

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

*Prepared for:*

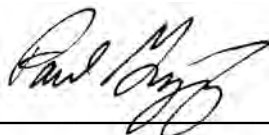
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Adopted May 20, 2025

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

A handwritten signature in black ink, appearing to read 'Paul Grygiel', is written over a horizontal line.

Paul Grygiel

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# Acknowledgments

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## I. Introduction

This Housing Element and Fair Share Plan has been prepared on behalf of the Borough of New Milford, Bergen County, in accordance with the New Jersey Municipal Land Use Law per N.J.S.A. 40:55D-28b(3) and the Fair Housing Act (N.J.S.A. 52:27D-301, et seq.). This document supersedes and replaces the Borough's 2017 Housing Element and Fair Share Housing Plan which was adopted on May 16, 2017, hereinafter referred to as the "Borough's 2017 Housing Plan."

The Municipal Land Use Law, N.J.S.A. 40:55D-1, et seq., requires that a municipal master plan include a Housing Element in order for the municipality to exercise the power to zone and regulate land use. The Housing Element and Fair Share Plan is adopted by the Borough Planning Board and endorsed by the governing body. It is intended to achieve the goal of meeting the Borough's obligations to plan and regulate land use to provide for a fair share of the regional need for affordable housing.

New Milford remains committed to meeting its constitutional obligation to provide through its land use regulations a realistic opportunity for a fair share of the region's present and prospective needs for housing for low- and moderate-income families. This Housing Element and Fair Share Plan document outlines how the Borough will address its affordable housing obligations.

## II. Affordable Housing in New Jersey

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

COAH first proposed Third Round substantive and procedural rules in 2003, but due to multiple legal challenges, these rules were not adopted until 2008. However, the Third Round rules adopted in 2008 were challenged in an appeal entitled In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing, 416 N.J. Super. 462 (App. Div. 2010) (the "2010 Case"). In October 2010, the Appellate Division determined, among other things, that the methodology in the rules adopted in 2008 was invalid and that COAH should adopt regulations utilizing methodologies similar to the ones utilized in the First and Second Rounds, i.e. 1987-1999. In 2013, the Supreme Court of New Jersey affirmed the Appellate Division's invalidation of the third iteration of the Third Round regulations, sustained their determination that the growth share methodology was invalid, and directed COAH to adopt new regulations based upon the methodology utilized in the First and Second Rounds, In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing, 215 N.J. 578 (2013) (the "2013 Case"). COAH proceeded to propose such regulations in accordance with the schedule established by the New Jersey Supreme Court in the 2013 Case. On October 20, 2014, COAH deadlocked with a 3-3 vote and failed to adopt the revised Third Round regulations.

Due to COAH's failure to adopt the revised regulations and subsequent inaction, Fair Share Housing Center ("FSHC"), a party in the 2010 Case and the 2013 Case, filed a motion with the New Jersey Supreme Court to enforce litigant's rights. On March 10, 2015 the New Jersey Supreme Court issued its decision on FSHC's motion. The Supreme Court found that the COAH administrative process had become non-functioning and, as a result, returned primary jurisdiction over affordable housing matters to the trial courts. In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing, 221 N.J. 1 (2015) (the "2015 Case"). In doing so, the Supreme Court declined to adopt a specific methodology or formula to calculate the Third Round affordable housing obligations of the municipalities. The Court did provide some guidance by reiterating its endorsement of the

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previous methodologies employed in the First and Second Round Rules as the template to establish Third Round affordable housing obligations.

In the 2015 Case, the Supreme Court decision recognized that many municipalities attempted to address their affordable housing obligations in 2008 by preparing a housing element and fair share plan and petitioning COAH for substantive certification of the plan. Through no fault of its own, New Milford, like a number of other municipalities, did not receive substantive certification of its 2008 plan due to inaction by COAH and subsequent legal challenges. Such towns are considered “participating municipalities” and were afforded an opportunity to prepare a new housing element and fair share plan to address its affordable housing obligations. New Milford subsequently filed a declaratory judgment with the Superior Court in July 2015 seeking a declaration of its compliance with the Mount Laurel doctrine and FHA in accordance with the decision in the 2015 Case. The Borough reached a settlement with FSHC, which was memorialized in an agreement between the two parties dated December 29, 2016. New Milford subsequently received a Judgment of Compliance and Repose from the Superior Court on March 21, 2017.

