fee, unless otherwise exempted below.
2. The 2.5 percent fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within existing footprint, reconstruction, renovations and repairs.
3. Non-residential developments shall be exempt from the payment of non-residential development fees in accordance with the exemptions required pursuant to P.L.2008, c.46, as specified in the Form N-RDF "State of New Jersey Non-Residential Development Certification/Exemption" Form. Any exemption claimed by a developer shall be substantiated by that developer.
4. A developer of a non-residential development exempted from the non-residential development fee pursuant to P.L.2008, c.46 shall be subject to it at such time the basis for the exemption no longer applies, and shall make the payment of the non-residential development fee, in that event, within three years after that event or after the issuance of the final certificate of occupancy of the non-residential development, whichever is later.
5. If a property which was exempted from the collection of a non-residential development fee thereafter ceases to be exempt from property taxation, the owner of the property shall remit the fees required pursuant to this section within 45 days of the termination of the property tax exemption. Unpaid non-residential development fees under these circumstances may be enforceable by South Orange Village as a lien against the real property of the owner.

**185-255 Collection Procedures**

- A. Upon the granting of a preliminary, final or other applicable approval, for a development, the applicable approving authority shall direct its staff to notify the construction official responsible for the issuance of a building permit.
- B. For non-residential developments only, the developer shall also be provided with a copy of Form N-RDF "State of New Jersey Non-Residential Development Certification/Exemption" to be completed as per the instructions provided. The developer of a non-residential development shall complete Form N-RDF as per the instructions provided. The construction official shall verify the information submitted by the non-residential developer as per the instructions provided in the Form N-RDF. The Tax assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.
- C. The construction official responsible for the issuance of a building permit shall notify the local tax assessor of the issuance of the first building permit for a development which is subject to a development fee.
- D. Within 90 days of receipt of that notice, the municipal tax assessor, based on the plans filed, shall provide an estimate of the equalized assessed value of the development.
- E. The construction official responsible for the issuance of a final certificate of occupancy notifies the local assessor of any and all requests for the scheduling of a final inspection on property

which is subject to a development fee.

- F. Within 10 business days of a request for the scheduling of a final inspection, the municipal assessor shall confirm or modify the previously estimated equalized assessed value of the improvements of the development; calculate the development fee; and thereafter notify the developer of the amount of the fee.
- G. Should South Orange Village fail to determine or notify the developer of the amount of the development fee within 10 business days of the request for final inspection, the developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in subsection b. of section 37 of P.L.2008, c.46 (C.40:55D-8.6).
- H. Fifty percent of the development fee shall be collected at the time of issuance of the building permit. The remaining portion shall be collected at the issuance of the certificate of occupancy. The developer shall be responsible for paying the difference between the fee calculated at building permit and that determined at issuance of certificate of occupancy.
- I. Appeal of development fees
  - 1. A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Pending a review and determination by the Board, collected fees shall be placed in an interest bearing escrow account by South Orange Village. Appeals from a determination of the Board may be made to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S.54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.
  - 2. A developer may challenge non-residential development fees imposed by filing a challenge with the Director of the Division of Taxation. Pending a review and determination by the Director, which shall be made within 45 days of receipt of the challenge, collected fees shall be placed in an interest bearing escrow account by South Orange Village. Appeals from a determination of the Director may be made to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S.54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

#### **185-256 Affordable Housing Trust Fund**

- A. There is hereby created a separate, interest-bearing housing trust fund to be maintained by the chief financial officer for the purpose of depositing development fees collected from residential and non-residential developers and proceeds from the sale of units with extinguished controls.
- B. The following additional funds shall be deposited in the Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:
  - 1. Payments in lieu of on-site construction of affordable units;
  - 2. Developer contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible;
  - 3. Rental income from municipally operated units;
  - 4. Repayments from affordable housing program loans;
  - 5. Recapture funds;
  - 6. Proceeds from the sale of affordable units; and

7. Any other funds collected in connection with South Orange Village's affordable housing program.
- C. In the event of a failure by South Orange Village to comply with trust fund monitoring and reporting requirements or to submit accurate monitoring reports; or a failure to comply with the conditions of the judgment of compliance or a revocation of the judgment of compliance; or a failure to implement the approved Spending Plan and to expend funds within the applicable required time period as set forth in *In re Tp. of Monroe*, 442 N.J. Super. 565 (Law Div. 2015) (aff'd 442 N.J. Super. 563); or the expenditure of funds on activities not approved by the Court; or for other good cause demonstrating the unapproved use(s) of funds, the Court may authorize the State of New Jersey, Department of Community Affairs, Division of Local Government Services (LGS), to direct the manner in which the funds in the Affordable Housing Trust Fund shall be expended, provided that all such funds shall, to the extent practicable, be utilized for affordable housing programs within South Orange Village, or, if not practicable, then within the County or the Housing Region.
- D. Any party may bring a motion before the Superior Court presenting evidence of such condition(s), and the Court may, after considering the evidence and providing the municipality a reasonable opportunity to respond and/or to remedy the non-compliant condition(s), and upon a finding of continuing and deliberate non-compliance, determine to authorize LGS to direct the expenditure of funds in the Trust Fund. The Court may also impose such other remedies as may be reasonable and appropriate to the circumstances.
- E. All interest accrued in the housing trust fund shall only be used on eligible affordable housing activities approved by the Court.

### **185-257 Use Of Funds**

- A. The expenditure of all funds shall conform to a spending plan approved by the Court. Funds deposited in the housing trust fund may be used for any activity approved by the Court to address South Orange Village's fair share obligation and may be set up as a grant or revolving loan program. Such activities include, but are not limited to: preservation or purchase of housing for the purpose of maintaining or implementing affordability controls, rehabilitation, new construction of affordable housing units and related costs, accessory apartment, market to affordable, or regional housing partnership programs, conversion of existing non-residential buildings to create new affordable units, green building strategies designed to be cost saving and in accordance with accepted national or state standards, purchase of land for affordable housing, improvement of land to be used for affordable housing, extensions or improvements of roads and infrastructure to affordable housing sites, financial assistance designed to increase affordability, administration necessary for implementation of the Housing Element and Fair Share Plan, or any other activity as permitted pursuant to N.J.A.C. 5:93-8 and specified in the approved spending plan.
- B. Funds shall not be expended to reimburse South Orange Village for past housing activities.
- C. At least thirty percent (30%) of all development fees collected and interest earned shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in the municipal Fair Share Plan, One-third of the affordability assistance portion of development fees collected shall be used to provide affordability assistance to those households earning thirty percent (30%) or less of median income by region.
1. Affordability assistance programs may include 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.

2. Affordability assistance to households earning thirty percent (30%) or less of median income may include buying down the cost of low or moderate income units in the municipal Fair Share Plan to make them affordable to households earning thirty percent (30%) or less of median income.
  3. Payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls shall be exempt from the affordability assistance requirement.
- D. South Orange Village may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan, including the requirement for affordability assistance, in accordance with N.J.A.C. 5:94-7.
- E. No more than twenty percent (20%) of all revenues collected from development fees, may be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop or implement a new construction program, a Housing Element and Fair Share Plan, and/or an affirmative marketing program. In the case of a rehabilitation program, no more than twenty percent (20%) of the revenues collected from development fees shall be expended for such administrative expenses. Administrative funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with monitoring requirements for the affordable housing in compliance with the Housing Element and Fair Share Plan. Legal or other fees related to litigation opposing affordable housing sites or objecting to the Council's regulations and/or action are not eligible uses of the affordable housing trust fund.

### **185-258 Monitoring**

On an annual basis commencing with the first anniversary of the entry of the Order granting a Final Judgment of Compliance and Repose, South Orange Village shall provide annual reporting of trust fund activity to the New Jersey Department of Community Affairs ("DCA"), COAH, or Local Government Services ("LGS"), or other entity designated by the State of New Jersey, with a copy provided to Fair Share Housing Center and posted on the municipal website, using forms developed for this purpose by the DCA, COAH, or LGS. This reporting shall include an accounting of all housing trust fund activity, including the collection of development fees from residential and nonresidential developers, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, barrier-free escrow funds, rental income, repayments from affordable housing program loans, and any other funds collected in connection with the Village's housing program, as well as to the expenditure of revenues and implementation of the plan approved by the court.

### **185-259 Ongoing Collection Of Fees**

- A. The ability for South Orange Village to impose, collect and expend development fees shall expire with its substantive certification unless the Village has filed an adopted Housing Element and Fair Share Plan with the court or other appropriate jurisdiction, has filed a Declaratory Judgment action and has received court approval of its development fee ordinance. If South Orange Village fails to renew its ability to impose and collect development fees prior to the expiration of substantive certification, it may be subject to forfeiture of any or all funds remaining within its municipal trust fund. Any funds so forfeited shall be deposited into the "New Jersey Affordable Housing Trust Fund" established pursuant to section 20 of P.L.1985, c.222 (C.52:27D-320). South Orange Village shall not impose a residential development fee on a development that receives preliminary or final site plan approval after the expiration of its judgment of compliance and repose, nor shall South Orange Village retroactively impose a

development fee on such a development. South Orange Village shall not expend development fees after the expiration of judgment of compliance and repose.

## Appendix E – Prospective Obligation Plans



**Development Parameters Outline**

Wednesday, May 1, 2024

A History of development strategies at 164-168 Valley Street, Township of South Orange Village, New Jersey  
 (JBG column data references)

|                                                                             | JBG University Housing                             | Hero w/Workshop Proposal                                             |
|-----------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------|
| <b>USE</b>                                                                  | Student Residences                                 | Market Rate Residential & Commercial                                 |
| <b>LOT AREA</b>                                                             | 40,039 sf                                          | 40,039 sf                                                            |
| <b>BUILDING HEIGHT (FRONT)</b>                                              | 4 stories<br>47 ft                                 | 3.5 stories<br>48 ft                                                 |
| <b>BUILDING HEIGHT ( REAR)</b>                                              | 20 ft (from top of wall)                           | 32 ft (FF to Roof)                                                   |
| <b>DENSITY</b>                                                              | 64 units/acre                                      | 59 units/acre                                                        |
| <b>TOTAL UNITS</b>                                                          | 58 student residences<br>155 bedrooms              | 51 units (final split TBD)<br>73 bedrooms                            |
| <b>RESIDENT POPULATION</b>                                                  | 202 ppl                                            | 95 ppl                                                               |
| <b>BUILDING COVERAGE</b><br><i>(impact on site disturbance/below grade)</i> | 76% (assumption*)<br>30,325 sf                     | 58%<br>23,398<br>3,528 sf below only @ parking                       |
| <b>FOOTPRINT ABOVE GRADE</b>                                                | 65%<br>26,111 sf                                   | 50%<br>19,870 sf                                                     |
| <b>IMPERVIOUS COVERAGE</b>                                                  | 100%                                               | 86% max. paving plans TBD                                            |
| <b>FRONT YARD SETBACK</b>                                                   | 15 ft from property line<br>21 ft from the curb    | 15 ft from property line<br>21 ft from the curb                      |
| <b>REAR YARD SETBACK</b>                                                    | 10 ft below grade<br>16 ft above grade             | 32 ft below grade<br>81 ft above grade                               |
| <b>SIDE YARD SETBACK</b>                                                    | 10 ft below grade<br>16 ft above grade             | 11.7 ft at closest pt above (SE)<br>10.5 ft at closest pt below (SE) |
| <b>SETBACK @ 4TH FLOOR</b><br><i>(along Valley Street)</i>                  | 21 ft                                              | 30 ft                                                                |
| <b>PARKING</b>                                                              | 54 spaces                                          | 58 spaces***                                                         |
| <b>TOTAL GFA</b>                                                            | <b>GFA</b><br><i>(state method of calculation)</i> | 60,558 GFA                                                           |

no change

consistent  
1 ft taller than JBG

12 ft higher than JBG

5 less than JBG

7 less than JBG  
82 less than JBG

(assume 1.3 ppl /bedroom on average) 1.3

18% less than JBG  
6,927 sf less than JBG

15.6% less than JBG  
6,241 less than JBG

14% less than JBG ref. undisturbed rear yard sloped area

consistent  
consistent

22 ft more than JBG  
65 ft more than JBG

2 ft better than JBG  
4 ft less than JBG

9ft more than JBG

4 more than JBG

JBG calculations are based on assumptions

Notes:

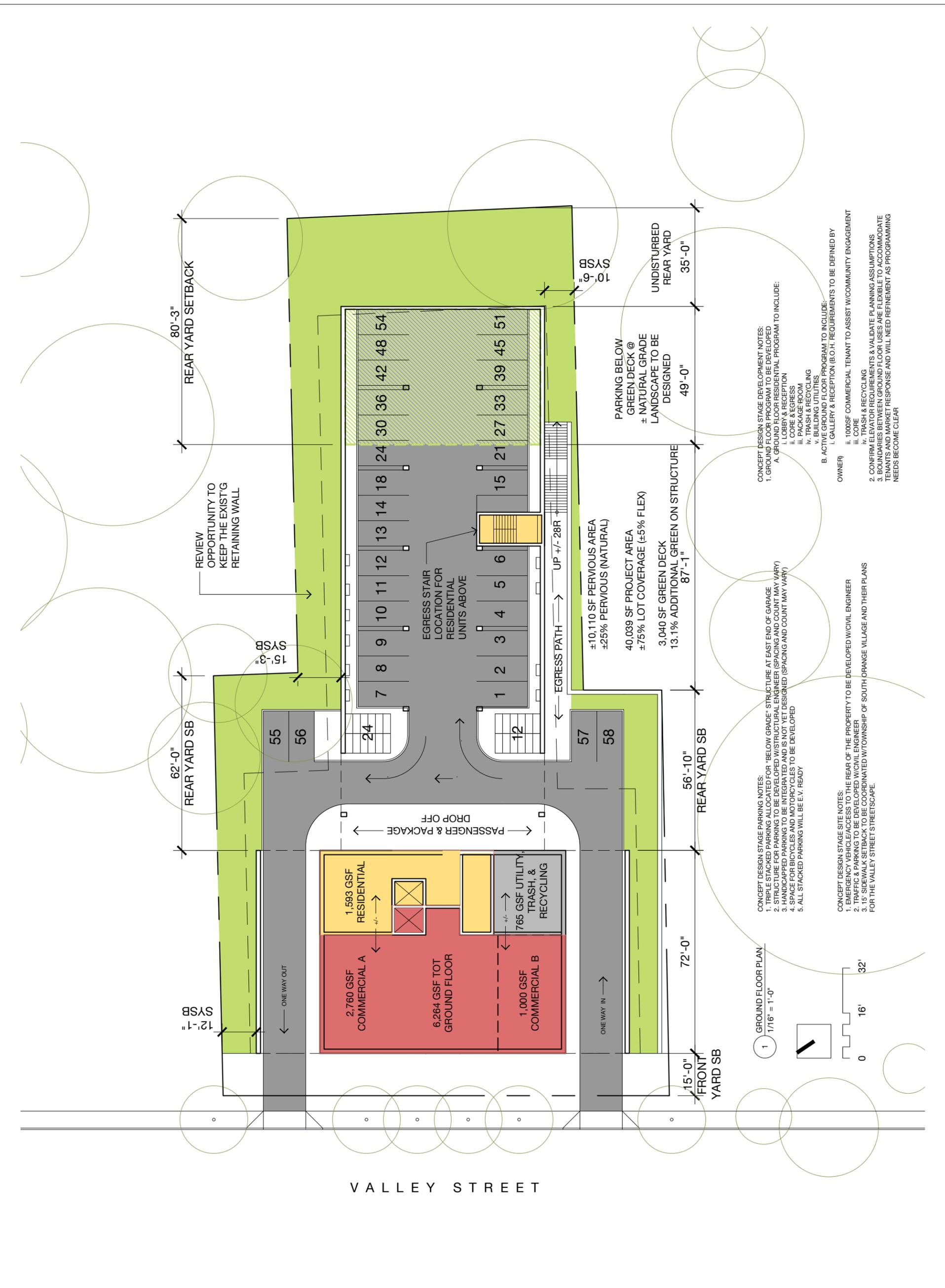
- Legend**
- AREA OF PERVIOUS EARTH
  - AREA OF GREEN DECK
  - VEHICULAR
  - RESIDENTIAL
  - COMMERCIAL
  - UTILITY

Not For Construction  
CONCEPT DESIGN

REVISION:

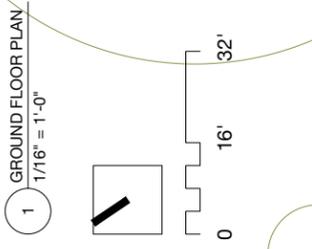
The Gallery on Valley  
164 - 168 Valley Street  
Township of South Orange Village, NJ

**GROUND FLOOR PLAN**  
SCALE: AS NOTED  
DATE: JANUARY 31, 2024



- CONCEPT DESIGN STAGE DEVELOPMENT NOTES:**
- GROUND FLOOR PROGRAM TO BE DEVELOPED
    - GROUND FLOOR RESIDENTIAL PROGRAM TO INCLUDE:
      - LOBBY & RECEPTION
      - CORE & EGRESS
      - PACKAGE ROOM
      - TRASH & RECYCLING
      - BUILDING UTILITIES
    - ACTIVE GROUND FLOOR PROGRAM TO INCLUDE:
      - GALLERY & RECEPTION (B.O.H. REQUIREMENTS TO BE DEFINED BY OWNER)
      - 1000SF COMMERCIAL TENANT TO ASSIST W/COMMUNITY ENGAGEMENT
      - CORE
      - TRASH & RECYCLING
  - CONFIRM ELEVATOR REQUIREMENTS & VALIDATE PLANNING ASSUMPTIONS
  - BOUNDARIES BETWEEN GROUND FLOOR USES ARE FLEXIBLE TO ACCOMMODATE TENANTS AND MARKET RESPONSE AND WILL NEED REFINEMENT AS PROGRAMMING NEEDS BECOME CLEAR

- CONCEPT DESIGN STAGE PARKING NOTES:**
- TRIPLE STACKED PARKING ALLOCATED FOR "BELOW GRADE" STRUCTURE AT EAST END OF GARAGE
  - STRUCTURE FOR PARKING TO BE DEVELOPED W/STRUCTURAL ENGINEER (SPACING AND COUNT MAY VARY)
  - HANDICAPPED PARKING TO BE INTEGRATED AND IS NOT YET DESIGNED (SPACING AND COUNT MAY VARY)
  - SPACE FOR BICYCLES AND MOTORCYCLES TO BE DEVELOPED
  - ALL STACKED PARKING WILL BE E.V. READY
- CONCEPT DESIGN STAGE SITE NOTES:**
- EMERGENCY VEHICLE/ACCESS TO THE REAR OF THE PROPERTY TO BE DEVELOPED W/CIVIL ENGINEER
  - TRAFFIC & PARKING TO BE DEVELOPED W/CIVIL ENGINEER
  - 15' SIDEWALK SETBACK TO BE COORDINATED W/TOWNSHIP OF SOUTH ORANGE VILLAGE AND THEIR PLANS FOR THE VALLEY STREET STREETScape.



VALLEY STREET



Notes:

Legend

Not For Construction

CONCEPT DESIGN

REVISION:

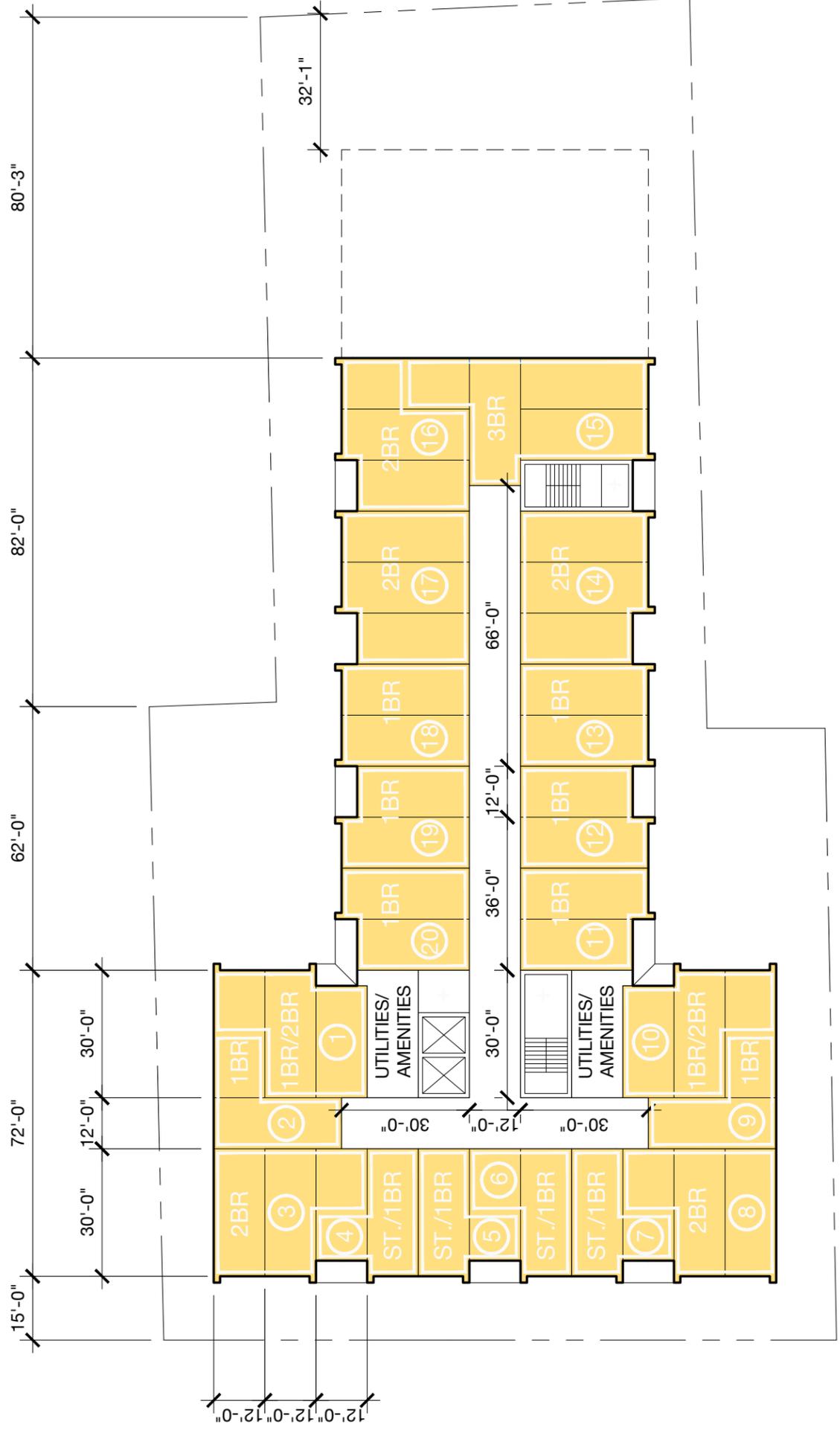
The Gallery on Valley

164 - 168 Valley Street  
 Township of South Orange Village, NJ

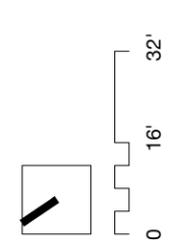
**3RD FLOOR PLAN**

SCALE: AS NOTED  
 DATE: JANUARY 31, 2024

A103



1 3RD FLOOR PLAN  
 1/16" = 1'-0"



CONCEPT DESIGN STAGE DEVELOPMENT NOTES:  
 1. 20 UNITS ACCOUNTED FOR ON THE 3RD FLOOR  
 2. ± 19,380 GSF AS DRAWN W/ARTICULATED FACADE  
 3. TOTAL UNIT COUNT AND ARRANGEMENT MAY BE DEVELOPED FURTHER  
 AND MAY VARY DURING SCHEMATIC DESIGN.  
 4. CORE DESIGNS TO BE DEVELOPED AFTER BULK & MASSING CONCEPTS  
 HAVE BEEN APPROVED.