On March 20, 2024, Governor Phil Murphy signed a package of affordable housing bills. One of these overhauled the FHA and eliminated COAH, and set forth the process of determining Fourth Round (2025 to 2035) affordable housing obligations. The New Jersey Department of Community Affairs (DCA) calculated statewide and regional affordable housing needs, including its non-binding determination of each municipality’s Fourth Round affordable housing obligations. Municipalities were able to either the accept the DCA determination of their obligation, or to provide their own municipal determination of their Fourth Round obligation. This Housing Element and Fair Share Plan has been prepared pursuant to applicable law and regulations and addresses New Milford’s affordable housing compliance.

### III. Housing Element/Fair Share Plan Requirements

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

- An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low- and moderate-income households and substandard housing capable of being rehabilitated;
- A projection of the municipality's housing stock, including the probable future construction of low- and moderate-income housing, for the next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development, and probable residential development of lands;
- An analysis of the municipality's demographic characteristics, including, but not necessarily limited to, household size, income level, and age;
- An analysis of the existing and probable future employment characteristics of the municipality;
- A determination of the municipality's present and prospective fair share of low- and moderate-income housing and its capacity to accommodate its present and prospective housing needs, including its fair share of low- and moderate-income housing; and
- A consideration of the lands most appropriate for construction of low- and moderate-income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to provide low- and moderate-income housing; and
- 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, pursuant to N.J.S.A. 52:27D-329.20f.(1); and
- 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.

Administrative Directive #14-24 issued on December 13, 2024 by the Administrative Office of the Courts promulgates procedures and guidelines implementing the Affordable Housing Alternative Dispute Resolution Program ("the Program") established pursuant to section 5 of P.L.2024, c.2 (N.J.S.A. 52:27D-313.2). Additional required elements of a Housing Element and Fair Share Plan (HEFSP) are appended to this Directive and include the following:



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- Detailed site suitability analyses, based on the best available data, for each of the un-built inclusionary or 100 percent affordable housing sites in the plan as well as an identification of each of the sites that were proposed for such development and rejected, along with the reasons for such rejection.
- The concept plan for the development of each of the selected sites should be overlaid on the most up to date environmental constraints map for that site as part of its analysis to see what changes will be needed (either to the selected sites or to their zoning) to ensure that all of the units required by the settlement agreement will actually be produced.
- Documentation of the creditworthiness of all of the existing affordable housing units in its HEFSP and to demonstrate that it has followed all of the applicable requirements for extending expiring controls, including confirmation that all of the units on which the controls have been extended are code-compliant or have been rehabilitated to code-compliance, and that all extended controls cover a full 30-year period beginning with the end of the original control period. Documentation as to the start dates and lengths of affordability controls applicable to these units and applicable Affordable Housing Agreements and/or deed restrictions is also required. Additionally, the income and bedroom distributions and continued creditworthiness of all other existing affordable units in the HEFSP must be provided.
- An analysis of how the HEFSP complies with or will comply with all of the terms of the executed settlement agreement.

The HEFSP must also include (in an Appendix) all of the adopted ordinances and resolutions needed to implement the HEFSP, including:

- All zoning amendments (or redevelopment plans, if applicable).
- An Affordable Housing Ordinance that includes, among other required regulations, its applicability to 100 percent affordable and tax credit projects, the monitoring and any reporting requirements set forth in the settlement agreement, requirements regarding very low income housing and very low income affordability consistent with the FHA and the settlement agreement, provisions for calculating annual increases in income levels and sales prices and rent levels, and a clarification regarding the minimum length of the affordability controls (at least 30 years, until the municipality takes action to release the controls).
- The adoption of the mandatory set aside ordinance, if any, and the repeal of the existing growth share provisions of the code.
- An executed and updated Development Fee Ordinance that reflects the court's jurisdiction.
- An Affirmative Marketing Plan adopted by resolution that contains specific directive to be followed by the Administrative Agent in affirmatively marketing affordable housing units, with an updated COAH form appended to the Affirmative Marketing Plan, and with both documents specifically reflecting the direct notification requirements set forth in the settlement agreement.
- An updated and adopted Spending Plan indicating how the municipality intends to allocate development fees and other funds, and detailing (in mini manuals) how the municipality

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proposes to expend funds for affordability assistance, especially those funds earmarked for very low income affordability assistance.