Notes:

Legend

Not For Construction

CONCEPT DESIGN

REVISION:

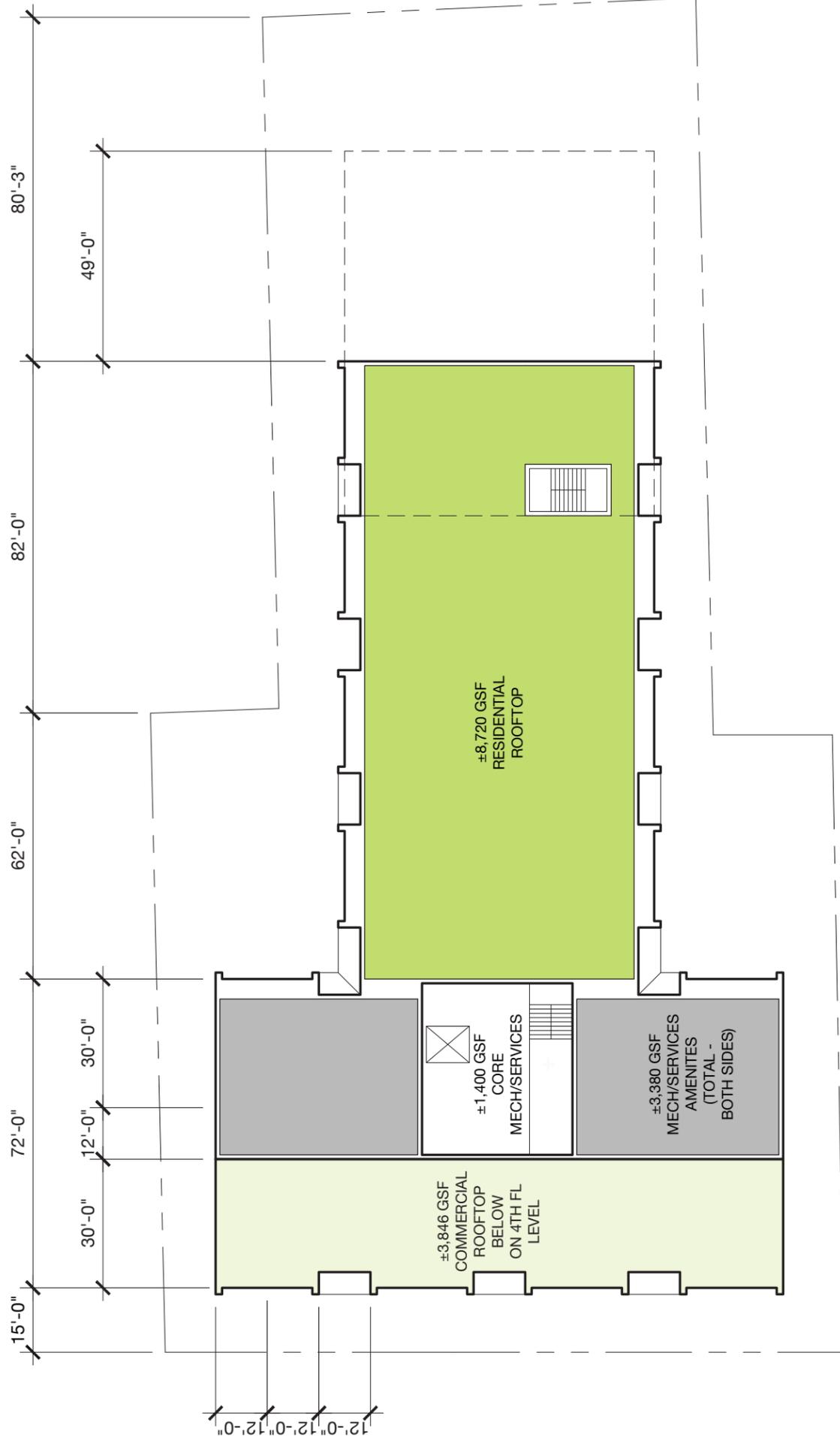
The Gallery on Valley

164 - 168 Valley Street  
 Township of South Orange Village, NJ

5TH FLOOR/ROOF PLAN

SCALE: AS NOTED  
 DATE: APRIL 3, 2024

A105



1 ROOF PLAN  
 1/16" = 1'-0"



- CONCEPT DESIGN STAGE DEVELOPMENT NOTES:
1. ROOF AT 4TH FLOOR IS PUBLIC SPACE AND OUTDOOR GALLERY
  2. ROOF AT 5TH FLOOR IS RESIDENTIAL AMENITY SPACE
  3. CORE/MECH/ELEVATOR OVERRUN AND ROOF ACCESS IS TALLEST PART OF BUILDING AND SET BACK FROM ALL EDGES.
  4. MECH & EQUIPMENT AREAS ON FLANKS TO BE DEVELOPED.
  5. CORE DESIGNS TO BE DEVELOPED AFTER BULK & MASSING CONCEPTS HAVE BEEN APPROVED.

SEE AREAS NOTED FOR CALCULATIONS

**164-168 Valley Street: Gallery South Orange**

April 3, 2024

| Design Calculations               |  | Commercial | Residential                | Utility/Circ. |
|-----------------------------------|--|------------|----------------------------|---------------|
| <b>Two over One on Valley ALT</b> |  | <b>51</b>  |                            |               |
| <b>Ground Floor</b>               |  | 3,906 gsf  | 1,593 gsf<br>1,216 gsf     | 765 sf        |
| <b>First Responders' Suite</b>    |  |            |                            |               |
| <b>2nd Floor</b>                  |  |            | 6<br>8<br>4<br>1<br>1      |               |
| ST/1BR (540)                      |  |            |                            |               |
| 1BR (720)                         |  |            |                            |               |
| 2BR/1BR (900)                     |  |            |                            |               |
| 2BR (1080)                        |  |            |                            |               |
| 3BR (1260) / 1ST RESP. SUITE      |  |            |                            |               |
| <b>3rd Floor</b>                  |  |            | 6<br>6<br>5<br>2<br>2<br>1 |               |
| ST/1BR (540)                      |  |            |                            |               |
| 1BR (720)                         |  |            |                            |               |
| 2BR/1BR (900)                     |  |            |                            |               |
| 2BR (1080)                        |  |            |                            |               |
| 3BR (1260)                        |  |            |                            |               |
| <b>4th Floor</b>                  |  |            | 0<br>6<br>1<br>3<br>1      |               |
| ST/1BR (540)                      |  |            |                            |               |
| 1BR (720)                         |  |            |                            |               |
| 2BR/1BR (900)                     |  |            |                            |               |
| 2BR (1080)                        |  |            |                            |               |
| 3BR (1260) + 1 @ 4th Floor        |  |            |                            |               |
| <b>Total Resi. Units/Bldg</b>     |  |            | <b>51</b>                  |               |

6,264 nsf

20 Units Incl. Responders Suite

20 Units

11 Units

| Total Units by Type  | % OF TOT    | # of Bdrms |
|----------------------|-------------|------------|
| St/1BR               | 24%         | 12         |
| 1BR                  | 39%         | 20         |
| 2BR/1BR              | 20%         | 20         |
| 2BR                  | 12%         | 12         |
| 3BR / 1st Resp. Unit | 6%          | 9          |
| <b>51 Total</b>      | <b>100%</b> | <b>73</b>  |

| Total GFA              | UNITS     |
|------------------------|-----------|
| Ground Floor           | 6,264.00  |
| 2nd Floor              | 19,380.00 |
| 3rd Floor              | 19,380.00 |
| 4th Floor              | 15,534.00 |
| <b>60,558.00 Total</b> | <b>40</b> |

| Market Rate by Type      | UNITS     |
|--------------------------|-----------|
| Studio                   | 10        |
| 1BR                      | 20        |
| 2BR                      | 0         |
| 3BR                      | 0         |
| <b>Market Rate Units</b> | <b>40</b> |

| Affordable Units                 | 20% TOTAL |
|----------------------------------|-----------|
| Studio                           | 2.20      |
| 1BR                              | 3.30      |
| 2BR                              | 2.20      |
| 3BR                              | 3.30      |
| Balance to be 2BR or 3BR (assum) | 10.2      |
| <b>AH UNITS</b>                  | <b>11</b> |

| Design Calculations               |  | Commercial | Residential                  | Utility/Circ. |
|-----------------------------------|--|------------|------------------------------|---------------|
| <b>Two over One on Valley ALT</b> |  | <b>50</b>  |                              |               |
| <b>Ground Floor</b>               |  | 3,906 gsf  | 1,593 gsf<br>1,216 gsf       | 765 sf        |
| <b>First Responders' Suite</b>    |  |            |                              |               |
| <b>2nd Floor</b>                  |  |            | 6<br>8<br>4<br>1<br>1 n.i.c. |               |
| ST/1BR (540)                      |  |            |                              |               |
| 1BR (720)                         |  |            |                              |               |
| 2BR/1BR (900)                     |  |            |                              |               |
| 2BR (1080)                        |  |            |                              |               |
| 3BR (1260) / 1ST RESP. SUITE      |  |            |                              |               |
| <b>3rd Floor</b>                  |  |            | 6<br>6<br>5<br>2<br>2<br>1   |               |
| ST/1BR (540)                      |  |            |                              |               |
| 1BR (720)                         |  |            |                              |               |
| 2BR/1BR (900)                     |  |            |                              |               |
| 2BR (1080)                        |  |            |                              |               |
| 3BR (1260)                        |  |            |                              |               |
| <b>4th Floor</b>                  |  |            | 0<br>6<br>1<br>3<br>1        |               |
| ST/1BR (540)                      |  |            |                              |               |
| 1BR (720)                         |  |            |                              |               |
| 2BR/1BR (900)                     |  |            |                              |               |
| 2BR (1080)                        |  |            |                              |               |
| 3BR (1260) + 1 @ 4th Floor        |  |            |                              |               |
| <b>Total Resi. Units/Bldg</b>     |  |            | <b>50</b>                    |               |

6,264 nsf

20 Units Incl. Responders Suite

20 Units

11 Units

| Total Units by Type | % OF TOT    | # of Bdrms |
|---------------------|-------------|------------|
| St/1BR              | 24%         | 12         |
| 1BR                 | 40%         | 20         |
| 2BR/1BR             | 20%         | 20         |
| 2BR                 | 12%         | 12         |
| 3BR                 | 4%          | 6          |
| 1st Resp. Unit      | 2%          | 3          |
| <b>50 Total</b>     | <b>100%</b> | <b>73</b>  |

| Total GFA              | UNITS     |
|------------------------|-----------|
| Ground Floor           | 6,264.00  |
| 2nd Floor              | 19,380.00 |
| 3rd Floor              | 19,380.00 |
| 4th Floor              | 15,534.00 |
| <b>60,558.00 Total</b> | <b>40</b> |

| Market Rate by Type      | UNITS     |
|--------------------------|-----------|
| Studio                   | 10        |
| 1BR                      | 20        |
| 2BR                      | 10        |
| 3BR                      | 0         |
| <b>Market Rate Units</b> | <b>40</b> |

| Affordable Units                | 20% TOTAL |
|---------------------------------|-----------|
| Studio                          | 2.00      |
| 1BR                             | 3.00      |
| 2BR                             | 2.00      |
| 3BR                             | 3.00      |
| Balance to be 2BR or 3BR (asst) | 10        |
| <b>AH UNITS</b>                 | <b>10</b> |

\* Note the assumption that the 1st Responders' Suite is not in the calculations associated with Affordable Housing Units.

**Resolution  
South Orange Village  
Planning Board  
In the Matter of JESPY House, Inc.  
Application # 300  
66, 102-110 Prospect Street  
Block 2017, Lots 16-19  
Decided on November 4, 2024  
Memorialized on January 6, 2025  
Variances, Design Waiver and Site Plan  
Approval**

**WHEREAS**, JESPY House, Inc. (hereinafter the “Applicant”) has made an application for bulk variances, a parking variance, a design waiver and major preliminary and final site plan approval to construct a five-story structure containing housing for intellectually and developmentally disabled individuals, administrative offices for JESPY House and space for services and programming for JESPY House clients, at property known as 66, 102-110 Prospect Street, also known as Block 2017 Lots 16-19 on the Tax Map of the Township of South Orange; and

**WHEREAS**, public hearings were conducted on April 1, 2024; April 11, 2024; May 6, 2024; July 11, 2024; August 5, 2024; August 14, 2024; September 4, 2024; October 10, 2024; and November 4, 2024; and

**WHEREAS**, the Applicant was represented by Derek W. Orth, Esq.; and

**WHEREAS**, the Applicant provided testimony by Audrey Winkler, representing the Applicant as its Executive Director; Nancy Dougherty, a professional architect whose credentials were accepted by the Board; Michael Lanzafama, a professional engineer and land surveyor whose credentials were accepted by the Board; Matthew Seckler, a professional

traffic engineer whose credentials were accepted by the Board; Brian Conway, a professional landscape architect whose credentials were accepted by the Board; and Mallory Clark, a professional planner whose credentials were accepted by the Board; and

**WHEREAS,** the Applicant presented and relied upon the application package submitted and the following exhibits introduced:

1. Aerial exhibit with depiction of proposed structure (A-1);
2. Site Plan sheet 5, colorized (A-2);
3. Partial Site Plan with loading study, April 1 2024 (A-3);
4. Truck Turning Analysis of Alternate Loading, April 1 2024 (A-4);
5. JESPY House Presentation (A-5);
6. NJ Division of Developmental Disabilities support letter (A-6);
7. Aerial photograph, updated April 11, 2024 (A-7);
8. Photographs of existing structures, April 11, 2024 (A-8);
9. Photographs of structures in the vicinity used to develop design for proposed building (A-9);
10. Colorized courtyard plan and elevation (A-10);
11. Site History, April 11, 2024 (A-11);
12. Existing Conditions, 108-110 Prospect, March 4, 2024 (A-12);
13. Height Analysis, April 11, 2024 (A-13);
14. Complete revised Site Plan set, June 13, 2024 (A-14);
15. Lower level floor plan exhibit with areas triggering parking (A-15);
16. First floor plan exhibit with areas triggering parking (A-16);
17. Truck turning templates (A-17);
18. Truck turning plan (A-18);
19. Revised Site Plan sheet previously marked A-1 (A-19);
20. Revised landscape plan, June 13, 2024 (A-20);
21. Streetscape sections (three sheets), May 6, 2024 (A-21);
22. Parking calculation plan diagram, July 22, 2024 (A-22);
23. Second floor rooftop amenity plan, August 5, 2024 (A-23);
24. Equipment enclosure detail, August 5, 2024 (A-24);

25. Garage gate detail, August 5, 2024 (A-25);
26. Updated North elevation, August 5, 2024 (A-26);
27. Bike rack detail, August 5, 2024 (A-27);
28. Planning testimony exhibit, October 10, 2024 (A-28); and

**WHEREAS**, representatives of the public were provided with an opportunity to ask questions of the witnesses and offer statements in regard to the application; and

**WHEREAS**, the Board reviewed and considered the application and documents submitted therewith; and

**WHEREAS**, the Board also considered the input of its professionals at the hearing and in written reports, including the reports of Greer Patras and Justin Cutroneo, Board planners, dated March 28, 2024; August 14, 2024; and October 9, 2024; and the reports of Eric Keller, Board engineer, dated December 4, 2023; December 28, 2023; February 19, 2024; July 9, 2024; and October 7, 2024; a Memoranda from the Design Review Board dated January 20, 2024 and March 1, 2024; and correspondence from William C. Sullivan, Jr., Esq on behalf of the South Orange Village Historic Preservation Commission dated July 9, 2024;

**NOW THEREFORE**, the Board makes the following findings of fact, based upon the evidence presented at its public hearings, at which a record was made.

1. The applicant proposes to construct a five-story mixed-use structure containing 31 housing units accommodating 46 persons with intellectual and developmental disabilities, as well as administrative offices for the applicant's staff and space for providing services and programming for clients of the applicant, including clients that do not reside in the proposed building.
2. The property is located in the RC-1 residential multifamily office zone, in which the proposed facility is a permitted use.

3. On one of the four lots that are the subject of the application (Lot 18), the applicant currently carries out various administrative and clinical service programs. On the other three lots within the scope of this application, there are residential and office uses. The applicant has recently acquired the 4th lot. All of the structures on these four lots are proposed for demolition under this application.
  
4. The applicant seeks the following relief:
  - a) under Ordinance Section 185, Attachment 3, a side yard setback variance is required on the West side of the property because a minimum setback of 15 feet is required, whereas 12.22 feet is proposed to the limits of a parking garage to be constructed below grade;
  - b) under Section 185, Attachment 3, a rear yard setback variance is required on the South side of the property because a minimum setback of 25 feet is required, whereas 11.03 feet is proposed to the limits of the below-grade parking garage;
  - c) under Section 185-174.A, a parking variance is required because a minimum of 131 spaces is required for the combined uses on the property and a six space credit is applicable for the six electric vehicle spaces provided, for a net parking requirement of 125 spaces, whereas the applicant is proposing to install 36 spaces;
  - d) under Section 185-143.A.2.a, a variance is required because the Ordinance permits one sign whereas the applicant is proposing two signs; and
  - e) a design waiver from section 185-141.A.8, requiring a maximum of six colors on a sign whereas the applicant proposes nine colors.
  
5. For many years, the applicant has provided housing and a wide variety of support services to adults with intellectual and developmental disabilities, on properties located in the

Village. The housing and services provided to these clients help them become more independent and thus more capable of navigating through the complexities of daily life. The proposed building provides affordable housing for 46 clients, some of whom cannot afford to live in market-rate housing. For others, this housing will allow them to move into a space of their own, a significant step in increasing their independence. The construction of this project will generate 20 affordable housing credits for the Village.

6. The non-residential portion of the new building will include a Health and Wellness Center providing occupational therapy, physical therapy, athletic training, yoga, meditation, health and nutritional counseling and other activities. These areas also include a nursing office and exam room for the applicant's clients. Portions of the building will also include space for clinical and behavioral support evaluations, a lobby, a library/tech center, counseling and workshops and related services, daily living skills, work readiness and employment counseling; and other services and activities.
7. The four lots involved have a total area of approximately 37,998 square feet or 0.872 acres. The proposed improvements include the proposed building, indoor and exterior parking, loading, drop off area, rear yard courtyard, rooftop courtyard, landscaping and other improvements.
8. The proposed building will include five stories, with partially underground level containing 6,000+ SF of health-related services (gym, physical therapy, nurses' office), a parking garage. The proposed height is 44.9 feet whereas 45 feet is the maximum permitted. That height is based upon an average grade, which is consistent with the Ordinance. Because the height is based on average grade, the part of the building visible at the entrance to the garage is not counted as part of

the building height. Measured from the driveway in front of the garage access, the structure is approximately 57 feet high because the driveway is cut into the grade. The height of 44 feet 11 inches is approximately 18 feet higher than the house to the East and 23 feet higher than the house to the West. The properties in the vicinity consist of multifamily and commercial properties of varying types and sizes ranging from one to three stories and 26 to 44 feet in height.

9. There is a 6% grade differential from south to north so that the grade of the properties rises up from the street, such that the elevation of 209 feet at Prospect Street rises to elevation 226 feet at the rear of the properties.
10. The basement level will have an elevation of 206.5 feet. The door at the lower level will be at elevation 207.5. The roof will have an elevation of 262.6 feet at the highest point of the parapet. The first floors of the existing structures range in elevation from 216 to 221 feet. The first floor elevation at the proposed main entrance and lobby is 218.5 feet, which is approximately three feet lower than the existing first floor elevation of the structures at 108-110 Prospect and the same elevation as the structures existing at 104-106 Prospect. The building is set back further from Prospect Street than the existing structures.
11. The building has a gross floor area of approximately 79,000 square feet and includes the following elements. The cellar level will include parking, utility rooms and a trash and recycling room fed by a trash chute as well as the health/wellness studio, OT/PT area, nurses' office, and ancillary offices. The garage entry is located on the east side of the building. There will be a bike rack with capacity for 10 bikes and bollards surrounding it.

12. The first floor contains administrative offices and client service offices workspaces, and related programming spaces. It also contains the lobby, library, multi-purpose room, mail room, and break room.
13. On the second floor there will be 5 four-bedroom units for an older adult population with increased need for assistance. On the third floor there will be thirteen apartments, lounge space in the front and a music room. On the 4th floor there will be thirteen apartments and lounge space in the front. Apartment sizes on the 3rd and 4th floors will range from 729 square feet to 853 square feet.
14. The roof level will include the elevator bulkhead with a grey stucco finish, HVAC equipment, and an emergency generator, all within a dark grey enclosure six feet high, as well as a solar installation. The equipment area will be 1,498.7 square feet, less than ten percent of the overall roof area of 15,328.6 square feet, so that a height variance is not required.
15. There will be an open courtyard in the middle of the building with a total area of 2100 square feet including benches and planters. It will also include planters with underlying drainage with a collective area of approximately 750 square feet. It will be accessible from the building. The building will have two elevators and smart building technology. The building will be fully sprinklered.
16. Several sustainability elements are incorporated in the building design, including a green roof over a portion of the parking garage, Energy Star appliances and low flow fixtures, a solar installation on the roof, and six electric vehicle spaces.
17. Patio and green space will be included in the rear of the

building with an area of 2600 square feet.

18. The facade design as presented to the Board as of the conclusion of testimony had been modified to address some comments of the Historic Preservation Commission and the Design Review Board. Among the modifications were a reduction in building height and the reduction of the height of retaining walls in some places or the elimination of same in some locations, as well as modifying the entrance to provide for accessible pedestrian access. Among the recommendations that were not accepted were a proposed portico, a first floor entrance at a lower level, making the building smaller and relocating the office space to an off- site location.
19. Building materials will include brick, stucco and cast stone details, as well as Hardie panels and siding. There will be carriage lights at the front entrance.
20. The plans for this facility were reviewed by the New Jersey Division of Developmental Disabilities, which issued a letter in support of the project. Exhibit A-6. Among the building elements developed to meet the agency requirements were the size and layout of apartments, programming spaces and amenity spaces and life safety upgrades.
21. The South Orange Historic Preservation Commission (“HPC”) considered this application at a meeting held on December 21, 2023 pursuant to the Commission’s authority pursuant to N.J.S.A. 40:55D-110 and Ordinances 2012-09 and 2012-16. Following that meeting, by letter of January 2, 2024 prepared by William C Sullivan, Jr. counsel for the HPC, the HPC provided a number of comments and recommendations. Thereafter, the Applicant made a number of modifications to the project.

22. The HPC considered the modified project at a meeting held on June 20, 2024, at which time the Applicant's architect explained that a number of modifications were made to address the prior comments by the HPC. After considering that testimony, the HPC provided modified comments and recommendations which were set forth in correspondence from Mr. Sullivan dated June 27, 2024. The HPC maintained its prior position that the Village's recognition of the historic value of the existing structures should lead the Planning Board to conclude that these structures should not be demolished. The HPC stated that it appreciated the fact that the Applicant had made several design modifications to address the HPC's prior comments, including but not limited to the relocation of the loading space to the side yard, the reconfiguration of the driveway to provide a new, lower level entrance to the garage on the side; the elimination or reduction in height of retaining walls, the reduction of the building height by 4 feet, and the providing of additional trim and articulation.
23. If the Board was inclined to grant the application, then the HPC also recommended that the Applicant should reuse historic materials in the existing structures to the extent feasible, that design and detailing at the top of the front facade should extend along the length of the sides, that the Applicant should consider a modified parking lot design to be more historically attractive, and that more landscaping should be provided. Ultimately, the Applicant agreed to reuse historic materials to the extent feasible, extended the roof detail on the sides but not along their entire length, (because doing so would require alterations to the interior of the 4<sup>th</sup> floor); and provided additional landscaping. The Applicant maintained that it was not practical to use the existing buildings for the proposed residential and programming uses due to changes in grade and height and non-accessible interior elements. The Applicant also maintained that it had made the exterior parking area more

attractive by eliminating a parking space and adding landscaping.

24. As explained in paragraph 11 above, the project, as modified, provides for an entry to the garage from the east side of the building at the lower level. There will be a garage gate that is locked after approximately 8 pm, with card access thereafter. The gate will slide side to side and not up and down and will have a bronze anodized finish.
25. The loading space, with an area of approximately 12 feet by 35 feet, is also located in the side yard, eliminating the need for a variance from the requirement that loading spaces are prohibited in the front yard. The transformer location was also changed to a less prominent location that is easier to screen. The Applicant also provided for a drop off area, with a pedestrian entrance at grade and with a bench and a canopy with an area of approximately 200 square feet, which extends 8 feet from the front façade of the building.
26. The project provides for 36 parking spaces, 31 in the garage and five outside; including two ADA-compliant spaces and six electric vehicle spaces within the garage. On-street parking may also be available though it was not considered in the grant of the parking variance.
27. The Ordinance requires 1 space per 300 sq ft of office space. Based on programming and office space of 20,571 sq ft, 69 spaces are required, and 62 spaces for the residential component (2 spaces per unit), for a total demand of 131 spaces, minus a six-space credit for the electric vehicle spaces, for a total parking requirement of 125 spaces, whereas 36 spaces are proposed.

28. The Applicant presented testimony supporting the position that the proposed number of spaces was adequate. Very few of the clients drive and therefore the 62 spaces related to the residential component were not necessary. There are few visitors. Staff will work on three shifts and share office space. During the peak shift, the 8 am to 4 pm shift, 24 employees are expected on-site. Because the change of shift at 4 pm will include 24 employees from the day shift still on site and the evening shift arriving, the Applicant adjusted the day shifts as follows: Day A (7 am to 3 pm)(5 employees); Day B (7:30am to 3:30 pm)(5 employees) and Day C (8am to 4 pm)(14 employees). The evening shift (4pm to 12 am) will include 16 employees and the night shift (12am to 8 am) will include 8 employees. As a result, there will be a maximum of 30 employees on duty in the afternoon and 32 employees in the overlap between the night and day shifts. Vans used to transport clients to appointments and activities are maintained at the Applicant's facility located at 110 Irvington Avenue. They also transport residents from other buildings to this proposed facility for services. They will likely make a few trips a day to and from the proposed facility.
29. The Applicant agreed to schedule events so as to not overtax the parking. The Applicant also agreed to conduct a study every two years, commencing two years after the issuance of the Certificate of Occupancy to confirm that the proposed parking is adequate. The study will be conducted by a consultant retained by the Applicant but reviewed and confirmed by the Board engineer. If the parking on-site is not adequate, then the Applicant shall implement a plan for employees to park at off-site facilities (either applicant or Village controlled), implement car-pooling or propose another alternative that will redirect parking in sufficient numbers to provide for adequate parking on-site, to the satisfaction of the

Board engineer.

30. In terms of traffic impact, the existing four buildings have four curb cuts. The proposed residential use will generate almost no vehicle trips. The existing JESPY facilities on the subject properties generate four trips in the AM peak hour and 9 trips in the PM peak hour and additional trips are generated from the structure currently housing a dental office on one of the lots that are the subject of this application.
31. As proposed, the number of current employees on these properties (18) will be increased to approximately 24 employees at the peak time. The four AM peak trips will increase to five trips and the nine PM peak trips will increase to 12 trips. In addition, there could be as many as three additional van trips to and from the property, for a total of 6 total new trips, which is not a significant increase in traffic volumes.
32. In terms of site circulation, there will be a one way access to the drop off area and a two way driveway to the five surface spaces and the garage. The applicant credibly demonstrated that this safe site circulation will be safe and efficient.
33. Pedestrian access will be provided through the main front entrance. A sidewalk/ crosswalk will be installed from the street to both the cellar and first floor levels. The grades of these walkways will satisfy ADA requirements. This access will be accomplished through an accessible walkway and ramp to the entrances. The crosswalk will be relocated to the West side of the intersection of Prospect Street and Milligan Place. Pedestrian safety during construction will be assured through the development, approval and implementation of a pedestrian safety plan.

34. With regard to landscaping, there are 36 existing trees on the site, nineteen of which are alien invasive trees and ten of the on-site trees are in poor condition. Other trees are off of the properties but are in close proximity. There are no street trees. All of the on-site trees are to be removed. The trees that are off site but close to the property line are typically alien invasive trees. The Applicant will nevertheless undertake steps to protect trees that are located on other properties. The Applicant shifted a sidewalk closer to the building to avoid impacted trees at or near the property line. As the result of changes during the course of the hearings to the exterior parking area, the Applicant was able to increase a landscape buffer and also improve sight distance.
35. The Applicant has proposed a rain garden in the exterior parking and loading area on the east side of the building, as well as pervious pavement for the patio in the rear and for the sidewalks.
36. An evergreen hedge is proposed on top of the modular block retaining walls to the sides and rear of the building. The Applicant also proposes a six foot high, earth tone PVC fence in these areas. Foundation plantings will also be included at the lower level and along the front of the building. Landscaping in the front of the property will also include annuals, perennials, shrubs and six street trees and a hedge. The street trees will be planted at 30 to 40 feet on center. As a condition of approval, the Applicant agreed to coordinate the final tree species selection with the Environmental Commission. The applicant also agreed to replace vegetation as it dies. The Municipal Land Use Law requires a two-year guarantee for the maintenance of the trees.
37. On the West side of the building, the Applicant proposes retaining walls and planted terraces. In the rear of the property

the applicant proposes a 2600 square foot landscaped flex space that can be used for multiple purposes, including staff activities, exercise space, picnics and other activities. The rear space will also include a patio with an area of approximately 345 square feet.

38. It is in this rear area where the “ground level green roof” will be installed, consisting of soil three feet deep with grass on top of the underground parking, with a storm water collection system.
39. In the interior courtyard, roof planters will be installed with depths of approximately 18 inches and plantings.
40. An emergency generator will be provided to operate the elevator, lights and controls for the doors. The generator will be tested once per week during business hours.
41. The grading and drainage plan demonstrates a reduction in peak runoff and volume, meeting applicable stormwater standards. The applicant will use porous pavement in some areas to reduce impervious coverage. Roof leaders will be connected to the proposed on-site stormwater system which will connect to the existing storm sewer in the street. The driveway pitches toward the garage so there will be a trench drain which connects to a catch basin adjacent to the rain garden.
42. Lighting will consist primarily of building and bollard lighting. All fixtures will be focused downward. Fixtures around the rooftop courtyard will be mounted 10 feet high as will all of the parking lot fixtures except for one fixture near the loading area which will be mounted at 12 feet. Emergency lighting will be installed but only turned on in the event of an emergency along the southeast façade of the building. The

surface parking area and driveways will be illuminated with a Colonial-style pole-mounted fixture. Bollards installed along the walks will have a light at the top with a downward focus. The Applicant will work with the Board engineer to determine if additional street lighting can be provided.

43. The project will have a number of features promoting sustainability. These features include the additional plantings and landscaping, consisting of native plants where possible. The aforementioned green infrastructure and solar panels will promote sustainability. Sustainable materials and pervious pavers will be used and there will be minimal, high-efficiency outdoor lighting.
44. There will be two signs with a total area of twelve square feet. The primary sign will be located over the main entrance. It will have an area of 10 square feet, less than the Ordinance maximum of 12 square feet. The second sign will be installed to the right of the main entrance and will have an area of two square feet, so that the total sign area meets the Ordinance requirement. The second sign and the number of colors on the sign require relief from this Board.

**NOW, THEREFORE**, based upon the foregoing findings of fact, the Board reaches the following conclusions of law.

1. The Applicant seeks the following relief:
  - a) under Ordinance Section 185, Attachment 3, a side yard setback variance is required on the West side of the property because a minimum setback of 15 feet is required, whereas 12.22 feet is proposed to the limits of a parking garage to be constructed below grade;
  - b) under Section 185, Attachment 3, a rear yard setback variance is required on the South side of the property

because a minimum setback of 25 feet is required, whereas 11.03 feet is proposed to the limits of the below-grade parking garage;

- c) under Section 185-174.A, a parking variance is required because a minimum of 131 spaces is required for the combined uses on the property and a six space credit is applicable for the six electric vehicle spaces provided, for a net parking requirement of 125 spaces, whereas the applicant is proposing to install 36 spaces;
- d) under Section 185-143.A.2.a, a variance is required because the Ordinance permits one sign whereas the applicant is proposing two signs; and
- e) a design waiver from section 185-141A.8 requiring a maximum of six colors on a sign whereas the applicant proposes nine colors.

2. The variances must be evaluated pursuant to the criteria set forth in N.J.S.A. 40:55D-70(c). Under subsection c(1), the Applicant must prove hardship (a) by reason of exceptional narrowness, shallowness, or shape of the specific piece of property, or (b) by reason of exceptional topographic conditions and physical features uniquely affecting a specific piece of property, or (c) by reason of an extraordinary situation uniquely affecting a specific piece of property or the structures lawfully existing thereon, the strict application of the applicable regulation would result in peculiar and exceptional practical difficulties to or exceptional and undue hardship upon the developer of such a property. The Applicant then must demonstrate that granting the relief requested will not be substantially detrimental to the public good and will not substantially impair the intent and purpose of the zone plan and zoning ordinance.

3. For a c(2) variance, the Applicant must prove that the purposes of the MLUL would be met by a deviation from the zoning ordinance requirement and that the variance can be granted

without substantial detriment to the public good and without substantial impairment to the intent and purpose of the zoning plan or zoning ordinance.

4. In this case, the setback variances are due to the distance between the property line and the underground parking structure, which will not be visible or impact upon light, air and open space. The setbacks are compliant at and above grade. Providing the underground parking within the setbacks permits the construction of additional parking. Because the primary purpose of setback requirements is to avoid visual impacts and impacts to light, air and open space, the construction of underground structures has no such impacts and thus is also consistent with the intent and purpose of the Ordinance.
5. Regarding the parking variance, the residential component of the project will generate virtually no parking demand because very few of the residents drive. The non-residential component is primarily related to the parking needs of staff. Applicant has addressed the accommodation of the vans by including the drop off area at the front of the building.
6. The Applicant has accepted several conditions on the granting of the parking variance. Based on the imposition of these conditions, the parking proposed will be adequate, will not cause a substantial detriment to the public good and is consistent with the intent and purpose of the Ordinance, which does not contemplate the unique parking aspects of this use. Furthermore, the Master Plan supports equity and enhanced quality of life for all Village residents and granting this variance so that this project may proceed supports this objective.
7. The variance and design waiver associated with the signs are de minimis relief that will not result in any detrimental impact and will provide appropriate and attractive identification.

**NOW THEREFORE** be it resolved by the Planning Board of South Orange Village that the application of JESPY House, Inc for property located at 102-110 Prospect Street, also known as Block 2017, Lots 16-19 is determined as follows:

1. The Board grants rear and side yard setback variances, parking variance and sign variance pursuant to N.J.S.A. 40:55D-70(c)(2);
2. The Board grants a design waiver for number of sign colors pursuant to N.J.S.A. 40:55D-51; and
3. The Board grants major preliminary and final site plan approval pursuant to N.J.S.A. 40:55D-46 and 50.

**AND IT IS FURTHER RESOLVED** that the above approval is subject to the following terms and conditions:

1. The Applicant shall comply with all applicable Village, County and State laws, ordinances, regulations and directives, including without limitation, obtaining all applicable local and state approvals and/or permits.
2. In the event that any other required regulatory approval conflicts with the terms and conditions hereof, or materially alters the same, or the terms and conditions hereof are materially altered by any change in applicable law or regulation other than those municipal regulations for which change is prohibited by the Municipal Land Use Law (MLUL), or in the event Applicant or its successors or assigns construct or attempt to construct any improvement in conflict with or in violation of the terms of this approval, the Board hereby reserves the right to withdraw, amend or supplant the instant approval.

3. The Applicant shall pay all outstanding taxes, application fees, technical review fees and inspection fees that may be required hereunder. The Applicant shall pay any additional fees or escrow deposits which may be due and owing within ten (10) days of notification.
4. If the Applicant desires to make any changes to the final plans, regardless of whether any such change is material or non-material, the Applicant shall request approval therefor by written application to the Board's Administrative Officer, which application shall clearly identify each change proposed. The Administrative Officer shall determine whether each such change is "material" or "non-material". Changes determined by the Administrative Officer to be non-material shall be automatically approved. Material changes shall require an application for amended approval to be filed with the Board. Failure to comply with this condition may be sufficient grounds for withholding any certificate of occupancy or revocation of any previously issued certificate of occupancy pursuant to N.J.A.C. 5:23, Uniform Construction Code of New Jersey.
5. All construction, use and development of the property shall be in conformance with the plans approved herein, all representations of the Applicant and its witnesses during the public hearing, all exhibits introduced by the Applicant, and all terms and conditions of this resolution, all of which have been relied upon by the Board in rendering its decision. The Applicant shall be bound to comply with the representations made before this Board by the Applicant and its professionals and the conditions imposed by the Board at the public hearing and the same are incorporated herein and are representations upon which this Board has relied in granting the approval set forth herein and shall be enforceable as if those representations were made conditions of this approval.
6. Prior to the commencement of any land disturbance or construction,

revised plans incorporating all additions, amendments and corrections made a part of this approval as indicated during testimony and as required by the Board, the Board's professionals, and/or any other agency having jurisdiction in the matter, shall be submitted to the Zoning Officer, which will be distributed to the Board Professionals for Resolution Compliance Review and Approval. Additionally, the plans will incorporate all items from the professional reports unless otherwise specifically addressed in this resolution, will show an updated bulk chart with all variances and design waivers granted, and add notes to confirm compliance with conditions expressed within this resolution. All changes from the previously filed plans shall be clearly identified. Said plans and reports shall be delivered within sixty (60) days of (i) the date of this resolution, or (ii) receipt of final approval from all other agencies with jurisdiction over the project, whichever last occurs; provided, however, that in no event shall such revised plans and reports be submitted more than one hundred eighty (180) days from the date of this resolution. In the event the Applicant does not comply with these deadlines, it shall apply to the Board for an extension. Errors and omissions by the Applicant in the submission process will not be deemed to be a valid basis for extension requests of the aforementioned timeframes. Construction permit(s) shall not be issued by the Building Department until the Zoning Officer determines that the construction documents submitted for permits conform to all Board approval requirements.

7. Except as modified by the Board, the Applicant will comply with all terms and conditions set forth in the reports of Greer Patras and Justin Cutroneo, Board planners, dated March 28, 2024; August 14, 2024; and October 9, 2024; and the reports of Eric Keller, Board engineer, dated December 4, 2023; December 28, 2023; February 19, 2024; July 9, 2024; and October 7, 2024.

8. The Applicant will obtain approval from all other governmental agencies whose approval is required for the project, including but not limited to, South Orange Village and the County of Essex Planning Board and Health Department, and the Soil Conservation District.
9. The Applicant shall provide a plan identifying the routes of trucks carrying soil from the site, which shall be coordinated with and reviewed by the Board engineer.
10. The Applicant shall coordinate landscaping species selection with the Environmental Commission and Board Engineer.
11. Additional street trees will be planted across Prospect Street from the subject property (likely three trees) and along Milligan Place (likely five trees), to be coordinated with the Environmental Commission and Board professionals.
12. Evergreen shrubs will be added to shield the front yard retaining walls.
13. All planters in the rooftop courtyard will have an 18-inch minimum depth.
14. All ground-mounted and rooftop-mounted equipment shall be screened, with details depicted on the revised plans. Testing of the generator will be limited to once per week during business hours.
15. The Applicant shall work with the Board engineer to determine if additional street lighting should reasonably be provided along the frontage.
16. The lights on the East façade adjacent to Lots 21 and 22 are to be lit only in emergencies.

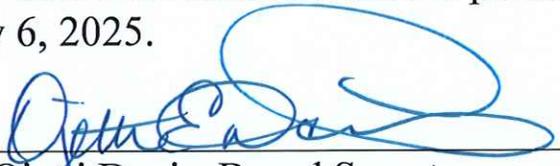
17. A mural or other aesthetic improvement will be added on the interior garage wall opposite the ADA-compliant spaces and the EV parking spaces.
18. A pedestrian cross walk and signage in accordance with MUTCD standards shall be installed in connection with the Prospect Street crosswalk at Milligan Place, which is to be relocated to the west side of the intersection.
19. A pedestrian safety plan shall be prepared, incorporated into the plan set, and subject to Board Engineer review and approval prior to construction. Sidewalks and streets will not be blocked unless necessary to accomplish a special construction objective and will be reopened as soon as safe to do so during construction.
20. The Applicant shall fund an engineering study to be performed by the Village to determine whether a pedestrian warning device, like a flashing beacon or similar device, should be installed at the crosswalk, and if so, it shall be installed at Applicant's expense.
21. The Applicant shall prepare a truck maneuvering plan for an emergency vehicle, to the satisfaction of the Board engineer.
22. The Applicant shall install a gate, no more than four feet in height to restrict access to the rear yard of the building.
23. The garage gate will be closed at 8 PM until 8AM and during these times, the gate will be activated by card, fob or similar type of access control. Provisions will be made for garage access by emergency services.
24. The Applicant shall provide utility will-serve letters.

25. The Applicant shall coordinate with utilities for overhead electric removal and new pole locations/service lines.
26. The Applicant shall provide a Deed of lot consolidation for review and approval by the Board attorney and engineer and shall obtain a new Block and Lot number from the Tax Assessor.
27. The Applicant shall provide the Board professionals with a copy of the survey for Lot 19.
28. The Applicant shall submit a stormwater maintenance manual for review and approval by the Board engineer.
29. The Applicant shall submit a revised stormwater management report for review and approval by the Board engineer, including reconciliation and coordination of prior impervious coverage calculations.
30. The Applicant shall submit a detail of the sign proposed for the package drop off area.
31. The Applicant shall revise the plans to show the relocated fire hydrant and obtain approval for same from the Fire Chief.
32. The Applicant shall submit an updated earthwork analysis to address the comments of the Board engineer on same.
33. To address a comment from the HPC, the Applicant shall incorporate building details from the existing buildings into artwork for the completed building and include a plaque depicting/describing the structures to be demolished.

34. The Applicant shall provide an engineer's cost estimate, including a separate bond estimate for improvements to be constructed in the public right of way.
35. The Applicant will post a bond for work in the right of way and execute a Developer's Agreement for any such work.
36. The Applicant shall comply with all applicable requirements related to affordable housing, including entering into appropriate agreements with the Village and Deed Restrictions to ensure that twenty percent (20%) of the residential units will be reserved as affordable housing.
37. There will be no parking of JESPY-owned vans during overnight hours on-site.
38. Staff hours will be staggered in a manner consistent with the testimony.
39. Applicant shall provide an engineer's certification, including an as-built confirming all building setbacks.
40. The Applicant shall conduct a parking study every two years, commencing two years after the issuance of the Certificate of Occupancy to confirm that the proposed parking is adequate. The study will be conducted by a consultant retained by the Applicant but reviewed and confirmed by the Board engineer. If the parking on-site is not adequate, then the Applicant shall implement a plan for employees to park at off-site facilities (either applicant or Village controlled), implement car-pooling or propose another alternative that will redirect parking in sufficient numbers to

provide for adequate parking on-site, to the satisfaction of the Board engineer.

The undersigned secretary certifies that this decision was made by this Board on November 4, 2024 and memorialized herein pursuant to N.J.S.A. 40:55D-10(g) on January 6, 2025.

  
 Ojetti Davis, Board Secretary

Vote on Action Taken by the Board

FOR: 7

AGAINST: 1

ABSTAIN:

Board Member(s) Eligible to Vote:

| BOARD MEMBER     | MOTION | SECOND | AYE | NAY | ABSTAIN | ABSENT |
|------------------|--------|--------|-----|-----|---------|--------|
| BUSCH-VOGEL      |        | X      | X   |     |         |        |
| COLTON-MAX (Ch.) | X      |        | X   |     |         |        |
| HARRIS           |        |        | X   |     |         |        |
| DORAN            |        |        |     | X   |         |        |
| MILLER (V. Ch.)  |        |        | X   |     |         |        |
| KRAIKER          |        |        | X   |     |         |        |
| HOUSE            |        |        | X   |     |         |        |
| MORIN            |        |        | X   |     |         |        |

Vote on Memorialization of Resolution:

| <b>BOARD MEMBER</b> | <b>MOTION</b> | <b>SECOND</b> | <b>AYE</b> | <b>NAY</b> | <b>ABSTAIN</b> | <b>ABSENT</b> |
|---------------------|---------------|---------------|------------|------------|----------------|---------------|
| BUSCH-VOGEL         |               |               | X          |            |                |               |
| COLTON-MAX<br>(Ch.) |               |               | X          |            |                |               |
| HARRIS              | X             |               | X          |            |                |               |
| DORAN               |               |               |            |            |                |               |
| MILLER (V. Ch.)     |               | X             | X          |            |                |               |
| KRAIKER             |               |               |            |            |                | X             |
| HOUSE               |               |               | X          |            |                |               |
| MORIN               |               |               | X          |            |                |               |



**Appendix F – Resolution of intent to fund cost of municipality’s municipally sponsored affordable housing development as well as its rehabilitation program**

TOWNSHIP OF SOUTH ORANGE VILLAGE

RESOLUTION AUTHORIZING APPROPRIATING FUNDS OR BOND IN THE EVENT OF  
A SHORTFALL IN FUNDING FOR THE TOWNSHIP'S RENTAL REHABILITATION  
PROGRAM

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

WHEREAS, the Village simultaneously, and ultimately secured, a protective order providing South Orange immunity from all exclusionary zoning lawsuits while it pursues approval of its Housing Element and Fair Share Plan, which is still in full force and effect; and

WHEREAS, the Village adopted a Housing Element and Fair Share Plan on or about January 6, 2020; and

WHEREAS, the Village has prepared a Spending Plan consistent with N.J.A.C. 5:97-8.1 – 8.14 and P.L. 2008, c.46; and

WHEREAS, in the event the funding sources as identified in the Spending Plan prove inadequate to complete the affordable housing programs included in the Village's Housing Element and Fair Share Plan, and any future amendments thereof; and to the extent permitted by law, the Village shall provide sufficient funding to address any shortfalls.