- A resolution of intent to fund any shortfall in the costs of the municipality's municipally sponsored affordable housing developments as well as its rehabilitation program, including by bonding if necessary.
- Copies of the resolution(s) and/or contract(s) appointing one or more Administrative Agent(s) and of the adopted ordinance creating the position of, and resolution appointing, the Municipal Affordable Housing Liaison.
- A resolution from the Planning Board adopting the HEFSP, and, if a final Judgment is sought before all of the implementing ordinances and resolutions can be adopted, a resolution of the governing body endorsing the HEFSP.

## IV. Housing Stock and Demographic Analysis

### Housing Stock Inventory

In 2023, there were 6,428 housing units in the Borough of New Milford, of which 271, or roughly 4 percent, were vacant. Of the 6,157 occupied units, nearly 63 percent were owner occupied and approximately 37 percent were renter occupied. Table 1, Housing Units by Occupancy Status, 2023, illustrates this occupancy status in 2023.

*Table 1. Housing Units by Occupancy Status, 2023*

	Housing Units	Owner Occupied	Renter Occupied
<b>Occupied</b>	6,157	3,860	2,297
<b>Vacant</b>	271	-	-
<b>Total</b>	6,428	-	-

*Source: American Community Survey, 2019-2023 (Table DP04 Selected Housing Characteristics)*

Approximately 65 percent of the total housing stock consists of single-family detached units. Structures with three or more units comprise nearly 29 percent of the total housing stock, approximately 4 percent of which consists of housing with 20 or more units. See Table 2, Housing Units by Number of Units in Structure, 2023, for a detailed explanation of the Borough's housing units.

*Table 2. Housing Units by Number of Units in Structure, 2023*

Number of Units	Total	Percent
<b>1, Detached</b>	4,158	64.7%
<b>1, Attached</b>	96	1.5%
<b>2</b>	317	4.9%
<b>3 or 4</b>	1,315	20.5%
<b>5 to 9</b>	185	2.9%
<b>10 to 19</b>	106	1.6%
<b>20+</b>	237	3.7%
<b>Mobile Home</b>	14	0.2%
<b>Other</b>	0	0.0%
<b>Total</b>	6,428	100%

*Source: American Community Survey, 2019-2023 (Table DP04 Selected Housing Characteristics)*

Table 3, Housing Units by Age, 2023, illustrates the age of the Borough's housing stock. As one would expect from a smaller, largely built out community, a majority of the housing units (i.e., 71 percent) were built in the time period ranging from before 1940 to 1959. In contrast, only approximately 4 percent of the Borough's housing units were built in the years since 1990, of which less than 2 percent was constructed following the year 2000.

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*Table 3. Housing Units by Age, 2023*

Year Built	Total Units	Percent
2020 or later	0	0.0%
2010 to 2019	85	1.3%
2000 to 2009	32	0.5%
1990 to 1999	109	1.7%
1980 to 1989	392	6.1%
1970 to 1979	408	6.3%
1960 to 1969	851	13.2%
1950 to 1959	2041	31.8%
1940 to 1949	1645	25.6%
Before 1940	865	13.5%
<b>Total</b>	<b>6,428</b>	<b>100%</b>

Source: American Community Survey, 2019-2023 (Table DP04 Selected Housing Characteristics)

Table 4, Comparison of Housing Units by Number of Rooms for the Borough of New Milford and Bergen County, 2023, shows, with regard to housing units in New Milford, 19 percent have between one and three rooms; 40 percent have between four and six rooms; and 41 percent have seven or more rooms. The median number of rooms per unit in New Milford is 5.9, which is very similar to that of Bergen County at 5.8 rooms.

*Table 4. Housing Units by Number of Rooms for New Milford and Bergen County, 2023*

Rooms	Number of Units in New Milford	Percent of Units in New Milford	Number of Units in Bergen County	Percent of Units in Bergen County
1	148	2.3%	10,090	2.7%
2	273	4.2%	13,229	3.6%
3	812	12.6%	41,700	11.3%
4	1,040	16.2%	51,568	14.0%
5	499	7.8%	50,366	13.7%
6	1,015	15.8%	57,779	15.7%
7	823	12.8%	46,007	12.5%
8	755	11.7%	38,447	10.4%
9+	1,063	16.5%	59,349	16.1%
<b>Total</b>	<b>6,428</b>	<b>100%</b>	<b>368,535</b>	<b>100%</b>
<b>Median Rooms per Unit</b>	<b>5.9</b>		<b>5.8</b>	

Source: American Community Survey, 2019-2023 (Table DP04 Selected Housing Characteristics)

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Tables 5 and 6, Housing Values, Owner Occupied, 2013 and 2023, respectively, show that the median housing value of owner occupied housing units in New Milford increased 36 percent between 2013 and 2023. During this time, the median housing value in Bergen County increased by 31 percent. In 2013, New Milford's median housing value of \$408,800 was 10 percent lower than that of Bergen County (\$451,400). In 2023, New Milford's median housing value of \$554,800 was roughly 7 percent lower than that of Bergen County (\$593,200). Therefore, housing in New Milford has been relatively more affordable than in the County as a whole.