NOW THEREFORE BE IT RESOLVED, by the Board of Trustees of the Township of South Orange Village in the County of Essex, and the State of New Jersey, that the Village does hereby agree to appropriate funds or authorize the issuance of debt to fund any shortfall in its rental rehabilitation program that may arise whether due to inadequate funding from other sources or for any other reason; and

BE IT FURTHER RESOLVED that the Village may repay debt through future collections of development fees and in-lieu contributions, as such funds become available; and

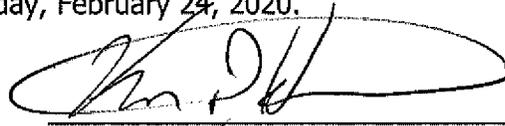
BE IT FURTHER RESOLVED that the Mayor (or her designee), Village Administrator, and Village Clerk are authorized and designated to execute any and all necessary documents in order to implement the intent of this Resolution.

# # #

| Trustee Member   | Motion | Second | Ayes | Nays | Abstain | Absent |
|------------------|--------|--------|------|------|---------|--------|
| Clarke           |        |        | X    |      |         |        |
| Coallier         |        |        | X    |      |         |        |
| Hartshorn-Hilton |        |        | X    |      |         |        |
| Jones            | X      |        | X    |      |         |        |
| Schnall          |        |        | X    |      |         |        |
| Zuckerman        |        | X      | X    |      |         |        |

CERTIFICATION

I, Kevin D. Harris, Village Clerk of the Township of South Orange Village, County of Essex, State of New Jersey, do hereby certify that this is a true and correct copy of the Resolution adopted by the Board of Trustees at their meeting held on Monday, February 24, 2020.



Kevin D. Harris  
Village Clerk

**Appendix G – Copies of resolutions appointing Administrative Agent(s) and ordinance creating the position of and appointing the Municipal Affordable Housing Liaison**

TOWNSHIP OF SOUTH ORANGE VILLAGE

**RESOLUTION APPOINTING CGP&H AS THE ADMINISTRATIVE AGENT FOR THE  
TOWNSHIP OF SOUTH ORANGE VILLAGE**

WHEREAS, under authorization of the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301, et seq.), the Township of South Orange Village is implementing a program to provide affordable housing units to low-and moderate-income households within the Township; and

WHEREAS, the Township’s Affordable Housing Ordinance, found in Article XXXVIII of the Township’s Code, sets forth the duties of the administrative agent pursuant to N.J.A.C. 5:80-26.14, 16 and 18, that requires the affordability controls of affordable housing units be administered by an administrative agent acting on behalf of a municipality; and

NOW THEREFORE BE IT RESOLVED, the Governing Body of the Township of South Orange Village, County of Essex, that CGP&H is hereby appointed by the Township Committee of South Orange as the Administrative Agent for the administration of the affordable housing program, pursuant to and in accordance with Article XXXVIII of the Code of the Township of South Orange Village, in an amount not to exceed \$30,000.00

**CERTIFICATION OF AVAILABLE FUNDS**

As required by N.J.S.A. 40A:4-57, N.J.A.C. 5:34-5.1 et seq. and any other applicable requirement, I, Christopher Battaglia, Chief Financial Officer of the Township of South Orange Village, have ascertained that there are available sufficient uncommitted funds in the line item specified below to award the contract specified in the above resolution, in the amount specified below. I further certify that I will encumber these finds upon the passage of this resolution.

---

Line Item Amount

---

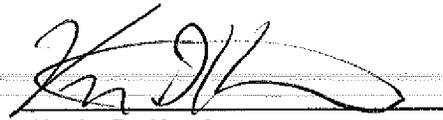
Christopher Battaglia, CFMO Date

# # #

| Trustee Member   | Motion | Second | Ayes | Nays | Abstain | Absent |
|------------------|--------|--------|------|------|---------|--------|
| Clarke           |        |        | X    |      |         |        |
| Coallier         |        |        | X    |      |         |        |
| Hartshorn Hilton |        |        | X    |      |         |        |
| Jones            | X      |        | X    |      |         |        |
| Schnall          |        |        | X    |      |         |        |
| Zuckerman        |        | X      | X    |      |         |        |

CERTIFICATION

I, Kevin D. Harris, Village Clerk of the Township of South Orange Village, County of Essex, State of New Jersey, do hereby certify that this is a true and correct copy of the Resolution adopted by the Board of Trustees at their meeting held on February 24, 2020.

A handwritten signature in black ink, appearing to read 'Kevin D. Harris', written over a horizontal line.

Kevin D. Harris  
Village Clerk

**SOUTH ORANGE VILLAGE**  
**Municipal Offices**  
 76 South Orange Ave  
 Suite 302  
 South Orange  
 Essex County  
 New Jersey 07079

www.southorange.org  
 P 973.378.7715  
 F 973.763.0987



## **RESOLUTION #2024-102**

**March 25, 2024**

### **RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWNSHIP OF SOUTH ORANGE VILLAGE, ESSEX COUNTY, NEW JERSEY, ENDORSING AN AMENDED HOUSING ELEMENT AND FAIR SHARE PLAN**

**WHEREAS**, pursuant to N.J.A.C. 5:94-7 and N.J.A.C. 5:80-26.1 et seq., the Township of South Orange Village is required to appoint a Municipal Housing Liaison for the administration of the Village's affordable housing program to enforce the requirements of N.J.A.C. 5:94-7 and N.J.A.C. 5:80-26.1 et seq.; and

**WHEREAS**, the Village's Affordable Housing Ordinance sets forth the duties of the Municipal Housing Liaison in which the Municipal Housing Liaison is required to oversee the Village's affordable housing programs; and

**WHEREAS**, pursuant to N.J.A.C. 5:93-1 et seq. and N.J.A.C. 5:80-26.1 et seq. the Township of South Orange Village is required to appoint a Municipal Housing Liaison for administration of the Village's affordable housing programs to enforce the requirements of N.J.A.C. 5:93-1 et seq. and N.J.A.C. 5:80-26.1 et seq.

**NOW THEREFORE BE IT RESOLVED**, by the Board of Trustees of the Township of South Orange Village, County of Essex, State of New Jersey, that Greer Patras is hereby appointed as the Municipal Housing Liaison for the administration of the affordable housing program, pursuant to and in accordance with Article XXXVIII of the Code of the Township of South Orange Village.

| <b>Trustee Member</b> | <b>Motion</b> | <b>Second</b> | <b>Ayes</b> | <b>Nays</b> | <b>Abstain</b> | <b>Absent</b> |
|-----------------------|---------------|---------------|-------------|-------------|----------------|---------------|
| Brown                 |               |               | X           |             |                |               |
| Greenberg             |               |               |             |             |                | X             |
| Haskins               |               |               | X           |             |                |               |
| Hartshorn Hilton      |               | X             | X           |             |                |               |
| Jones                 | X             |               | X           |             |                |               |
| Lewis-Chang           |               |               | X           |             |                |               |



**CERTIFICATION**

I, Ojetti E. Davis, Village Clerk of the Township of South Orange Village, County of Essex, State of New Jersey, do hereby certify that this is a true and correct copy of the Resolution adopted by the Board of Trustees at their regular meeting held on Monday, March 25, 2024.

A handwritten signature in blue ink, appearing to read "Ojetti E. Davis", is written over a horizontal line.

Ojetti E. Davis  
Village Clerk

## Appendix H – Village Home Improvement Program – Policies and Procedures Manual

# Home Improvement Program

Policies and Procedures Manual

## *Township of South Orange Village*

*Created 12-8-21*

Prepared by:



1249 South River Road, Suite 301  
Cranbury, NJ 08512-3633  
609/664-2769 [www.cgph.net](http://www.cgph.net)

# Home Improvement Program

|                                                                                |    |
|--------------------------------------------------------------------------------|----|
| <b>I. INTRODUCTION</b>                                                         | 3  |
| A. Fair Housing and Equal Housing Opportunities                                | 3  |
| <b>II. ELIGIBLE PARTICIPANTS</b>                                               | 4  |
| A. Program Area                                                                | 4  |
| B. Categories of Participants                                                  | 4  |
| C. Income Limits                                                               | 5  |
| D. Application Selection                                                       | 5  |
| <b>III. ELIGIBLE ACTIVITIES</b>                                                | 7  |
| A. Eligible Improvements                                                       | 7  |
| B. Ineligible Improvements                                                     | 8  |
| C. Rehabilitation Standards                                                    | 8  |
| D. Certifications of Substandard/Standard                                      | 8  |
| <b>IV. FUNDING TERMS FOR OWNER OCCUPIED AND INVESTOR OWNED UNITS</b>           | 9  |
| A. Terms and Conditions for Owner Occupied Units                               | 9  |
| B. Terms and Conditions on Owner-Occupied Multi-Family Rental Units            | 10 |
| C. Terms and Conditions on Investor-Owned Multi-Family Rental Units            | 11 |
| D. Special Needs Waivers for Higher Cost Rehabilitation Projects               | 12 |
| E. Use of Recaptured Program Funds                                             | 13 |
| <b>V. IMPLEMENTATION PROCESS</b>                                               | 13 |
| A. Application/Interview                                                       | 13 |
| B. Eligibility Certification                                                   | 13 |
| C. What is Considered Income                                                   | 14 |
| D. What is Not Considered Income                                               | 14 |
| E. How to Verify Income                                                        | 15 |
| F. Additional Income Verification Procedures                                   | 16 |
| G. Other Eligibility Requirements                                              | 16 |
| H. Requirements of Property Taxes and Municipal Utilities Account Paid Current | 17 |
| I. Sufficient Equity and Carrying Cost                                         | 17 |
| J. House Conditions:                                                           | 17 |
| K. Eligibility Scenarios of Multi-Family Structures                            | 18 |
| L. Eligibility Certification                                                   | 18 |
| M. Housing Inspection/Substandard Certification/Work Write Up/Cost Estimate    | 19 |
| N. Contractor Selection                                                        | 19 |

|              |                                                                                                             |           |
|--------------|-------------------------------------------------------------------------------------------------------------|-----------|
| O.           | Pre-Construction Conference/Contract Signing.....                                                           | 20        |
| P.           | Initiate Township Voucher.....                                                                              | 21        |
| Q.           | Progress Inspections.....                                                                                   | 21        |
| R.           | Change Orders.....                                                                                          | 22        |
| S.           | Final Inspection.....                                                                                       | 22        |
| T.           | Payment Structure and Process.....                                                                          | 23        |
| U.           | Standard Certification.....                                                                                 | 24        |
| V.           | Record Mortgage Documentation .....                                                                         | 25        |
| W.           | File Closing .....                                                                                          | 25        |
| X.           | Requests for Subordination or Program Loan Payoff .....                                                     | 25        |
| <b>VI.</b>   | <b>CONTRACTOR REQUIREMENTS AND RECRUITMENT .....</b>                                                        | <b>25</b> |
| A.           | Marketing .....                                                                                             | 25        |
| B.           | Contractor Qualifications.....                                                                              | 26        |
| <b>VII.</b>  | <b>Lead Based Paint (LBP): .....</b>                                                                        | <b>27</b> |
| <b>VIII.</b> | <b>Rental Procedures:.....</b>                                                                              | <b>27</b> |
| A.           | Determining Initial Affordable Rents.....                                                                   | 27        |
| B.           | Pricing by Household Size.....                                                                              | 28        |
| C.           | Determining Rent Increases .....                                                                            | 28        |
| <b>IX.</b>   | <b>MARKETING STRATEGY .....</b>                                                                             | <b>29</b> |
| <b>X.</b>    | <b>MAINTENANCE OF RECORDS AND CLIENT FILES.....</b>                                                         | <b>30</b> |
| A.           | Programmatic Recording.....                                                                                 | 30        |
| B.           | Participant Record Keeping .....                                                                            | 30        |
| C.           | State Reporting.....                                                                                        | 31        |
| D.           | Financial Recordkeeping .....                                                                               | 32        |
| <b>XI.</b>   | <b>HOUSING ADVISORY COMMITTEE AND APPEALS PROCESS.....</b>                                                  | <b>32</b> |
| <b>XII.</b>  | <b>CONCLUSION .....</b>                                                                                     | <b>33</b> |
|              | <b>APPENDIX A - LIST OF PROGRAM FORMS .....</b>                                                             | <b>34</b> |
|              | <b>APPENDIX B – Approved Calculation of Annual Increases to Income Limits, Resale Prices and Rents.....</b> | <b>35</b> |

# Home Improvement Program

## *Polices & Procedures Manual*

### I. INTRODUCTION

The purpose of this document is to establish policies, guidelines and procedures which will govern the Home Improvement Program (HIP). The HIP was created by the Township to assist properties occupied by very low, low and moderate-income households to correct all existing interior and exterior health, safety and code violations in conformity with the standards of the New Jersey State Housing Code, N.J.A.C. 5:28 and the Rehabilitation Subcode, N.J.A.C. 5:23-6. Additionally, the HIP was designed to fulfill South Orange Village's rental and owner rehabilitation obligation, as found in the Township's Settlement Agreement entered into between the Township and Fair Share Housing Center (FSHC) on May 17, 2019, as well as in the Township's Housing Element and Fair Share Plan (HEFSP). The HIP is guided by N.J.A.C. 5:93-5.2 and is subject to all laws, regulations, ordinances, and codes of the New Jersey Department of Community Affairs (DCA) and the Township of South Orange Village <sup>1</sup>. The Township of South Orange Village has contracted with Community Grants, Planning & Housing LLC (CGP&H), a private consulting firm specializing in the implementation of publicly-funded housing rehabilitation programs, to manage and administer the HIP. The Program's funding source will be municipal affordable housing trust fund. If the funding source changes, the manual will be updated to reflect the change as well as changes to regulation requirements, if any.

#### **A. Fair Housing and Equal Housing Opportunities**

It is unlawful to discriminate against any person making application to participate in the housing rehabilitation/home improvement programs or rent a unit with regard to race, creed, color, national origin, ancestry, age, marital status, affectional or sexual orientation, familial status, disability, nationality, sex, gender identity or expression or source of lawful income used for mortgage or rental payments.



For more information on discrimination or if anyone feels they are a victim of discrimination, please contact the New Jersey Division on Civil Rights at 1-866-405-3050 or <http://www.state.nj.us/lps/dcr/index.html>. Fair Housing and Equal Housing Opportunities apply to both owner and tenant applications.

<sup>1</sup> The HIP is guided by N.J.A.C. 5:93 except for the length of affordability controls for both owner- and renter-occupied (10 years, not six (6) years) and except for the required average hard cost expenditure (\$10,000, not \$8,000).

## II. ELIGIBLE PARTICIPANTS

### A. Program Area

The HIP is a Township wide program currently aimed at scattered site housing rehabilitation of housing occupied by very low, low and moderate-income households throughout the Township of South Orange Village.

### B. Categories of Participants

Both owner-occupied and renter-occupied housing units are eligible to receive funding for rehabilitation provided that the occupants of the units are determined to be income eligible, the units are determined to be substandard and for primary residency only. Owners of rental properties do not have to be income eligible households. If a structure contains two or more units and an owner, who is not income eligible, occupies one unit, funding may be provided for the rehabilitation of the rest of the units if income-eligible households occupy those units. Rents must be affordable to low- or moderate-income households.

For housing units which received past affordable housing state credit, the following rules for repeat assistance shall apply.

- An owner of a previously rehabbed unit may apply for current rehab assistance if the unit was rehabbed prior to 2010 and the affordability period has expired.
- An owner of an existing affordable deed restricted ownership unit with an active deed restriction that is currently meeting a Round 1 or Round 2 credit may apply for current rehab assistance for the municipality to obtain a Round 3 present need credit, unless the affordable housing deed restriction received a new affordable housing credit during Round 3 due to extended controls.
- Housing units which the municipality received an affordable housing credit in Round 3 in any category are not eligible for additional assistance from the Township's housing rehabilitation program during Round 3.

Basically, a municipality cannot double dip credits on a unit within the same affordable housing Round.

### **C. Income Limits**

Household income is defined as the combined annual income of all family members over 18 years of age including wages, Social Security, disability insurance, unemployment insurance, pensions, dividend/interest income, alimony, etc. Each unit's total household income must fall within or below the State's moderate-income limits based on family size.

Since the 2015 NJ Supreme decision declaring COAH nonfunctioning, it is now left to the local court vicinages to approve income, sales and rental increases using similar methodologies that were employed by COAH.

The income limits and applicable methodology are in Appendix B, and the plan for properly amending median incomes and rental increases every year going forward until or unless COAH or another state entity becomes functional again is also included in Appendix B at the end of this manual. The Program Administrator will ensure that the annual chart in Appendix B is updated whenever updates become available.

If at any time, COAH (or a successor administrative agency duly empowered by an amendment to the Fair Housing Act) begins to issue updated annual income limits and rules for increasing sales prices and rent levels each year, said updated income limits and rules for increasing sales prices and rent levels each year may be used instead of the methodology set forth herein.

### **D. Application Selection**

At program start-up, and if and when the homeowner intake demand exceeds the number of openings, applications will be prioritized based on the reported income of the household as a percentage of the maximum allowable income for households of that size. This will give priority to the lowest income applicants and assist the municipality in reaching its goal of providing assistance to a minimum of 50% of the properties comprising of low income households.

Otherwise, the Program will process new applicants added to the waiting list/applicant pool on a first-come, first served basis, to qualified applicants. If and when there is a waiting list, priority will be given to homeowners with less than \$250,000 in liquid assets. Assets in federally recognized retirement accounts do not apply to the liquid asset limit. The HIP will establish the waiting list from the program marketing efforts identified in Section IX of this manual.

#### ***Emergency Processing Order***

Properties with safety and/or health hazards, confirmed/certified as an emergency by the municipal Construction Official or Health Department, can by-pass the first-come, first served process however they must meet all the other program requirements including income eligibility and bringing the unit up to code.

The Program Administrator shall determine that an emergency situation exists based on the following:

- A. The repair problem is an immediate and serious threat to the health and safety of the building's residents
- B. The problem has been inspected and the threat verified by the appropriate local building inspector and/or health official

Depending on the type and extent of the emergency and with the homeowner's permission, the Program may by-pass the standard contractor proposal process outlined in *Section V sub-section N* to expedite the proposal/contractor selection process. Instead the Program may have a proven qualified contractor familiar with the Program present at the initial property inspection with the homeowner to count as the contractor's site visit. This will allow for a quick turn-around on emergency scope of work to be contracted on a single quote basis. To be awarded the emergency work, the contractor's proposal must be determined to be a reasonable cost based on the Program Inspector's cost estimate and the contractor must commit to a tight timeline to resolve the emergency situation. This emergency process may apply to heavily leaking roofs, inoperable heating systems during the winter months, immediately hazardous electrical systems and/or blocked sewer lines unresolvable to unclog via a simple service call for under \$1,000.

Please note that the loan agreement will state that if the homeowner takes the emergency funds to abate the safety/health hazards and then subsequently decides to voluntarily remove themselves from participation in the Township's Home Improvement Program to complete the non-emergency substandard code violation components of their project, essentially negating any opportunity for the municipality to gain credit for a fully rehabilitated home for this unit, those public funds used for the emergency shall be immediately due and payable back to the Township.

To address this potential, any homeowner receiving emergency funds will also be required to execute a statement indicating that the Township will place a lien on the property assisted for the Township to recapture the emergency funds, to be repaid with interest, based on the monthly average mortgage loan commitment rates at the time of closing in the event of noncompliance.

### III. ELIGIBLE ACTIVITIES

#### A. Eligible Improvements

The purpose of the program is to bring substandard housing up to code. In order to qualify for participation in the program, the condition of each home must be certifiable as being "substandard" as defined in N.J.A.C. 5:93-1.3.

In other words, at least one of the following major systems must be in need of replacement or substantial repair:

- Roof
- Plumbing (including wells)
- Heating
- Electrical
- Sanitary plumbing (including septic systems)
- Load bearing structural systems
- Weatherization (building insulation for attic, exterior walls and crawl space, siding to improve energy efficiency, replacement storm windows and storm doors and replacement windows and doors)

The related work may include, but not be limited to the following:

- Lead paint remediation
- Interior trim work
- Interior and/or exterior doors
- Interior and/or exterior hardware
- Window treatment
- Interior stair repair
- Exterior step repair or replacement
- Porch repair
- Wall surface repair
- Painting
- Exterior rain carrying system repair

**B. Ineligible Improvements**

Work not eligible for program funding includes but is not limited to luxury improvements (improvements which are upgrades/higher than mid-grade and/or strictly cosmetic), carpets, additions, conversions (basement, garage, porch, attic, etc.), repairs to structures separate from the living units (detached garage, shed, barn, etc.), furnishings, pools, landscaping, solar panels and generators. If determined unsafe, stoves may be replaced. The replacement or repair of other appliances is prohibited.

Rehabilitation work performed by property owners shall not be funded under this program.

**C. Rehabilitation Standards**

Funds are to be used for work and repairs required to make the unit standard and abate all interior and exterior violations of the New Jersey State Housing Code, N.J.A.C. 5:28 and the Rehabilitation Subcode, N.J.A.C. 5:23-6, and Chapter 237 of the municipality's local property maintenance code adopted by the municipality or ordinance (of which the more restrictive requirements will apply), conserve energy and remove health and/or safety hazards; and any other work or repairs, including finishing and painting, which are directly related to the above listed objectives. For projects that require construction permits, the rehabilitated unit shall be considered complete at the date of final approval pursuant to the Uniform Construction Code.

Municipal rehabilitation investment for hard costs shall average at least \$10,000 per unit, and include the rehabilitation of at least one major system, as previously defined under eligible improvements.

**D. Certifications of Substandard/Standard**

The Program Building Inspector will inspect the property to determine which systems, if any, are substandard in accordance with sub-section A above and issue a Certification of Substandard. Upon program construction completion, all code deficiencies noted in the inspection report must be corrected and rehabilitated units must be in compliance with the standards proscribed in sub-section C above upon issuance of a municipal certificate of completion/approval.

## IV. FUNDING TERMS FOR OWNER OCCUPIED AND INVESTOR OWNED UNITS

Funding will be provided on the following terms:

### A. Terms and Conditions for Owner Occupied Units

Table 1 Owner-Occupied Single Family Home Terms & Conditions

| Owner-Occupied Single Family Unit<br>Terms and Conditions of Loan |                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Minimum Loan Amount                                               | The municipality may rehabilitate substandard units that require less than \$10,000 of work, provided the municipal rehabilitation activity shall average at least \$10,000 per unit.                                                                  |
| Maximum Loan Amount                                               | \$10,000 per unit                                                                                                                                                                                                                                      |
| Interest Rate                                                     | 0% (No monthly payments)                                                                                                                                                                                                                               |
| Payment Terms:                                                    | 100% forgivable if homeowner maintains occupancy and title during the 10-year period. Original Principal is due if house is sold and/or title/occupancy changes years 1 through 10 except for <i>Exceptions to Loan Repayment Terms</i> section below. |
| Mechanism for Securing Loan                                       | Mortgage and Mortgage Note recorded against property                                                                                                                                                                                                   |

If the owner decides to sell the property, transfer title, or if the owner should die before the terms of the lien expire, the owner, heirs, executors or legal representatives must repay 100% of the original loan per the schedule above upon a title change. Rental of house is allowable under certain conditions subject to approval by the Administrative Agent.

Exceptions to Loan Repayment Terms above during the lien period:

1. If the loan transfers due to inheritance by a Class A beneficiary who will take occupancy upon death of Program mortgagee/Borrower and assume the lien (income eligibility not a requirement); or if by inheritance by a qualified income eligible non-Class A beneficiary, or
2. If the house is sold at an affordable price pursuant to UHAC to someone who can be qualified as income eligible, takes occupancy and agrees to assume the program lien, or

3. If the house is sold at an affordable price pursuant to UHAC to an investor who assumes the lien and also signs a deed restriction for the remaining duration of the affordability period to rent the dwelling at the affordability controls restricted rental rate and according to the affirmative marketing requirements for re-rentals. When this occurs, the Township's Administrative Agent will be responsible for monitoring compliance over that unit.

## B. Terms and Conditions on Owner-Occupied Multi-Family Rental Units

Table 2 Owner-Occupied Multi-Family Home Terms & Conditions

| <b>Owner-Occupied Multi-Family Including Tenant Unit(s)<br/>Terms and Conditions of Loan</b> |                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Minimum Loan Amount</b>                                                                   | The municipality may rehabilitate substandard units that require less than \$10,000 of work, provided the municipal rehabilitation activity shall average at least \$10,000 per unit.                                                 |
| <b>Maximum Loan Amount</b>                                                                   | \$10,000 per unit                                                                                                                                                                                                                     |
| <b>Interest Rate</b>                                                                         | 0% (No monthly payments)                                                                                                                                                                                                              |
| <b>Payment Terms</b>                                                                         | 100% forgivable if homeowner maintains occupancy and title during the 10 year period. Original Principal is due if not in compliance with affordability controls. Rental restrictions transfer with property. See Restrictions below. |
| <b>Mechanism for Securing Loan</b>                                                           | Mortgage, Mortgage Note and Deed Restriction recorded on property                                                                                                                                                                     |

The assisted housing unit(s) must be occupied by and affordable to a household that is certified as an income eligible household as per either the latest Income Limits by Region, or in compliance with the municipality's Settlement Agreement and Court Order, whichever is applicable

The owner will execute a Mortgage, Mortgage Note, and Deed Restriction, the latter which guarantees the continued availability of the rental unit to low or moderate-income households for the terms of the ten-year deed restricted affordability period. The affordability terms for the rental units do not expire even if the owner sells the property, transfers title to the property, or dies within the ten-year program deed restricted affordability period.

Moreover, if Program funds were expended on the owner-occupied unit, and the homeowner sells, transfers title, dies or is not in compliance during the ten-year deed restricted affordability

period, unless ownership is transferred to another low or moderate-income homeowner, any Program funds expended on work done on the owner’s individual unit along with a pro-rata portion of the shared improvements must be fully repaid to the Township and used to rehabilitate another housing unit.

**Additionally, for rental units in a multi-family owner-occupied home:**

For tenant units, the maximum permitted rent is pursuant to UHAC and subject to annual adjustment. If a unit is vacant upon initial rental subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the Deed Restriction shall require the unit to be rented to a low- or moderate- income household at an affordable rental price and will be affirmatively marketed by the Township designated Administrative Agent, in accordance with the Township of South Orange Village Affordable Housing Affirmative Marketing Plan. Landlords are responsible to pay income certification fees and affirmative marketing cost for re-rentals.

For information regarding future rental increases: Please refer to Section VIII C of this manual.

**C. Terms and Conditions on Investor-Owned Multi-Family Rental Units**

Table 3 Investor-Owned Terms & Conditions

| <b>Investor-Owned Multi-Family Unit<br/>Terms and Conditions of Loan</b> |                                                                                                                                                                                                             |
|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Minimum Loan Amount</b>                                               | Per N.J.A.C. 5:93-5.2, the municipality may rehabilitate substandard units that require less than \$8,000 of work, provided the municipal rehabilitation activity shall average at least \$10,000 per unit. |
| <b>Maximum Loan Amount</b>                                               | \$10,000 per rental unit                                                                                                                                                                                    |
| <b>Interest Rate</b>                                                     | 0% (No monthly payments)                                                                                                                                                                                    |
| <b>Payment Terms</b>                                                     | Owner pays 25% of rehab cost at construction agreement signing. 75% balance forgiven if in compliance with rental restrictions. Rental restrictions transfer with property. See restrictions below.         |
| <b>Mechanism for Securing Loan</b>                                       | Mortgage, Mortgage Note and Deed Restriction recorded against property                                                                                                                                      |

The ten-year affordability controls against the property will be recorded in a Deed Restriction. The property owner agrees to abide by the rental affordability controls for the life of the Deed Restriction. Additionally, the following conditions apply:

The assisted housing unit(s) must be occupied by and affordable to a household that is certified as an income eligible household as per either the latest Income Limits by Region, or in compliance with the municipality's Settlement Agreement and Court Order, whichever is applicable and as designated by unit in the Deed Restriction. The maximum permitted rent is determined by the Township's Administrative Agent and is pursuant to UHAC and subject to annual adjustment. A copy of the income figures for 2019, and the methodology for going forward, until the reinstatement of COAH or another state entity performing this function is included in Appendix B of this document.

Throughout the ten year affordability controls, if a rental unit is vacant upon initial rental subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the Deed Restriction shall require the unit to be rented to a low- or moderate-income household(as designated by unit in the Deed Restriction) at an affordable price and will be affirmatively marketed in accordance with the Township of South Orange Village Affordable Housing Affirmative Marketing Plan by the Township's current Administrative Agent at the rates and terms defined within that Agreement. Landlords are responsible to pay income certification fees and affirmative marketing costs for re-rentals.

The owner will execute a Mortgage, Mortgage Note and Deed Restriction, the latter which will guarantee the continued availability of the unit to income eligible households for the terms of the ten-year lien affordability period.

Throughout the ten-year deed restrictive period, the affordability terms do not expire even if the owner sells the property, transfers title to the property, dies, or rents to other than low or moderate-income renters, before the terms of the lien expire.

#### **D. Special Needs Waivers for Higher Cost Rehabilitation Projects**

In cases of housing rehabilitation costs exceeding the program maximum loan amounts listed in applicable Tables 1, 2 and 3 above:

- The Program will get confirmation of whether or not the homeowner can contribute personal funding.
- If needed, the Program will attempt to partner with other possible funding sources such as the Low Income Home Energy Assistance Program (LIHEAP) or the Essex County's Home Improvement Program.
- The Program reserves the right to make an exception and allow a reasonable additional expenditure per unit to address code violations. The Township will consider other situations for special needs waivers. Individual files will be reviewed on a case-by-case

basis. Upon Program and Township approval, a Special Needs Funding Limit Waiver may be issued.

- If no viable options, the case will have to be terminated.

### **E. Use of Recaptured Program Funds**

All recaptured funds will be deposited into a South Orange Village Township affordable housing trust fund in accordance with N.J.A.C. 5:93-8.15

## **V. IMPLEMENTATION PROCESS**

### **A. Application/Interview**

For each prospective applicant, this process starts with a homeowner either submitting an online preliminary application or the Housing Rehabilitation Specialist pre-qualifies the interested homeowner by phone, whichever is the homeowner's preference. The information is entered in the program applicant pool/waiting list. If the homeowner passes the preliminary criteria review, program information, guidelines, and an application package will be mailed or emailed to the applicant when their name is reached in the program's waiting list. Each prospective applicant is to complete the application and return it to the Housing Rehabilitation Specialist, along with the required verification documents. Upon receipt of the completed application package, a case file will be opened for the applicant and a case file number will be assigned to the unit. The Housing Rehabilitation Specialist will be available via a direct phone line to assist applicants during this and all other phases of the process. Additionally, as needed, a Housing Rehabilitation Specialist will be available for face to face prescheduled appointments. Once a case is assigned a number, the cases are processed in the order of receipt of completed applications.

### **B. Eligibility Certification**

To be eligible for assistance, households in each unit to be assisted must be determined to be income eligible. All adult members, 18 years of age and older, of both the owner household and tenant household (if any) must be fully certified as income-eligible before any assistance will be provided by the Program. The HIP will income qualify applicant, and when applicable tenant, households in accordance with N.J.A.C. 5:93-9 and the Uniform Housing Affordability Controls (UHAC) at N.J.A.C. 5:80-16.1 et seq., except for the asset test.

The following is a list of various types of wages, payments, rebates and credits. Those that are considered as part of the household's income are listed under Income. Those that are not considered as part of the household's income are listed under Not Income.

### **C. What is Considered Income**

The following income sources are considered income and will be included in the income eligibility determination:

- Wages, salaries, tips, commissions
- Alimony
- Regularly scheduled overtime
- Pensions
- Social security
- Unemployment compensation (verify remaining eligible number of weeks)
- TANF (Temporary Assistance For Needy Families)
- Verified regular child support
- Disability
- Net income from business or real estate
- Interest income from assets such as savings, certificates of deposit, money market accounts, mutual funds, stocks, bonds
- Imputed interest (using a current average annual rate of two percent) from non-income producing assets, such as equity in real estate. Rent from real estate is considered income, after deduction of any mortgage payments, real estate taxes, property owner's insurance.
- Rent from real estate is considered income
- Any other forms of regular income reported to the Internal Revenue Service

### **D. What is Not Considered Income**

The following income sources are not considered income and will not be included in the income eligibility determination:

- Rebates or credits received under low-income energy assistance programs
- Food stamps
- Payments received for foster care
- Relocation assistance benefits
- Income of live-in attendants
- Scholarships
- Student loans

- Personal property such as automobiles
- Lump-sum additions to assets such as inheritances, lottery winnings, gifts, insurance settlements
- Part-time income of dependents enrolled as full-time students
- Court ordered payments for alimony or child support paid to another household shall be deducted from gross annual income

### **E. How to Verify Income**

To calculate income, the current gross income of the applicant is used to project that income over the next 12 months. Income verification documentation should include, but is not limited to the following for each and every member of a household who is 18 years of age or older:

1. Four current consecutive pay stubs, including bonuses, overtime or tips, or a letter from the employer stating the present annual income figure or if self-employed, a current Certified Profit & Loss Statement and Balance Sheet.
2. A signed copy of regular IRS Form 1040 (Tax computation form), 1040A or 1040EZ (as applicable) and state income tax returns filed for the last three years prior to the date of interview or notarized tax waiver letter for respective tax year(s)- A Form 1040 Tax Summary for the past three tax years can be requested from the local Internal Revenue Service Center or by calling 1-800-829-1040.
3. If applicable, a letter or appropriate reporting form verifying monthly benefits such as:
  - Social Security or SSI – Current award letter or computer printout letter
  - Unemployment – verification of Unemployment Benefits
  - Welfare -TANF current award letter
  - Disability - Worker’s compensation letter or
  - Pension income (monthly or annually) – a pension letter
4. A letter or appropriate reporting form verifying any other sources of income claimed by the applicant, such as alimony or child support – copy of court order or recent original letters from the court (includes separation agreement or divorce papers) or education scholarship/stipends – current award letter;
5. Reports from the last two consecutive months that verify income from assets to be submitted by banks or other financial institutions managing savings and checking accounts (bank statements and passbooks), trust funds, money market accounts, certificate of deposit, stocks or bonds (In brokerage accounts – most recent statements

and/or in certificate form – photocopy of certificates), whole life insurance. Examples include copies of all interest and dividend statements for savings accounts, interest and non-interest bearing checking accounts, and investments;

6. Evidence or reports of income from directly held assets, such as real estate or businesses owned by any household member 18 years and older.
7. Interest in a corporation or partnership – Federal tax returns for each of the preceding three tax years.
8. Current reports of assets – Market Value Appraisal or Realtor Comparative Market Analysis and Bank/Mortgage Co. Statement indicating Current Mortgage Balance. For rental property attach copies of all leases.

## **F. Additional Income Verification Procedures**

### **1. Student Income**

Only full-time income of full-time students is included in the income calculation. A full-time student is a member of the household reported to the IRS as a dependent who is enrolled in a degree seeking program for 12 or more credit hours per semester; and part-time income is income earned on less than a 35-hour workweek.

### **2. Income from Real Estate**

If real estate owned by an applicant for affordable housing is a rental property, the rent is considered income. After deduction of any mortgage payments, real estate taxes, property owner insurance and reasonable property management expenses as reported to the Internal Revenue Service, the remaining amount shall be counted as income.

If an applicant owns real estate with mortgage debt, which is not to be used as rental housing, the Program Housing Rehabilitation Specialist should determine the imputed interest from the value of the property. The Program Housing Rehabilitation Specialist should deduct outstanding mortgage debt from the documented market value established by a market value appraisal. Based on current money market rates, interest will be imputed on the determined value of the real estate.

## **G. Other Eligibility Requirements**

Applicant to submit the following in the application package:

- Copy of current Homeowner's insurance declarations page (not the policy or receipt);
- Proof of flood insurance, if property is located in a flood zone;

- Copy of recorded deed to the property to be assisted;
- If deed co-holder resides at another location, provide proof of same (driver's license, etc);
- If widow or widower, copy of spouse's Death Certificate;
- Receipt for paid property taxes;
- Proof that all mortgage payments and, when applicable, Homeowner Association (HOA) Fees are paid current;
- Copy of any and all other liens recorded against the property;
- Personal identification (a copy of any of the following: Driver's License, Passport, Birth Certificate, Social Security Card, Adoption Papers, Alien Registration Card, etc.); and
- Original of signed Eligibility Release form.

Properties for sale are ineligible for program assistance as well as any property the homeowner plans to sell within the next two years.

#### **H. Requirements of Property Taxes and Municipal Utilities Account Paid Current**

All applicants' property tax, municipal sewer account and New Jersey American Water account must be paid current. The Program reserves the right to make an exception to the requirement of paid up property taxes and applicable utilities accounts. Individual files will be reviewed on a case-by-case basis. Upon approval by the appropriate municipal officials and the Program, a Special Needs Eligibility Requirements Waiver may be issued.

#### **I. Sufficient Equity and Carrying Cost**

Additionally, to be determined eligible, there must be sufficient equity in the home to cover the program lien. In other words, the market value of the house must be greater than the total of the existing liens and anticipated program lien combined. For the sake of this rule, the market value of the home will be calculated using the municipality's assessed value divided by the equalization ratio. All existing property liens (mortgage, home equity loan, etc.) are then deducted from the calculated house value to determine the current property equity. The Township may consider a Special Needs Waiver approved by the municipality on a case-by-case basis for limited equity, but not for negative equity. Additionally, the applicant's income shall be sufficient to meet the carrying costs of the unit or the homeowner is to demonstrate how the unit's carrying costs are funded. This will be reviewed on a case-by-case basis.

#### **J. House Conditions:**

All areas of the house must be readily accessible, uncluttered, and clean. This is in anticipation of the Program Inspector and contractors needs of proper and sanitary access for inspections and construction work progress.

If there are any repairs or renovations currently being undertaken on the home by others or the homeowner or done within the last few years that require or required municipal permits, the work must be completed and the permits closed out prior to the homeowner applying to the Program.

### **K. Eligibility Scenarios of Multi-Family Structures**

Several possibilities exist concerning the determination of eligibility in a multi-family structure.

**Scenario 1.** The Program Administrator determines that the owner is income eligible and the renters in each unit are income eligible. In this case, all of the units are eligible for rehabilitation.

**Scenario 2.** The Program Administrator determines that the owner is income eligible, but the renters are not. In this case, only the landlord's unit is eligible for rehabilitation. If a home improvement is undertaken which affects all the units in the house (e.g., replacement of a roof), the HIP will only cover a prorated percentage of the cost. For example, in a two-family home with units of approximately equal size, only 50% of the cost of roof replacement will be covered. Where units differ by more than 10% in size, the proration should be based on percentage of square footage within each unit compared to the total interior square footage of all other units in the structure. Shared common areas should not be counted in the denominator for the pro rata calculation.

**Scenario 3.** The Program Administrator determines that the owner is not income eligible, but the renters are. In this case, the rental units are eligible for rehab, but the owner's is not. If a rehab activity is undertaken which affects all of the units in the house (e.g., replacement of roof), the HIP will only cover a prorated percentage of the cost. For example, in a four-family home, only 75% of the cost of roof replacement would be covered. Where units differ in size, the proration is based on percentage of square footage.

If any of the conditions above apply to a particular applicant's case, CGP&H sends a letter that explicitly identifies which of the units is eligible for rehabilitation, as well as specifies any applicable percentage of the hard costs of rehabilitation between the Program and the homeowner. The homeowner's monetary contribution is to be paid prior to the start of construction at the preconstruction conference in the form of a money order or certified check made payable to the contractor. The payment is held by the Program until the work is satisfactorily completed, at which time the Program will release the payment to the contractor.

### **L. Eligibility Certification**

After the Program Administrator has determined that the household is income eligible and meets all other eligible requirements, the Program Manager will complete and sign the Eligibility Certification. This certification is valid for 180 days starting from date of eligibility certification. A

Construction Agreement must be signed within this time period. If not, the Program Administrator must reevaluate the household's eligibility.

After the household is certified as income eligible, the Homeowner/Program Agreement will be executed between the owner and the program.

If an applicant is determined ineligible, for any reason, the Program will issue a Notice of Ineligibility explaining the reason for the ineligibility determination and case termination.

### **M. Housing Inspection/Substandard Certification/Work Write Up/Cost Estimate**

The Program Inspector will perform a comprehensive inspection to determine what work items are necessary to bring the home up to code, as identified in section III C. Photos will be taken at the comprehensive inspection to document existing conditions. As a result of the comprehensive inspection, the Program Inspector will prepare a work write-up and cost estimate. All repairs needed to bring the home up to code will be identified. To the extent that the budget may permit, home weatherization will also be included. This work write-up will include a breakdown of each work item by category and by location in the house. The work write-up will contain information as to the scope of work and specifics on materials such as type, quantity and cost. A total cost estimate will be calculated for each housing unit. Improvements approved under the Program shall be based on the cost of mid-grade fixtures and materials. No upgrades from this standard shall be allowed. Only eligible rehab work will be funded by the Program. In the event that not all items can be accomplished due to program funding caps, the Program Inspector will establish a priority repair system which addresses the code violations before the non-code violations. The HIP's policy is to create Work Write-Ups and Cost Estimates that fall within the HIP funding caps. In unusual hardship cases and when the cost to correct all code violations exceeds the program funding limit, the HIP will seek the homeowner's monetary contribution. If the homeowner is unable to contribute funds or obtain funds from another funding source, the HIP will request additional funds from South Orange Village.

For houses built prior to 1978, refer to Section VII Lead Base Paint (LBP).

### **N. Contractor Selection**

The homeowner, with the approval of the Program Inspector, will select the contractor. The Housing Rehabilitation Specialist will provide the homeowner with a copy of the work write up and the Program Contractor List. The homeowner will complete the Work Write-Up Review Form indicating review and approval of the work write-up and advising of any contractors currently on the Program Contractor List that the homeowner does not wish to have notified of the availability of the proposal package. If the homeowner wishes to solicit a proposal from a contractor not

currently on the Program Contractor List, the homeowner will provide the contractor's name, address and telephone number on the Work Write-Up Review Form. Any contractors that have not been previously qualified are eligible to participate but must submit their qualifications as well as their proposal in the proposal package.

The Housing Rehabilitation Specialist will notify at least three (3) currently active contractors that a proposal package for the property is available. Each contractor must contact the Housing Rehabilitation Specialist to obtain a full proposal package and the contractor must submit a proposal to the Housing Rehabilitation Specialist by the submission deadline (usually within three (3) weeks of the date of the proposal notification letter). All submitted proposals will be opened and recorded by the Program Administrator at a meeting open to all interested parties.

The submitted proposals will be reviewed by the homeowner and the Program Inspector. Generally, the lowest responsible proposal from a qualified contractor will be chosen. If the homeowner selects a higher proposal, he/she must pay the difference between the chosen and the lowest responsible proposal.

The Housing Rehabilitation Specialist will forward the contractor award Bid Tabulation form to the Township for the Village Administrator and Purchasing Agent's authorization.

#### **O. Pre-Construction Conference/Contract Signing**

The Program Inspector will conduct a pre-construction conference with the homeowner and contractor. Prior to the pre-construction conference the homeowner will be provided with copies of the loan documents and the Construction Agreement and the contractor will be provided with a copy of the Construction Agreement for review. At the time of the pre-construction conference, the scope of work will once again be reviewed. The homeowner and contractor responsibilities will also be reviewed, as well as the Program's construction procedures and program limitations. The homeowner and contractor will each sign the Construction Agreement and receive copies. The homeowner will sign and receive copies of the Mortgage and Mortgage Note in the amount of the HIP subsidy. For rental properties, the property owner will also sign the Deed Restriction (COAH form Appendix E-3).

If the homeowner is providing any funds for the rehabilitation of his/her home, those funds must be provided at the time of the pre-construction conference in the form of a certified check or money order made payable to the contractor. The check will be held by the Program and will be applied towards the contractor's first progress payment.

The contractor will be provided with information regarding the Lead-Based Paint Poisoning Prevention Act (4a.USC 483 1 (b)). The homeowner will be advised of the hazards of lead base

paint in houses built prior to 1978 and provided with the EPA booklet Renovate Right. Both contractor and homeowner will each sign the respective Certifications. Additionally, for houses built prior to 1978, Section VII Lead Base Paint (LBP) applies.

Following the pre-construction conference, the Housing Rehabilitation Specialist will provide the Township with a copy of the Construction Agreement which includes an itemized price list of the work.

It is the contractor's responsibility to ensure all required permits are applied for prior to the start of construction and, if applicable, at the time of any change orders.

The construction permitting process is handled by the municipality's Construction office.

#### **P. Initiate Township Voucher**

Upon contractor award decision, the Township will provide the Housing Rehabilitation Specialist with a blanket purchase order for full amount and two purchase orders for future contractor payments for each case for the contractor to sign at the pre-construction conference at time of contract signing. The contractor's signed purchase orders will be held by the Housing Rehabilitation Specialist until construction progress is sufficient to submit to the municipality.

The Township voucher will be separated into two potential payments. The Program staff will match the payment request up with the Township voucher issued at the pre-construction conference and adjust the payment amount as per the inspection results. Ultimately upon construction completion, the payments will equal the full voucher amount plus or minus any change orders.

For each contractor's first award in a calendar year, the Housing Rehabilitation Specialist will provide the municipal applicable staff with the awarded contractor Business Registration Certificate (BRC) and W-9 form.

#### **Q. Progress Inspections**

The Program Inspector will make the necessary inspections of the progress of property improvements. Inspections are necessary to ensure that the ongoing improvements coincide with the scope of work outlined in the work write-up. It is the contractor's responsibility to notify the Program Inspector when a minimum of 40% of the total contract work is completed. The Program Inspector will schedule the inspection with the homeowner, at which time the Program Inspector will also obtain verbal confirmation from the homeowner that the work is ready for inspection.

If work passes the satisfactory progress inspection, the Housing Rehabilitation Specialist will follow the procedures spelled out in Section V subsection T *Payment Structure and Process* to process a contractor's progress payment request.