*Table 5. Housing Values, Owner Occupied, 2013*

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

Source: American Community Survey, 2009-2013 (Table DP04 Selected Housing Characteristics)

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*Table 6. Housing Values, Owner Occupied, 2023*

Housing Value	Number in New Milford	Percent in New Milford	Number in Bergen County	Percent in Bergen County
Less than \$50,000	60	1.6%	4,241	1.8%
\$50,000 to \$99,999	29	0.8%	2,583	1.1%
\$100,000 to \$149,999	6	0.2%	2,366	1.0%
\$150,000 to \$199,999	0	0.0%	2,680	1.2%
\$200,000 to \$299,999	54	1.4%	11,285	4.9%
\$300,000 to \$499,999	1,327	34.4%	62,212	26.9%
\$500,000 to \$999,999	2,317	60.0%	115,000	49.8%
\$1,000,000 or more	67	1.7%	30,556	13.2%
<b>Total</b>	<b>3,860</b>	<b>100%</b>	<b>230,923</b>	<b>100%</b>
<b>2023 Median Value</b>	<b>\$554,800</b>		<b>\$593,200</b>	

Source: American Community Survey, 2019-2023 (Table DP04 Selected Housing Characteristics)

Monthly rental cost in New Milford (\$1,722) is somewhat lower than the monthly rental cost for Bergen County (\$1,863). In New Milford, approximately 74 percent of renters pay \$1,500 or more per month in rent, whereas just over 1 percent pay less than \$1000. Similarly, 74 percent of Bergen County renters pay \$1,500 or more per month in rent. See Table 7, Comparison of the Borough of New Milford and Bergen County, Monthly Rental Cost, 2023, for additional details. Again, housing in New Milford has been relatively more affordable than in the county as a whole.

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*Table 7. Comparison of New Milford and Bergen County, Monthly Rental Cost, 2023*

Monthly Rent	Number in New Milford	Percent in New Milford	Number in Bergen County	Percent in Bergen County
No Rent Paid	21	-	3,907	-
Less than \$500	27	1.2%	3,870	3.3%
\$500 to \$999	2	0.1%	5,086	4.3%
\$1,000 to \$1,499	556	24.4%	21,678	18.3%
\$1,500 to \$1,999	1,247	54.8%	39,395	33.3%
\$2,000 to \$2,499	242	10.6%	21,731	18.3%
\$2,500 to \$2,999	23	1.0%	11,103	9.4%
\$3,000 or more	179	7.9%	15,614	13.2%
<b>Total</b>	<b>2,276</b>	<b>100%</b>	<b>118,477</b>	<b>100%</b>
<b>Median Rent</b>	<b>\$1,722</b>		<b>\$1,863</b>	

Source: American Community Survey, 2019-2023 (Table DP04 Selected Housing Characteristics)

In 2023, 31 percent of New Milford owner occupied households contributed 30 percent or more of their income towards monthly housing costs, whereas 43 percent of New Milford owner occupied households put less than 20 percent of their income towards monthly housing costs. See Table 8, Monthly Housing Costs as Percentage of Household Income in the Past 12 Months – Owner Occupied Units, 2023, for further information.

*Table 8. Monthly Housing Costs as Percentage of Household Income in the Past 12 Months – Owner Occupied Housing Units, 2023*

	Less than 20 percent	20 to 29 percent	30 percent or more
Less than \$20,000	0%	0%	3.7%
\$20,000 - \$34,999	0%	0%	5.6%
\$35,000 - \$49,999	0.7%	0.5%	3.1%
\$50,000 - \$74,999	0.6%	1.2%	5.4%
\$75,000 or more	42.0%	23.7%	13.5%
<b>Zero or Negative Income</b>	<b>0%</b>		

Source: American Community Survey, 2019-2023 (Table S2503 Financial Characteristics)

In 2023, 48 percent of New Milford renter occupied households contributed 30 percent or more of their household income towards monthly rental costs, whereas only roughly 22 percent of New Milford renter occupied households contributed less than 20 percent. See Table 9, Monthly Housing Costs as a Percentage of Household Income in the Past 12 Months – Renter Occupied Units, 2023, for further information.