The Program Inspector will notify the contractor and the homeowner in writing of any work deficiencies discovered during the progress inspection. Work deficiencies must be corrected prior to the contractor's request for the next inspection.

For houses built prior to 1978, a work item marked EPA RRP Rule cannot be paid for until the contractor provides a post renovation report to the Program. Refer to Section VII Lead Base Paint (LBP) for the EPA regulation.

### **R. Change Orders**

If it is determined during rehabilitation that a change from the original work write-up is required, a Program Change Order Authorization form must be completed and approved by the homeowner, the contractor, the Program and the Township. The Housing Rehabilitation Specialist will forward the change order with the first three signatures to the Township for approval by the Village Administrator and the Purchasing Agent.

The contractor will be notified by the Housing Rehabilitation Specialist of the results, and no change order work should be undertaken by the contractor until he has received a copy of the fully executed Change Order Authorization or the contractor risks non-payment for the change order work.

### **S. Final Inspection**

Prior to requesting a final inspection, it is the contractor's responsibility to:

- Properly close out all the permits and to provide proof of closed out permits to the Housing Rehabilitation Specialist via the municipal Certificate of Approval;
- Deliver to the homeowner a complete release of all liens arising out of the Construction Agreement, a receipt in full covering all labor, materials and equipment for which a lien could be filed or a bond satisfactory to the owner indemnifying owner against any lien; and;
- Provide the homeowner with all applicable warranties for items installed and work completed during the course of the rehabilitation.

Once the contractor has provided the Housing Rehabilitation Specialist with all required job closeout forms, the contractor will be responsible to request the Program's final inspection. The

Program Inspector will schedule the final inspection with the homeowner, at which time the Program Inspector will also obtain verbal confirmation from the homeowner that the rehabilitation work has been completed and is ready for inspection. The Program Inspector will then conduct a final inspection to certify that the required property improvements are complete. The homeowner will be present during the final inspection and the contractor will be present if there are issues to resolve.

Construction progress on work line items will be inspected and considered for payment. If the work passes satisfactory final inspection, the Housing Rehabilitation Specialist will follow the procedures spelled out in Section V subsection T. *Payment Structure and Process* to process the contractor's final payment request.

For houses built prior to 1978, a work item marked EPA RRP Rule cannot be paid for until the contractor provides a post renovation report to the program. Refer to Section VII Lead Base Paint (LBP) for the EPA regulation.

If the Program Inspector identifies any work deficiencies during the final inspection, the Program Inspector will notify the contractor and the homeowner of the deficiencies in writing and the value of said deficiencies will be deducted from the final payment request. Work deficiencies discovered during the final inspection will require the Program Inspector to conduct a subsequent inspection upon contractor's correction of deficiencies. The Rehabilitation Program reserves the right to hold the contractor responsible to pay the cost of any additional inspections beyond the final inspection at a rate of \$350 per inspection for prematurely requesting the final inspection with the work not 100% completely done in a workman-like manner. Additional inspections are those in excess of the one progress inspection and the final inspection which are needed to inspect corrected deficiencies. The contractor must issue the failed final inspection penalty payment directly to CGP&H via a check prior to the Program Inspector scheduling and repeating the final inspection process. CGP&H will notify the municipality each time a penalty is levied.

The Program lien period will commence upon satisfactory completion of the final inspection. Photographs will be taken of the rehabilitated housing unit by the Program Inspector at the time of the satisfactory final inspection.

#### **T. Payment Structure and Process**

The Township will issue all payments, which will be made according to the following schedule:

One progress payment (representing a minimum of 40% of total contract work completed) will be paid. Upon completion of one hundred percent (100%) of the rehabilitation work, the contractor is eligible for final payment of the contract price.

Upon a satisfactory program inspection, and confirmation from the Housing Rehabilitation Specialist that all contractor's documents have been submitted according to program procedures, the Housing Rehabilitation Specialist will submit to the Township:

- Program's Request for Payment form with Owner's and Program's written approval
- The Township voucher signed by the contractor and adjusted to match the current payment amount
- Copy of change order, if one occurred

The Township retains the right to make payments to the contractor without homeowner approval should the homeowner become unavailable to sign the Program contractor payment form due to illness or absence. In such instance, the Program shall make reasonable attempts to contact the homeowner. If such efforts are not successful within a two-week period from the final inspection date, the Program shall advise the Township, provide documentation of efforts to obtain homeowner approval, and may authorize contractor payment without homeowner sign-off, to not hold up payment rightfully due to the contractor.

The Housing Rehabilitation Specialist is to submit the contractor payment request to the Township Purchasing Agent and, if acceptable, the payment request will be placed on the upcoming Bill List agenda. The Township will forward to the Housing Rehabilitation Specialist a copy of the executed payment to the contractor for case file records.

Upon job completion, the combined Township payments will total the Construction Agreement, including all applicable change order(s) if any, and minus owner contribution, if any. The combined Township payments will also match the final Township Voucher amount. Progress and final payments will be made payable to the contractor.

#### **U. Standard Certification**

A Certificate of Approval issued by the municipal construction official at the time the contractor closes out the rehabilitation construction permits, will confirm the scope of rehabilitation work has been completed and that the housing unit is now up to code standard. The contractor is to provide the Certificate of Approval to the Housing Rehabilitation Specialist when requesting the final inspection. The Housing Rehabilitation Specialist will ensure that a copy of the Certificate of Approval is placed in the case file.

### **V. Record Mortgage Documentation**

At construction completion, the Housing Rehabilitation Specialist will forward the executed mortgage to the Village Council for recording. The Township will immediately file the mortgage with the County Clerk. For rental properties, the Deed Restriction will also be recorded.

### **W. File Closing**

The Housing Rehabilitation Specialist will close the homeowner's file after the final payment is made and the mortgage, and when applicable, Deed Restriction is/are returned from the County with recorded date, book and page.

The Housing Rehabilitation Specialist will send the homeowner a case closeout letter explaining the warranty period, importance of program documents for personal record keeping, explaining the homeowner's responsibility to continue to maintain the home, providing the homeowner with a home maintenance checklist as guidance, thanking the owner for program participation, and encouraging him/her to recommend the program to other households in the community and, when applicable, reminding owner of the affordable housing rental requirements listed in the program lien documents and deed restriction.

### **X. Requests for Subordination or Program Loan Payoff**

South Orange Village may agree to subordination of its lien if the mortgage company supplies an appraisal showing that the new loan plus the balance(s) on all unpaid loans (including the value of the rehabilitation assistance) does not exceed ninety-five (95%) of the appraised value of the unit. If the homeowner is simply refinancing their primary mortgage to a lower interest rate and not "cashing out" any equity, South Orange Village will subordinate up to 100% of the appraised value.

The fee to process program loan subordination requests will be paid by the homeowner directly to the Program Administrator in accordance with the fee set forth in the yearly program administration contract.

## **VI. CONTRACTOR REQUIREMENTS AND RECRUITMENT**

### **A. Marketing**

The Program will coordinate with the Township to advertise the availability of construction work on the Township's website and display a contractor outreach poster and handouts in the municipal building, including the local construction office. Additionally, CGP&H will reach out to home improvement contractors registered with Consumer Affairs who are geographically near or in South Orange Village. If determined needed, additional outreach will be conducted in the local newspapers and through the posting of community notices. As necessary, the Program will

advertise the availability of construction work by posting information at local building supply dealers. All interested contractors will have the opportunity to apply for inclusion on the Program Contractor List, which will be made available for the homeowner's use in selecting rehabilitation contractors. The contractor outreach material will also be posted on CGP&H's website.

### **B. Contractor Qualifications**

To qualify, contractors must meet the following minimum requirements:

- Contractors must carry at least \$1,000,000 in general liability insurance. The Contractor shall carry full workmen's compensation coverage including Employer's Liability limits of at least \$500,000 and statutory state coverage for all his/her employees and those of his/her subcontractors engaged in program rehab work. The Contractor must provide the Housing Rehabilitation Specialist with a certificate of insurance naming the Program as Certificate Holder, and naming the Municipality and CGP&H as additional insureds at time of Program job award; and
- At least three favorable references on the successful completion of similar work; and
- A reference of permit compliance from a municipal inspector (building inspector, code official, etc.); and
- The Contractor's State Business Registration Certificate; and
- Current Consumer Affairs Home Improvement Contractor license; and
- Applicable lead certifications for contractors working on houses built prior to 1978. As identified in the scope of work, the contractor must comply with the EPA Renovation, Repair and Painting (RRP) Rule regarding certification; and
- If claiming prior experience with local, state or federally funding housing rehabilitation programs, a record of satisfactory performance in a neighborhood rehabilitation program or other federal/state programs; and
- Appropriate licenses; e.g. plumbing, electrical.

Contractors must also complete a Contractor Qualification Form. The contractor's qualifications will be reviewed and the references cited will be checked by the Program Inspector before the contractor is awarded a job.

## VII. Lead Based Paint (LBP):

For houses built prior to 1978, contractors must comply with the Environmental Protection Agency Renovation, Repair and Painting Rules (40 CFR Part 745) when any work item is marked with (EPA-RRP Rule) in the work specifications. The requirements are spelled out in the General Conditions of the work specifications.

The Housing Rehabilitation Specialist will provide information on the Essex County Lead Remediation Program to homeowners of houses built prior to 1978.

## VIII. Rental Procedures:

Rental units are subject to the Uniform Housing Affordability Controls (UHAC) at N.J.A.C.5-80:26.1 et. seq. once the rental units are rehabilitated. In addition to the mortgage and mortgage note, the controls on affordability shall be in the form of a deed restriction.

- If a unit is vacant, upon initial rental subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the deed restriction shall require the unit be rented to an income eligible household at an affordable rent and affirmatively marketed pursuant to UHAC.
- If a unit is renter-occupied, upon completion of the rehabilitation, the maximum rate of rent shall be the lesser of the current rent or the maximum permitted rent pursuant to UHAC.
- Rental Increases: See section VIII C, below.

The municipality's Administrative Agent will administer the rental affordability controls during the 10-year affordability period for each rental property assisted. Landlords are responsible to pay income certification fees for re-rentals.

### A. Determining Initial Affordable Rents

The initial maximum affordable rent for a rehabilitated unit is determined by the program staff based on several NJ rules and regulations. The Administrative Agent will make every attempt to price initial rents to average fifty-two percent (52%) of the median income for the household size appropriate to the sized unit within each individual project (N.J.A.C. 5:80-26.3 (d)). Thirty percent (30%) (N.J.A.C. 5:80-26-12 (a)) of that figure is considered the "maximum base rent." Subtracted from the maximum base rent is the cost of all tenant-paid utilities as defined and calculated by the HUD Utilities Allowance figures (updated annually). The remainder becomes the maximum

initial rent for that unit. The Home Improvement Program staff can provide potential applicants/landlords with a reasonable estimate of what the maximum base rent will be on their rental unit if they elect to participate in the program.

## B. Pricing by Household Size

Initial rents are based on the number of legal bedrooms in each unit. Initial rents must adhere to the following rules.

Table 4 Initial Rental Pricing by Housing Size

| Size of Unit      | Household Size Used to Determined Max Rent |
|-------------------|--------------------------------------------|
| Studio/Efficiency | 1                                          |
| 1 Bedroom         | 1.5                                        |
| 2 Bedrooms        | 3                                          |
| 3 Bedrooms        | 4.5                                        |
| 4 Bedrooms        | 6                                          |

- A studio shall be affordable to a one-person household;
- A one-bedroom unit shall be affordable to a one- and one-half person household;
- A two-bedroom unit shall be affordable to a three-person household;
- A three-bedroom unit shall be affordable to a four- and one-half person household; and
- A four-bedroom unit shall be affordable to a six-person household.

*The above rules are only to be used for setting initial rents.*

## C. Determining Rent Increases

Rents for rehabilitated units may increase annually based on the standards in Appendix B, entitled "Approved Calculation of Annual Increases to Income Limits, Resale Prices and Rents" and only upon written notification from the Administrative Agent.

In addition, the Township's Administrative Agent must be used by the Landlord to ensure that all appropriate affirmative marketing and all other affordable housing compliance procedures are followed and will continually oversee compliance for these affordable rental units throughout their restrictive term.

These increases must be filed with and approved by the Administrative Agent. Property managers or landlords who have charged less than the permissible increase may use the maximum allowable rent with the next tenant with permission of the Administrative Agent. Rents may not be increased more than once a year, may not be increased by more than one approved calculated increment at a time, and may not be increased at the time of new occupancy if this occurs less than one year from the last rental. No additional fees may be added to the approved rent without the express written approval of the Administrative Agent.

## IX. MARKETING STRATEGY

In coordination with the Township, the Program Administrator will employ a variety of proven strategies to advertise the program within South Orange Village to establish the Program's applicant pool/waiting list. The marketing strategy/plan possibilities include but are not limited to:

- Creation and distribution of Program homeowner outreach posters, flyers and handouts
- Place Program outreach material on the Township's website
- Place Program outreach material on CGP&H's website
- Municipal E-newsletter and paper newsletter (if available)
- Appending announcements and/or flyers to other municipal mailings as they become available (tax, etc.) or direct mailing, if approved by the municipality
- Municipal email blasts and Twitter communication (if available)
- Program marketing will be distributed to local community organizations and major employers including religious organizations, civic groups, senior group, ethnic organizations, etc.
- Free local cable TV advertising (when available)
- Periodic Press releases
- Program group presentations to community organizations or at the Township Municipal Building to prospective homeowners and even to local contractors
- Paid newspaper advertisements (last resort) when deemed necessary and appropriate

- The order of method used will be analyzed to implement the most effective combination of strategies. Extensive marketing efforts are essential for all successful housing rehabilitation programs to meet their productivity objectives.

Available rental units assisted via the HIP will be affirmatively marketed in accordance with the Township of South Orange Village Affordable Housing Affirmative Marketing Plan.

## X. MAINTENANCE OF RECORDS AND CLIENT FILES

### A. Programmatic Recording

The Program files will include:

- The policies and procedures manual, which will also be updated when applicable.
- An applicant pool will be maintained by the Program staff to track intake of the people interested in the program and the corresponding outgoing application invites.
- A rehabilitation log will be maintained by the Program staff that depicts the status of all applications in progress.

### B. Participant Record Keeping

The Program will be responsible for ensuring that individual files for each unit are established, maintained and then submitted to the municipality upon completion. Each completed file will contain a minimum of the following:

- Checklist
- Application form
- Tenant Application form (Rental Units Only) including rental lease
- Proof of ownership
- Income verification (for all households)
- Proof of currency of property tax and water/sewer accounts
- Proof of homeowner extended coverage/hazard insurance (Declaration Page)

- Proof that the municipal lien plus the total of other liens does not exceed the market value of the unit.
- Certification of Eligible Household or Notice of Ineligible Household (whichever is applicable)
- Homeowner/Program Agreement
- Certificate of Substandard
- Work Specifications/Cost Estimate aka Work Write-Up
- Contractor Proposal Notice
- Contractor proposals
- Proposal Tabulation
- Construction Agreement
- Mortgage and Mortgage Note, and for rental properties, Deed Restriction
- Notice of Right of Rescission
- Homeowner Confirmation of Receipt of EPA Lead Information Pamphlet
- Contractor Confirmation of Receipt of Lead Paint Notice
- Copies of all required permits
- Change orders, if any
- Work progress and final inspection reports
- Copies of contractor payment documentation
- Photographs (Before and After)
- Close-out documents
- Certification of Approval

### **C. State Reporting**

For each unit the following information must be retained to be reported annually:

- Street Address

- Block/Lot/Unit Number
- Owner/Renter
- Income: Low/Mod
- Final Inspection Date
- Funds expended on Hard Costs
- Funds Recaptured
- Major Systems Repaired
- Unit Below Code & Raised to Code
- Effective date of affordability controls
- Length of Affordability Controls (yrs.)
- Date Affordability Controls removed
- Reason for removal of Affordability Controls

The Program Administrator will provide each completed unit's data for annual monitoring.

#### **D. Financial Recordkeeping**

Financial recordkeeping is the responsibility of the Municipal Housing Liaison, with assistance from the Administrative Agent, as may be requested from time to time.

## **XI. HOUSING ADVISORY COMMITTEE AND APPEALS PROCESS**

The Program staff is skilled in effectively achieving resolution of homeowner/contractor disputes, in a fair and documented manner.

If a homeowner refuses to pay the contractor and work has been done to work specification and to the satisfaction of the Program, it may authorize payment to the contractor directly. However, the Program will make a reasonable attempt to resolve the differences before taking this step.

However, on the rare occasion if a homeowner or contractor decides to dispute a Program staff decision, the Program will refer the matter to the Township for further resolution. It is recommended the Township forms a Housing Advisory Committee to mediate and resolve the

differences. Homeowners or contractors involved in a dispute will be instructed to submit their concerns in writing. The homeowner or contractor may request a hearing conducted by the Housing Advisory Committee. All Housing Advisory Committee decisions are final. The Housing Advisory Committee formation may occur when the first need arises.

## **XII. CONCLUSION**

If the procedures described in this manual are followed, the Township of South Orange Village's Home Improvement Program should operate smoothly and effectively. Where it is found that a new procedure will eliminate a recurring problem, that procedure may be incorporated into the program operation. In addition, this manual may be periodically revised to reflect changes in local, state and federal policies and regulations relative to the Home Improvement Program.

## APPENDIX A - LIST OF PROGRAM FORMS

- Application Transmittal Letter
- Program Information Handout
- Application for Assistance- Homeowner
- Application for Assistance- Landlord (Investor)
- Application for Assistance- Tenant
- Eligibility Release Form
- Checklist
- Special Needs Waiver (Eligibility Requirements)
- Special Needs Waiver (Exceed Program Limit)
- Certification of Eligible Household
- Eligibility Determination Form
- Notification of Eligibility
- Notification of Ineligibility
- Homeowner/Program Agreement
- Certificate of Substandard
- Certificate of Substandard – Emergency Situation
- Letter: forward work write-up and contractor list to homeowner
- Work Write-Up Review form
- Request for Rehabilitation Bid
- Affidavit of Contractor
- Subcontractor Bid Sheet
- Bid Tabulation/Contractor Selection
- Construction Agreement
- Mortgage
- Mortgage Note – single family, multi family, investor versions
- Notice of Right of Rescission
- COAH Deed Restriction (when applicable)
- Homeowner Confirmation of Receipt of EPA Lead Information Pamphlet
- Contractor Confirmation of Receipt of Lead Paint Notice
- Notice to Proceed
- Contractor's Request for Final Inspection
- Change Order Authorization
- Certificate and Release
- Closeout Statement

## APPENDIX B – Approved Calculation of Annual Increases to Income Limits, Resale Prices and Rents

### Methodology for Calculating Regional Income Limits and Rental Increase:

Income limits for all units that are part of the municipality's Housing Element and Fair Share Plan and for which income limits are not already established through a federal program exempted from the Uniform Housing Affordability Controls pursuant to N.J.A.C. 5:80-26.1 shall be updated by the municipality annually within 30 days of the publication of determinations of median income by HUD as follows:

- a. Regional income limits shall be established for the region that the municipality is located within, based on the median income by household size, which shall be established by a regional weighted average of the uncapped Section 8 income limits published by HUD. To compute this regional income limit, the HUD determination of median county income for a family of four is multiplied by the estimated households within the county according to the most recent decennial Census. The resulting product for each county within the housing region is summed. The sum is divided by the estimated total households from the most recent decennial Census in the municipality's housing region. This quotient represents the regional weighted average of median income for a household of four. The income limit for a moderate-income unit for a household of four shall be 80 percent of the regional weighted average median income for a family of four. The income limit for a low-income unit for a household of four shall be 50 percent of the HUD determination of the regional weighted average median income for a family of four. The income limit for a very low-income unit for a household of four shall be 30 percent of the regional weighted average median income for a family of four. These income limits shall be adjusted by household size based on multipliers used by HUD to adjust median income by household size. In no event shall the income limits be less than those for the previous year.
- b. The income limits attached are the result of applying the percentages set forth in paragraph (a) above to HUD's determination of median income for the most recent year and shall be utilized until the municipality updates the income limits after HUD has published revised determinations of median income for the next fiscal year.
- c. If at any time, COAH (or a successor administrative agency duly empowered by an amendment to the Fair Housing Act) begins to issue updated annual income limits and

rules for increasing sales prices and rent levels each year, said updated income limits and rules for increasing sales prices and rent levels each year may be used instead of the methodology set forth herein.

In establishing sale prices and rents of affordable housing units, the Administrative Agent shall follow the procedures set forth in UHAC, utilizing the regional income limits established pursuant to the process defined above:

The rent levels of very-low-, low- and moderate-income units may be increased annually based on the percentage increase in the Housing Consumer Price Index for the Northeast Urban Area, upon its publication for the prior calendar year. This increase shall not exceed nine percent in any one year. Rents for units constructed pursuant to low income housing tax credit regulations shall be indexed pursuant to the regulations governing low income housing.

Prepared by Affordable Housing Professionals of New Jersey (AHPNJ) - April 27, 2021  
**2021 AFFORDABLE HOUSING REGIONAL INCOME LIMITS BY HOUSEHOLD SIZE**

Income limits not officially adopted by the State of New Jersey. Contact your municipality to see if applicable in your jurisdiction. Additional information about AHPNJ income limits is posted on AHPNJ.org

|                 | 1 Person | *1.5 Person | 2 Person | *3 Person | 4 Person  | *4.5 Person | 5 Person  | 6 Person  | 7 Person  | 8+ Person | Max Increase Rents** Sales*** | Regional Asset Limit**** |
|-----------------|----------|-------------|----------|-----------|-----------|-------------|-----------|-----------|-----------|-----------|-------------------------------|--------------------------|
| <b>Region 1</b> |          |             |          |           |           |             |           |           |           |           |                               |                          |
| Median          | \$72,846 | \$78,050    | \$83,253 | \$93,659  | \$104,066 | \$108,229   | \$112,391 | \$120,717 | \$129,042 | \$137,367 |                               |                          |
| Moderate        | \$58,277 | \$62,440    | \$66,602 | \$74,928  | \$83,253  | \$86,583    | \$89,913  | \$96,573  | \$103,233 | \$109,894 | 1.6%                          | \$201,229                |
| Low             | \$36,423 | \$39,025    | \$41,626 | \$46,830  | \$52,033  | \$54,114    | \$56,196  | \$60,358  | \$64,521  | \$68,684  | 8.46%                         |                          |
| Very Low        | \$21,854 | \$23,415    | \$24,976 | \$28,098  | \$31,220  | \$32,469    | \$33,717  | \$36,215  | \$38,713  | \$41,210  |                               |                          |
| <b>Region 2</b> |          |             |          |           |           |             |           |           |           |           |                               |                          |
| Median          | \$75,331 | \$80,711    | \$86,092 | \$96,854  | \$107,615 | \$111,920   | \$116,224 | \$124,834 | \$133,443 | \$142,052 |                               |                          |
| Moderate        | \$60,265 | \$64,569    | \$68,874 | \$77,483  | \$86,092  | \$89,536    | \$92,980  | \$99,867  | \$106,754 | \$113,642 | 1.6%                          | \$206,459                |
| Low             | \$37,665 | \$40,356    | \$43,046 | \$48,427  | \$53,808  | \$55,960    | \$58,112  | \$62,417  | \$66,721  | \$71,026  | 2.00%                         |                          |
| Very Low        | \$22,599 | \$24,213    | \$25,828 | \$29,056  | \$32,285  | \$33,576    | \$34,867  | \$37,450  | \$40,033  | \$42,616  |                               |                          |
| <b>Region 3</b> |          |             |          |           |           |             |           |           |           |           |                               |                          |
| Median          | \$86,240 | \$92,400    | \$98,560 | \$110,880 | \$123,200 | \$128,128   | \$133,056 | \$142,912 | \$152,768 | \$162,624 |                               |                          |
| Moderate        | \$68,992 | \$73,920    | \$78,848 | \$88,704  | \$98,560  | \$102,502   | \$106,445 | \$114,330 | \$122,214 | \$130,099 | 1.6%                          | \$234,592                |
| Low             | \$43,120 | \$46,200    | \$49,280 | \$55,440  | \$61,600  | \$64,064    | \$66,528  | \$71,456  | \$76,384  | \$81,312  | 3.10%                         |                          |
| Very Low        | \$25,872 | \$27,720    | \$29,568 | \$33,264  | \$36,960  | \$38,438    | \$39,917  | \$42,874  | \$45,830  | \$48,787  |                               |                          |
| <b>Region 4</b> |          |             |          |           |           |             |           |           |           |           |                               |                          |
| Median          | \$76,469 | \$81,931    | \$87,393 | \$98,317  | \$109,242 | \$113,611   | \$117,981 | \$126,720 | \$135,460 | \$144,199 |                               |                          |
| Moderate        | \$61,175 | \$65,545    | \$69,915 | \$78,654  | \$87,393  | \$90,889    | \$94,385  | \$101,376 | \$108,368 | \$115,359 | 1.6%                          | \$205,486                |
| Low             | \$38,235 | \$40,966    | \$43,697 | \$49,159  | \$54,621  | \$56,806    | \$58,990  | \$63,360  | \$67,730  | \$72,099  | 0.00%                         |                          |
| Very Low        | \$22,941 | \$24,579    | \$26,218 | \$29,495  | \$32,772  | \$34,083    | \$35,394  | \$38,016  | \$40,638  | \$43,260  |                               |                          |
| <b>Region 5</b> |          |             |          |           |           |             |           |           |           |           |                               |                          |
| Median          | \$67,620 | \$72,450    | \$77,280 | \$86,940  | \$96,600  | \$100,464   | \$104,328 | \$112,056 | \$119,784 | \$127,512 |                               |                          |
| Moderate        | \$54,096 | \$57,960    | \$61,824 | \$69,552  | \$77,280  | \$80,371    | \$83,462  | \$89,645  | \$95,827  | \$102,010 | 1.6%                          | \$179,028                |
| Low             | \$33,810 | \$36,225    | \$38,640 | \$43,470  | \$48,300  | \$50,232    | \$52,164  | \$56,028  | \$59,892  | \$63,756  | 0.00%                         |                          |
| Very Low        | \$20,286 | \$21,735    | \$23,184 | \$26,082  | \$28,980  | \$30,139    | \$31,298  | \$33,617  | \$35,935  | \$38,254  |                               |                          |
| <b>Region 6</b> |          |             |          |           |           |             |           |           |           |           |                               |                          |
| Median          | \$57,458 | \$61,562    | \$65,666 | \$73,874  | \$82,083  | \$85,366    | \$88,649  | \$95,216  | \$101,782 | \$108,349 |                               |                          |
| Moderate        | \$45,966 | \$49,250    | \$52,533 | \$59,100  | \$65,666  | \$68,293    | \$70,919  | \$76,173  | \$81,426  | \$86,679  | 1.6%                          | \$153,730                |
| Low             | \$28,729 | \$30,781    | \$32,833 | \$36,937  | \$41,041  | \$42,683    | \$44,325  | \$47,608  | \$50,891  | \$54,175  | 0.00%                         |                          |
| Very Low        | \$17,237 | \$18,469    | \$19,700 | \$22,162  | \$24,625  | \$25,610    | \$26,595  | \$28,565  | \$30,535  | \$32,505  |                               |                          |

Moderate income is between 80 and 50 percent of the median income. Low income is 50 percent or less of median income. Very low income is 30 percent or less of median income.

\* These columns are for calculating the pricing for one, two and three bedroom sale and rental units as per N.J.A.C. 5:80-26.4(a).

\*\* This column is used for calculating the pricing for rent increases for units (as previously calculated under N.J.A.C. 5:97-9.3 (Consumer price index for All Urban Consumers (CPI-U); Regions by expenditure category and commodity and service group). Landlords who did not increase rents in 2015, 2016, 2017, 2018, 2019 or 2020 because of the lack of authority to do so, may increase rent by up to the applicable combined percentage including 2021 or 9.0% whichever is less in accordance with N.J.A.C. 5:97-9.3(c). In no case can rent for any particular apartment be increased more than one time per year.

\*\*\* This column is used for calculating the pricing for resale increases for units (as previously calculated under N.J.A.C. 5:97-9.3). The price of owner-occupied low and moderate income units may increase annually based on the percentage increase in the regional median income limit for each housing region. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.

Low income tax credit developments may increase based on the low income tax credit regulations.

\*\*\*\* The Regional Asset Limit is used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b).3.

Note: Since the Regional Income Limits for Regions 4, 5, and 6 in 2020 were higher than the 2021 calculations, the 2020 income limits will remain in force for 2021 (as previously required by N.J.A.C. 5:97-9.2(c)).

## Appendix I: Vacant Land Adjustment



---

**South Orange Village  
Essex County  
Round 4: Vacant Land Adjustment**

Prepared For:



South Orange Village  
76 South Orange Avenue  
South Orange, NJ 07079  
Report Date: May 5, 2025

Prepared by:

Graham Petto, AICP/PP

Planner License No. 33LI00633500

Marc Lincer, AICP, CAPM, Planner III

## Table of Contents

|                                                                          |    |
|--------------------------------------------------------------------------|----|
| I. Introduction + Methodology .....                                      | 2  |
| A. Purpose of Vacant Land Adjustment .....                               | 2  |
| B. Legislation + Changes in Fourth Round VLA Requirements .....          | 2  |
| C. Assumptions Underlying Realistic Development Potential .....          | 3  |
| D. Data Sources Used in Analysis .....                                   | 3  |
| E. Methodology of Vacant Land Parcels Assemblage.....                    | 4  |
| II. Vacant Land Parcels Assemblages.....                                 | 7  |
| III. Parcels With “Developability” .....                                 | 9  |
| A. Realistic Development Potential Based on Vacant Land Adjustment ..... | 9  |
| B. Parcels Likely to be Redeveloped in Round 4.....                      | 9  |
| C. Conclusion.....                                                       | 10 |
| Appendix A: Computing Municipal Adjustment, Exclusions (52:27D) .....    | 11 |
| Appendix B: Constraint Analysis Mapping .....                            | 13 |

## I. Introduction + Methodology

### A. Purpose of Vacant Land Adjustment

The foregoing analysis was prepared on behalf of South Orange Village (herein the “Village” or “South Orange Village”). This analysis reviews the Village’s inventory of available vacant properties and summarizes an adjustment in the Fourth Round affordable housing obligation due to available land capacity. The analysis also takes into consideration projects likely to be redeveloped in the Fourth Round obligation. These include projects that have existing land use approvals, are under construction or were constructed, or are part of the Village’s Fourth Round compliance plan.

This analysis is otherwise known as a Vacant Land Adjustment (“VLA”). The VLA determines a municipality’s Realistic Development Potential (“RDP”) for its Fourth Round municipal obligation. Such obligation is memorialized in the municipal Fourth Round Housing Element and Fair Share Plan (“HEFSP”), which runs from 2025-2035.

In conclusion, the Village’s RDP for its Fourth Round is 0 where 41 credits must be accommodated on parcels likely to redevelop during the current round of obligations to address at least 25 percent of the prospective need obligation that has been adjusted.

### B. Legislation + Changes in Fourth Round VLA Requirements

On March 20, 2024, Governor Phil Murphy signed P.L. 2025, c.2<sup>1</sup> (the “Legislation”) which expands and modifies the State’s affordable housing regulations. As a result of the Legislation, each municipality is assigned a non-binding affordable housing obligation to be met during the Fourth Round. The non-binding calculations were published by the NJ Department of Community Affairs (“DCA”) on October 20, 2024, with supplemental data releases provided through November 23, 2024, with the publication of the Land Capacity Analysis GIS Composite Layer. This obligation is also referred to as the “prospective need.”

Based on the numbers released by the DCA, the Prospective Need for the Village is 163. On January 28, 2025, the governing body adopted Resolution #2025-017<sup>2</sup> accepting the Prospective Need of 163 as calculated by the DCA.

The Legislation sets forth procedures by which municipalities may adjust their prospective obligation, including via the VLA process (See 52:27D-310.1).<sup>3</sup> Under the Fourth Round, a municipality is permitted to make adjustments due to a lack of available land resources. However, the bill requires a municipality that receives such a vacant land adjustment to its

<sup>1</sup> [https://pub.njleg.state.nj.us/Bills/2024/PL24/2\\_.PDF](https://pub.njleg.state.nj.us/Bills/2024/PL24/2_.PDF)

<sup>2</sup> [https://nj-j-aocmedia-prod-general-purpose.s3.amazonaws.com/files/civil/affordable-housing/essex/s-orange-township/12725SouthOrangeResoAcceptDCARound4Numberadopted.pdf?VersionId=qFf11Mo0ySeMCkBgCdR5O\\_5mAl.y.j8](https://nj-j-aocmedia-prod-general-purpose.s3.amazonaws.com/files/civil/affordable-housing/essex/s-orange-township/12725SouthOrangeResoAcceptDCARound4Numberadopted.pdf?VersionId=qFf11Mo0ySeMCkBgCdR5O_5mAl.y.j8)

<sup>3</sup> <https://law.justia.com/codes/new-jersey/title-52/section-52-27d-310-1/>

obligation identify parcels for development that address at least 25 percent of the prospective need and adopt zoning that allows for the adjusted obligation, or demonstrate why this is not possible.

See Appendix “A” for the full legislation of municipal computation requirements and changes via P.L. 2024, c.2.

## C. Assumptions Underlying Realistic Development Potential

### Inclusionary Development

N.J.A.C. 5:93-4.2(f) specifies that the RDP is based on an inclusionary zoning framework and available land is not assumed to be developed as 100% affordable housing. The minimum presumptive set aside for affordable housing is 20%, or one in five units. As such, suitable development sites for inclusionary development must have the capacity to provide a minimum of five units.

### Assumed Densities and Minimum Project Size

According to the Second Round Rules, it is important to “consider the character of the area surrounding each site” when crafting assumptions underlying the intensity of residential development. As such, the maximum density for each assemblage was determined as follows:

- The permitted density of each parcel pursuant to the Municipal Zoning Ordinance;
- Minimum presumptive density of six units per acre as required by the Second Round Rules where permitted density is below six units per acre;
- Surrounding land uses;
- The need for affordable housing; and
- Density count of approved projects by the Planning or Zoning Board.

## D. Data Sources Used in Analysis

In compiling the analysis for the VLA, this report utilizes the following data:

- **Mod IV Tax Assessment Data** was obtained from the most recent Assessment Records. Parcel files were used utilizing the **New Jersey Geographic Information Network (NJGIN)** Open Data portal.
- **Flood Hazard Area Dataset** was obtained from the **Federal Emergency Management Agency (FEMA)** data of flood zones<sup>4</sup>.

<sup>4</sup> <https://hazards-fema.maps.arcgis.com/apps/webappviewer/index.html?id=8b0adb51996444d4879338b5529aa9cd>

- **Wetlands Dataset** was developed using the Land Use/Land Cover from the New Jersey Department of Environmental Protection (NJDEP), last updated 2020. A 50-foot riparian buffer is also included.
- **Waterbodies Dataset** was obtained from the National Hydrography Dataset Waterbody Streams and Waterbodies dataset as developed by the NJDEP, last updated 2015.
  - *Note: No Category One (C1) Waters were observed in South Orange per [N.J.A.C 7:13-4.1\(c\)\(2\)](#).*
- **Steep Slope Dataset** was developed using the NJGIN Open Data portal<sup>5</sup>.

## E. Methodology of Vacant Land Parcels Assemblage

### *Step 1: Selection of Sites*

- *Step 1.1: Classification of Vacant Land / General Assemblages*

Using the most recent **Mod IV Tax Assessment Data**, properties that did not have the tax class 1 (Vacant) and vacant properties with tax class 15C (Public) were removed from the analysis.

These remaining properties are considered in the analysis as an inventory of all vacant sites. Assemble vacant properties (including those adjacent and under common ownership) and confirm acreage.

- *Step 1.2: Removing “False” Vacant Land / General Assemblages*

The **Mod IV Tax Assessment Data** properties of the assemblages created in Step 1.1 was further analyzed for “false” vacant land results that were removed from the analysis. False vacant land results included:

- Parcels that are actually common area part of a larger townhome / condominium development (i.e. “Condo Mother Lot”) and thus not actually “vacant”.
- Parcels that are developed with active improvements, where MODIV Tax Assessment Data erroneously coded property as “vacant” or may not be up-to-date given the construction status.
  - For purposes of this analysis, “active improvements” means any structure upon the site with an active Certificate of Occupancy (“C.O”), or building permit / temporary “C.O” where structures are underway for a full C.O. Also included are parcels where there are no structures on the land but where there are improvements on the land that are associated with a

<sup>5</sup> <https://njgin.nj.gov/njgin/edata/elevation/index.html>

structure on a different parcel (e.g. parking lot associated with building on a different, likely adjacent, parcel).

- Parcels that are coded “vacant,” but are not in the municipal jurisdiction (i.e. small portion of vacant land belonging to larger assemblage that is in adjacent municipality).

### *Step 2: Exclusion of Known Land Encumbrances / Additional Exclusions*

#### *Step 2.1: Exclusion of Parklands and Recreational Land*

All parklands and active recreational lands properties’ appearing were excluded based on their property tax classification under in the MOD IV tax assessment data.

#### *Step 2.2: Exclusion of Open Space Restricted Land*

All open space and properties on the Recreation and Open Space Inventory (ROSI) were excluded based on review of the [NJ State ROSI](#)<sup>6</sup>.

#### *Step 2.3: Exclusion of Historic and Architecturally Important Sites*

If applicable, areas of vacant land impacted by [historically or architecturally important constraints](#)<sup>7</sup> were removed from the calculation of developable area.

### *Step 3: Exclusion of Low Yield Properties*

#### *Step 3.1: Exclude Properties Yielding Less Than 5 Units*

The Second Round Rules established by the Council of Affordable Housing in N.J.A.C. 5:93 required development potential to consider principles of sound land use planning in regards to density, and that the minimum presumptive density be 6 du/ac.

In conformance with this requirement, the analysis used existing zoning densities to determine the number of units per acre that could be constructed. In cases where permitted density under the zoning ordinance did not meet the minimum presumptive density, the development potential was calculated at 6 units per acre. The acreage of the assemblages created in Step 1 was multiplied by the permitted number of units per acre to determine the property yield. All vacant assemblages whose yield was less than five units were excluded from the Inventory of Vacant Sites.

### *Step 4: Site Analysis (Exclusion of Environmentally Sensitive Areas from Development Calculations)*

#### *Step 4.1: Overlay Environmentally Sensitive Areas*

<sup>6</sup> <https://dep.nj.gov/otpla/rosi/>

<sup>7</sup> <https://www.arcgis.com/apps/webappviewer/index.html?id=6706acec2a7e46489f6d4dabba02fc9c>

---

Properties occupied by major environmental factors as described in the “Data Sources Used” section of this report above were removed as candidates for development. This was done using a Geographic Information Systems (GIS) program.

- *Step 4.2: Calculate Development Potential.*

Areas of vacant land impacted by these environmental constraints were removed from the calculation of developable area.

## II. Vacant Land Parcel Assemblages

Following the process of parcels in Steps 1-3 as detailed in above in Section I.E, four parcel assemblages are left that should be further reviewed for environmentally sensitive areas per Step 4. Individual mapping and analysis of these parcels may be found in Appendix "B."

- Block 1503, Lot 33.01 (100 Tillou Road West)
- Block 2102, Lots 15-18 (266-278 Irvington Avenue)
- Block 2605, Lot 1 (616 South Orange Avenue West)
- Block 703, Lot 1 (602 Centre Street)



Figure 1: Map of Vacant Land Parcel Assemblages to Analyze against Environmental Areas



### III. Parcels With “Developability”

#### A. Realistic Development Potential Based on Vacant Land Adjustment

Analysis of the four sites remaining on the inventory of vacant sites revealed that all vacant land within the Village is constrained, with no sites containing sufficient land free of environmental or access constraints with dimensions that could accommodate five or more residential units including a 20% affordable set aside. Therefore, these sites comprise 4 “buildable” units according to the assemblage analysis, of which 0 is the estimated 20% set-aside.

| BLOCK                                              | LOT   | PROPERTY LOCATION         | UNCONSTRAINED ACRES | EST. UNIT YIELD | EST. LMI SET-ASIDE |
|----------------------------------------------------|-------|---------------------------|---------------------|-----------------|--------------------|
| 1503                                               | 33.01 | 100 TILLOU ROAD WEST      | 0                   | 0               | 0                  |
| 2102                                               | 15-18 | 266-278 IRVINGTON AVENUE  | 0                   | 0               | 0                  |
| 2605                                               | 1     | 616 SO ORANGE AVENUE WEST | 0.69                | 4               | 0                  |
| 703                                                | 1     | 602 CENTRE STREET         | 0                   | 0               | 0                  |
| <b>TOTAL REALISTIC DEVELOPMENT POTENTIAL (RDP)</b> |       |                           | <b>0.73</b>         | <b>4</b>        | <b>0</b>           |

#### B. Parcels Likely to be Redeveloped in Round 4

In addition to vacant properties that have a realistic development potential, the Village must also consider known projects in its RDP assessment likely to be redeveloped in the 2025-2035 Fourth Round obligation. The Legislation includes the following language (emphasis added):

*Any municipality that receives an adjustment of its prospective need obligations for the fourth round or subsequent rounds based on a lack of vacant land shall as part of the process of adopting and implementing its housing element and fair share plan identify sufficient parcels likely to redevelop during the current round of obligations to address at least 25 percent of the prospective need obligation that has been adjusted, and adopt realistic zoning that allows for such adjusted obligation, or demonstrate why the municipality is unable to do so.*

As noted, South Orange Village’s Fourth Round prospective need is 163. The Realistic Development Potential is 0. While the language in the statute leaves room for at least three interpretations for how to calculate this 25% obligation, the Village’s plan significantly exceeds even the most generous interpretation of twenty-five percent of the remaining need of 163, which is 41.

Projects on parcels likely to be redeveloped between 2025-2035 are below:

| BLOCK AND LOTS                                                                                       | PROJECT                                        | UNITS PLANNED | SET-ASIDE / CREDITS                                                  |
|------------------------------------------------------------------------------------------------------|------------------------------------------------|---------------|----------------------------------------------------------------------|
| Block 2301<br>Lots 21 & 42-44                                                                        | 185-189 Church Street                          | 23 Units      | 4 Affordable Units<br>2 Bonus Credits (TOD)                          |
| Block 2017<br>Lots 16-18                                                                             | 102-110 Prospect Street                        | 46 Bedrooms   | 46 Bedrooms<br>46 Bonus Credits<br>(Permanent Supportive<br>Housing) |
| Block 2003<br>Lots 7-8                                                                               | 164-168 Valley Street                          | 50 Units      | 5 Affordable Units<br>5 Bonus Credits (TOD)                          |
| N/A                                                                                                  | Age-Restricted Market-to-Affordable Conversion | 18 Units      | 18 Affordable<br>18 Bonus Credits<br>(Age-Restricted)                |
| N/A                                                                                                  | Round 3 Surplus Credits                        | N/A           | 5 Surplus Credits                                                    |
| N/A                                                                                                  | Bonus Credits                                  | N/A           | 40.5 (Capped)                                                        |
| <b>GRAND TOTAL = 78 affordable units + 40.5 bonus credits + 5 R3 surplus credits = 123.5 credits</b> |                                                |               |                                                                      |

### C. Conclusion

In conclusion, the preceding analysis demonstrates (1) that the Village lacks sufficient vacant, suitable land to fully address its prospective need obligation of **163** and (2) that the Village's RDP is 0, based on developable land and land likely to redevelop within the Village by 2035. Once the RDP has been met, the **123.5** affordable credits unaddressed by current and anticipated development will constitute "unmet need."

## Appendix A: Computing Municipal Adjustment, Exclusions (52:27D)

Section 52:27D-310.1 – As Amended via P.L. 2024, c. 2 (amendment is underlined)

1. Any municipality that receives an adjustment of its prospective need obligations for the fourth round or subsequent rounds based on a lack of vacant land shall as part of the process of adopting and implementing its housing element and fair share plan identify sufficient parcels likely to redevelop during the current round of obligations to address at least 25 percent of the prospective need obligation that has been adjusted, and adopt realistic zoning that allows for such adjusted obligation, or demonstrate why the municipality is unable to do so. When computing a municipal adjustment regarding available land resources as part of the determination of a municipality's fair share of affordable housing, the [Council on Affordable Housing] municipality, in filing a housing element and fair share plan pursuant to subsection f. of section 3 of P.L.2024, c.2 (C.52:27D-304.1), shall exclude from designating , and the process set forth pursuant to sections 3 of P.L.2024, c.2 (C.52:27D-304.1) and section 13 of P.L.1985, c.222 (C.52:27D-313) shall confirm was correctly excluded, as vacant land:
  - a. any land that is owned by a local government entity that as of January 1, 1997, has adopted, prior to the institution of a lawsuit seeking a builder's remedy or prior to the filing of a petition for substantive certification of a housing element and fair share plan, a resolution authorizing an execution of agreement that the land be utilized for a public purpose other than housing;
  - b. any land listed on a master plan of a municipality as being dedicated, by easement or otherwise, for purposes of conservation, park lands or open space and which is owned, leased, licensed, or in any manner operated by a county, municipality or tax-exempt, nonprofit organization including a local board of education, or by more than one municipality by joint agreement pursuant to P.L.1964, c.185 (C.40:61-35.1 et seq.), for so long as the entity maintains such ownership, lease, license, or operational control of such land;

- c. any vacant contiguous parcels of land in private ownership of a size which would accommodate fewer than five housing units [if current standards of the council were applied] based on appropriate standards pertaining to housing density;
- d. historic and architecturally important sites listed on the State Register of Historic Places or National Register of Historic Places prior to the [submission of the petition of substantive certification] date of filing a housing element and fair share plan pursuant to section 3, or initiation of an action pursuant to section 13 of P.L.1985, c.222 (C.52:27D-313);
- e. agricultural lands when the development rights to these lands have been purchased or restricted by covenant;
- f. sites designated for active recreation that are designated for recreational purposes in the municipal master plan; and
- g. environmentally sensitive lands where development is prohibited by any State or federal agency.

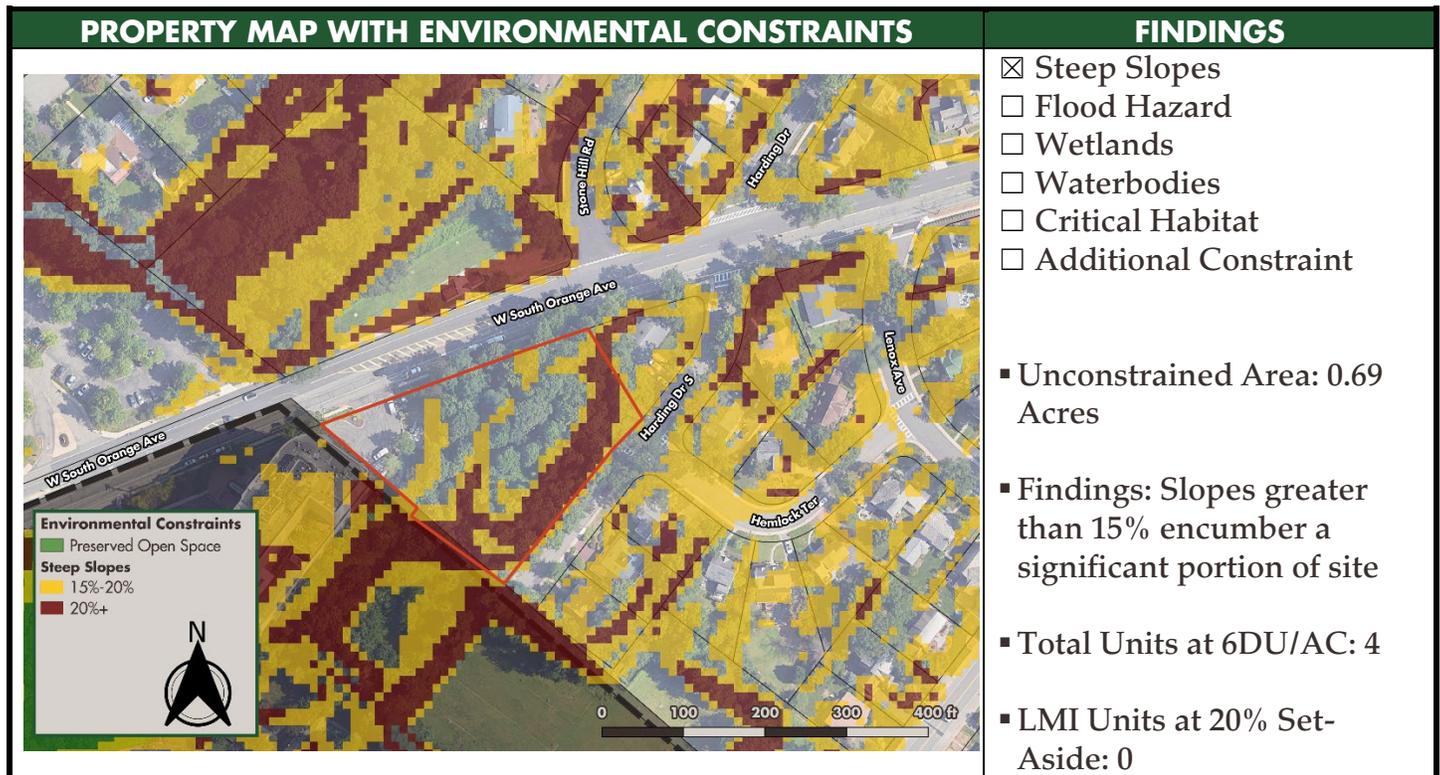
No municipality shall be required to utilize for affordable housing purposes land that is excluded from being designated as vacant land. (cf: P.L.2008, c.46, s.39)

## Appendix B: Constraint Analysis Mapping

Parcels Above Presumed Density of 6DU/AC:

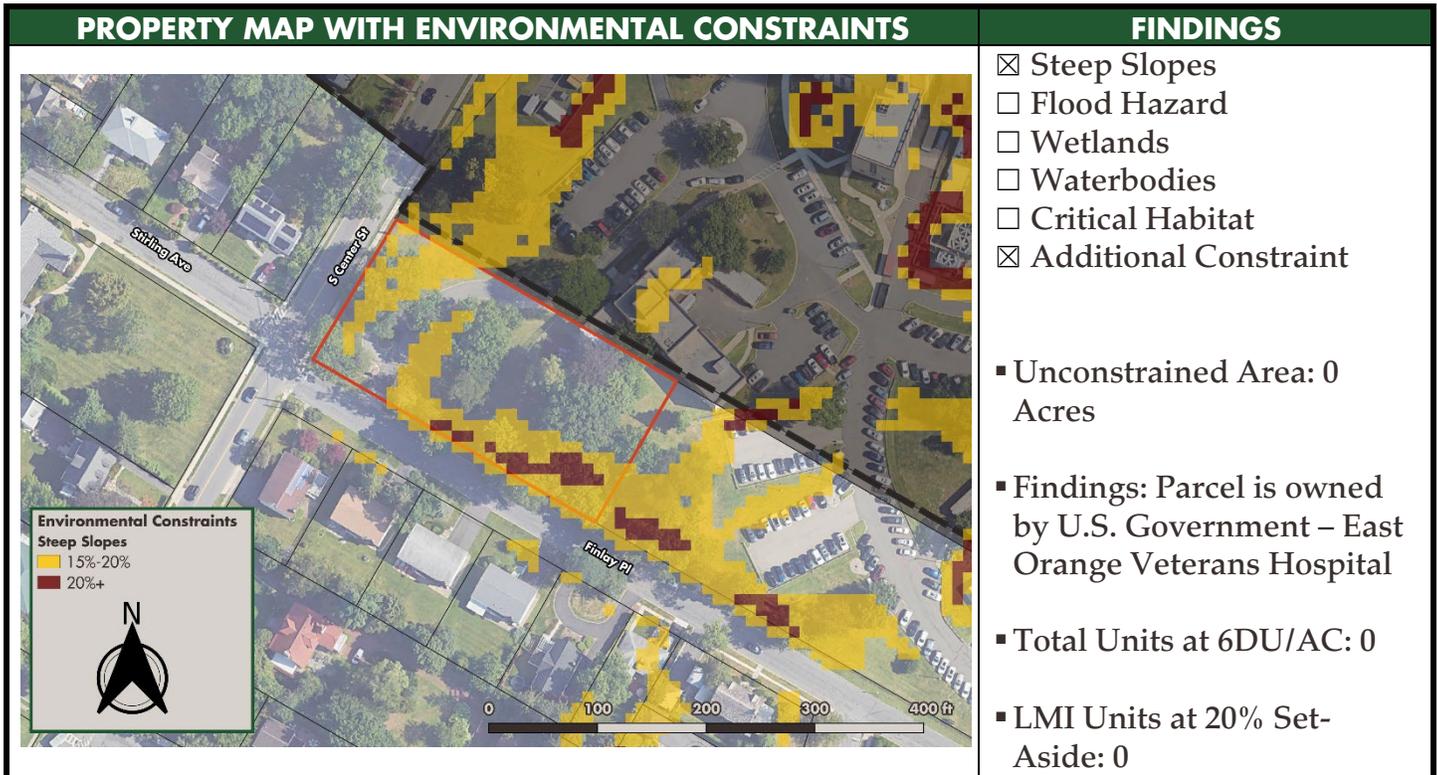
### 616 South Orange Avenue West

- Block and Lot(s): Block 2605, Lot 1
- Approximate Area: 1.42 Acres



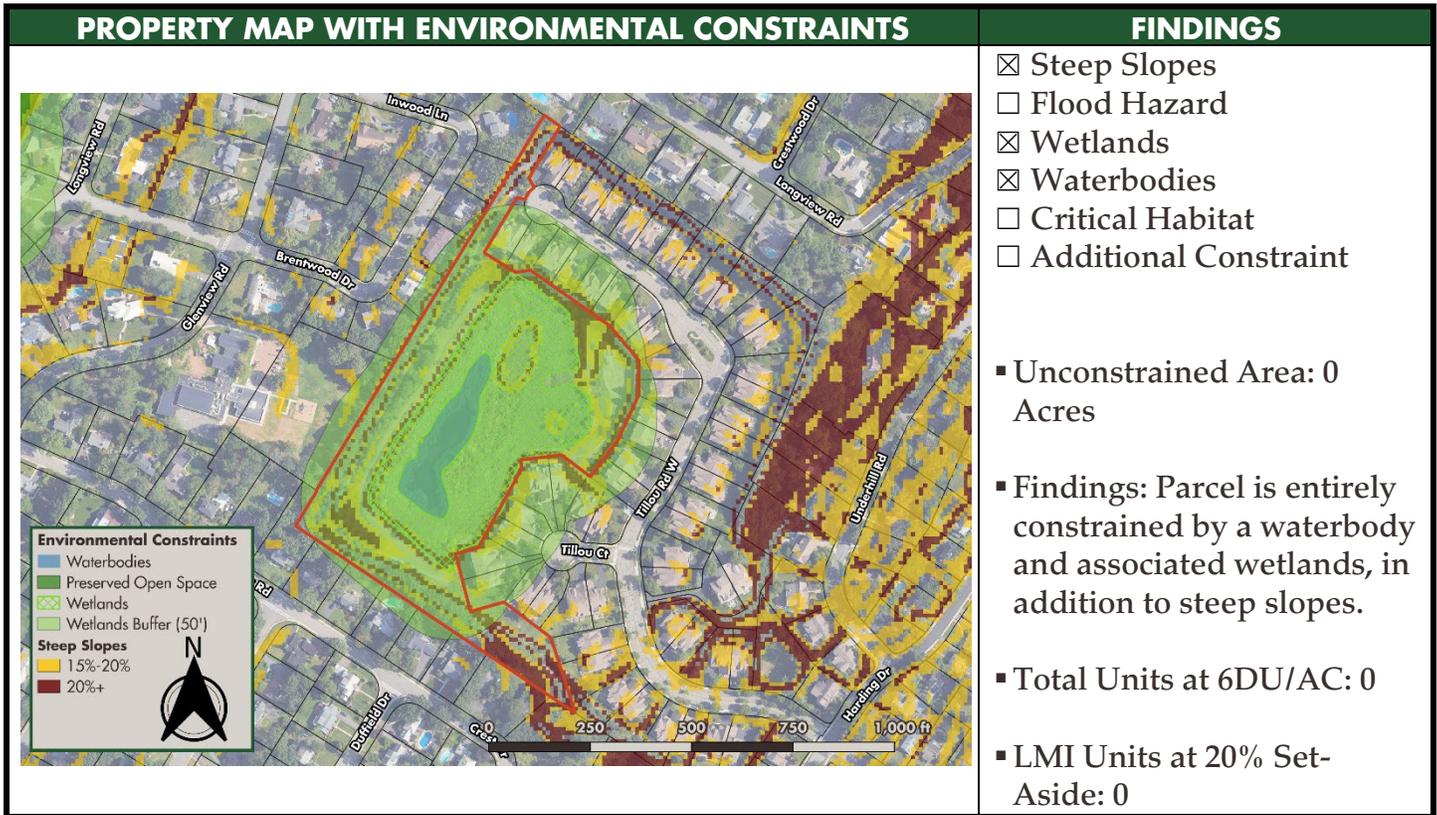
## 602 Centre Street

- Block and Lot(s): Block 703, Lot 1
- Approximate Area: 1.03 Acres



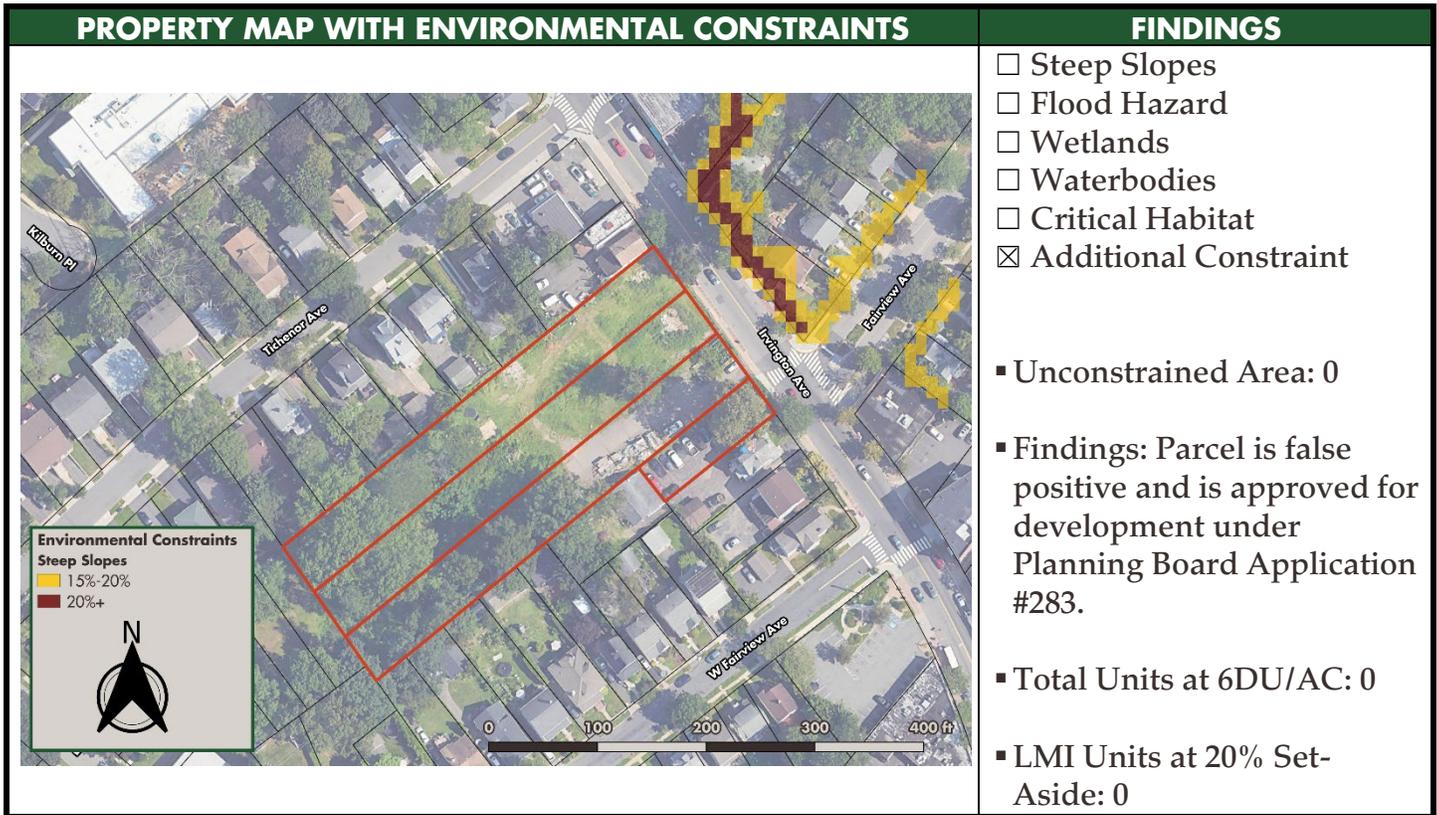
## 100 Tillou Road West

- Block and Lot(s): Block 1503, Lot 33.01
- Approximate Area: 1.03 Acres



## 602 Centre Street

- Block and Lot(s): 703 - 1
- Approximate Area: 1.03 Acres



## All Vacant Parcels:

| BLOCK | LOT   | TAX CLASS | ADDRESS                   | ACRES | CONSTRAINT                                                                   | UNCONSTRAINED ACRES | 6 DU/AC | 20% LMI SET-ASIDE |
|-------|-------|-----------|---------------------------|-------|------------------------------------------------------------------------------|---------------------|---------|-------------------|
| 1503  | 33.01 | 1         | 100 TILLOU ROAD WEST      | 10.24 | Wetlands & Buffer, Waterbody, Steep Slopes                                   | 0                   | 0       | 0                 |
| 2102  | 15-18 | 1         | 266-278 IRVINGTON AVENUE  | 1.64  | False Positive: Planning Board Application #283 approved on November 1, 2021 | 0                   | 0       | 0                 |
| 2605  | 1     | 1         | 616 SO ORANGE AVENUE WEST | 1.42  | Steep Slopes (0.69 Acres)                                                    | 0.69                | 4       | 0                 |
| 703   | 1     | 15C       | 602 CENTRE STREET         | 1.03  | False Positive: Owned by U.S. Government – East Orange Veterans Hospital     | 0                   | 0       | 0                 |
| 205   | 12    | 1         | 289 WYOMING AVENUE        | 0.61  | Under presumed density of 6DU/AC (0.83 Acres)                                | 0                   | 0       | 0                 |
| 1905  | 1     | 1         | 8 SECOND STREET           | 0.53  | Under presumed density of 6DU/AC (0.83 Acres)                                | 0                   | 0       | 0                 |
| 1503  | 33.08 | 1         | 2 TILLOU ROAD WEST        | 0.52  | Under presumed density of 6DU/AC (0.83 Acres)                                | 0                   | 0       | 0                 |
| 1102  | 2     | 1         | 114 IRVING AVENUE         | 0.40  | Under presumed density of 6DU/AC (0.83 Acres)                                | 0                   | 0       | 0                 |
| 508   | 8     | 1         | 414 CHARLTON AVENUE       | 0.35  | Under presumed density of 6DU/AC (0.83 Acres)                                | 0                   | 0       | 0                 |
| 602   | 27    | 1         | 395 TURRELL AVENUE        | 0.26  | Under presumed density of 6DU/AC (0.83 Acres)                                | 0                   | 0       | 0                 |
| 2301  | 16    | 15C       | 230A WALTON AVENUE REAR   | 0.23  | Under presumed density of 6DU/AC (0.83 Acres)                                | 0                   | 0       | 0                 |
| 307   | 26    | 1         | 471 RIDGEWOOD ROAD NORTH  | 0.23  | Under presumed density of 6DU/AC (0.83 Acres)                                | 0                   | 0       | 0                 |
| 307   | 27    | 1         | 463 RIDGEWOOD ROAD NORTH  | 0.23  | Under presumed density of 6DU/AC (0.83 Acres)                                | 0                   | 0       | 0                 |
| 503   | 5     | 1         | 165 HALSEY PLACE          | 0.22  | Under presumed density of 6DU/AC (0.83 Acres)                                | 0                   | 0       | 0                 |
| 1902  | 37    | 15C       | SO ORANGE AVE             | 0.19  | Under presumed density of 6DU/AC (0.83 Acres)                                | 0                   | 0       | 0                 |
| 402   | 6     | 1         | ROAD                      | 0.18  | Under presumed density of 6DU/AC (0.83 Acres)                                | 0                   | 0       | 0                 |
| 2604  | 12    | 1         | 592 OVERHILL ROAD         | 0.18  | Under presumed density of 6DU/AC (0.83 Acres)                                | 0                   | 0       | 0                 |
| 1503  | 4     | 15C       | 630 LONGVIEW ROAD         | 0.17  | Under presumed density of 6DU/AC (0.83 Acres)                                | 0                   | 0       | 0                 |
| 704   | 14.01 | 1         | 619 SOUTH ORANGE AVENUE   | 0.17  | Under presumed density of 6DU/AC (0.83 Acres)                                | 0                   | 0       | 0                 |
| 503   | 3     | 1         | 747 BERKELEY AVENUE (16)  | 0.15  | Under presumed density of 6DU/AC (0.83 Acres)                                | 0                   | 0       | 0                 |
| 1009  | 30    | 1         | 331 SOUTH ORANGE AVENUE   | 0.14  | Under presumed density of 6DU/AC (0.83 Acres)                                | 0                   | 0       | 0                 |

| BLOCK  | LOT   | TAX CLASS | ADDRESS                   | ACRES | CONSTRAINT                                    | UNCONSTRAINED ACRES | 6 DU/AC | 20% LMI SET-ASIDE |
|--------|-------|-----------|---------------------------|-------|-----------------------------------------------|---------------------|---------|-------------------|
| 2506   | 9     | 1         | 431 LENOX PLACE           | 0.12  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 1902   | 22    | 15C       | 68 SO ORANGE AVENUE WEST  | 0.10  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 102    | 6     | 15C       | 674 LONGVIEW ROAD         | 0.10  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 401    | 5     | 1         | UNKNOWN                   | 0.09  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 2604   | 33    | 1         | 14 STONEHILL ROAD         | 0.09  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 2106   | 22    | 1         | 231 WARD PLACE            | 0.08  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 2112   | 18    | 15C       | 410 WILDEN PLACE          | 0.08  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 705    | 57    | 1         | 11 HOLLAND ROAD           | 0.07  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 160.04 | 10    | 1         | 2 HILLCREST AVENUE        | 0.07  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 161.05 | 6     | 1         | HENRIETTA DRIVE           | 0.05  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 707    | 5     | 1         | 711 MARION AVENUE         | 0.04  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 2201   | 36    | 15C       | 316 VALLEY STREET         | 0.04  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 702    | 45    | 15C       | 625 HAMILTON ROAD         | 0.03  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 2404   | 23    | 15C       | 318-A WESTERN DRIVE SOUTH | 0.03  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 2302   | 7     | 1         | 351-A VALLEY ST REAR      | 0.03  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 45.06  | 6     | 1         | 12 MOUNTAIN WAY SOUTH     | 0.03  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 45.01  | 15    | 1         | DEVON DRIVE               | 0.02  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 5.03   | 14.01 | 1         | 429-A LENOX PLACE         | 0.02  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 45.06  | 7     | 1         | 29 DEVON DRIVE            | 0.02  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 602    | 11    | 1         | 312 SELF PLACE            | 0.02  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 402    | 15    | 1         | 525 PAGE TERRACE          | 0.02  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 1904   | 14    | 15C       | 103 SO ORANGE AVENUE WEST | 0.02  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 808    | 9     | 1         | 77 MONTROSE STREET        | 0.02  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 402    | 14    | 1         | 515 PAGE TERRACE          | 0.01  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 812    | 6     | 1         | 12 MONTROSE STREET        | 0.01  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 7003   | 12    | 1         | 792 EAST CLARK PLACE      | 0.01  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |

| BLOCK | LOT  | TAX CLASS | ADDRESS                   | ACRES | CONSTRAINT                                    | UNCONSTRAINED ACRES | 6 DU/AC | 20% LMI SET-ASIDE |
|-------|------|-----------|---------------------------|-------|-----------------------------------------------|---------------------|---------|-------------------|
| 6705  | 16   | 1         | 180 STIRLING AVE REAR LOT | 0.01  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 4179  | 1    | 1         | 17 MONTROSE ST            | 0.01  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 4178  | 5    | 1         | 8 MONTROSE ST REAR        | 0.01  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 6902  | 4    | 1         | 8 KEASBY ROAD             | 0.00  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 16.01 | 1    | 15C       | HIXON PLACE               | 0.00  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 4178  | 7    | 1         | 10 MONTROSE ST REAR       | 0.00  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 15.07 | 422  | 15C       | 21 PARKER AVE WEST        | 0.00  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 6705  | 10   | 1         | STIRLING AVENUE           | 0.00  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 5501  | 1    | 15C       | TREMONT AVENUE            | 0.00  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |
| 1     | 1.26 | 15C       | VALLEY RD.& HILLSIDE      | 0.00  | Under presumed density of 6DU/AC (0.83 Acres) | 0                   | 0       | 0                 |