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*Table 9. Monthly Housing Costs as a Percentage of Household Income in the Past 12 Months – Renter Occupied Housing Units, 2023*

	Less than 20 percent	20 to 29 percent	30 percent or more
<b>Less than \$20,000</b>	0%	0%	8.3%
<b>\$20,000 - \$34,999</b>	0%	0%	10.7%
<b>\$35,000 - \$49,999</b>	0.5%	0%	12.8%
<b>\$50,000 - \$74,999</b>	0.1%	3.9%	14.1%
<b>\$75,000 or more</b>	20.9%	26.0%	1.8%
<b>Zero or Negative Income</b>	0%		
<b>No Cash Rent</b>	0.9%		

Source: American Community Survey, 2019-2023 (Table S2503 Financial Characteristics)

New Milford has 16 housing units that lack complete plumbing facilities and 164 units that are considered overcrowded (defined as having 1.01 or more persons per room). The Borough has 28 units that have no telephone service available and zero units that lack complete kitchen facilities. See Table 10, Selected Quality Indicators, Occupied Housing Stock, 2023, for further information.

*Table 10. Selected Quality Indicators, Occupied Housing Stock, 2023*

	Overcrowded	No Telephone Service Available	Lacking Complete Plumbing	Lacking Complete Kitchen Facilities
<b>Units</b>	<b>164</b>	<b>28</b>	<b>16</b>	<b>0</b>

Source: American Community Survey, 2019-2023 (Table DP04 Selected Housing Characteristics)

## General Population Characteristics

The population of New Milford has increased overall from 15,990 persons in 1990 to 16,923 persons in 2020. New Milford's population slightly decreased by -0.4 percent between 2000 and 2010 and once again increased by 3.6 percent between 2010 and 2020. Bergen County's population has steadily and continuously increased between 1990 and 2020, most recently exhibiting a 5.6 percent increase between 2010 and 2020. See Table 11, Population Growth, for more information.

*Table 11. Population Growth*

	1990	2000	Percent Change (1990-2000)	2010	Percent Change (2000-2010)	2020	Percent Change (2010-2020)
<b>New Milford</b>	15,990	16,400	2.6%	16,341	-0.4%	16,923	3.6%
<b>Bergen County</b>	825,380	884,118	7.1%	905,116	2.4%	955,732	5.6%

Source: 1990, 2000, 2010, & 2020 U.S. Census



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From 2010 through 2020, there were shifts in the age distribution of New Milford. The age group 15 through 24 increased from 1,851 persons to 1,958 persons (i.e., 6 percent). The age group 25 through 34 increased from 2,148 persons to 2,326 persons (i.e., 8 percent). The age group with the largest total increase was 55 through 64 with an increase from 2,037 persons to 2,541 persons (i.e., 25 percent). The age group with the largest total decrease was 45 through 54 with a decrease from 2,710 persons to 2,239 persons (i.e., 17 percent). See Table 12, Comparison of Age Distribution, 2010-2020, for additional details.

*Table 12. Comparison of Age Distribution, 2010-2020*

Age Group	2010	Percent	2020	Percent	Percent Change
Under 5	845	5.2%	899	5.3%	6.4%
5-14	1,949	11.9%	1,818	10.7%	-6.7%
15-24	1,851	11.3%	1,958	11.6%	5.8%
25-34	2,148	13.1%	2,326	13.7%	8.3%
35-44	2,223	13.6%	2,195	13.0%	-1.3%
45-54	2,710	16.6%	2,239	13.2%	-17.4%
55-64	2,037	12.5%	2,541	15.0%	24.7%
65-74	1,212	7.4%	1,655	9.8%	36.6%
75+	1,366	8.4%	1,292	7.6%	-5.4%
Total	16,341	100.0%	16,923	100.0%	-

*Source: 2010 and 2020 U.S. Census (2020 - Table DP1 Profile Of General Population And Housing Characteristics)*

## Household Characteristics

A household is defined by the U.S. Census Bureau as those persons who occupy a single room or group of rooms constituting a housing unit; however, these persons may or may not be related. As a subset of households, a family is identified as a group of persons including a householder and one or more persons related by blood, marriage or adoption, all living in the same household. In 2023, there were 6,157 occupied households in New Milford, with an average of 2.71 persons per household and an average of 3.36 persons per family. Approximately 56 percent of the households were comprised of married couples with or without children. Almost 31 percent of New Milford households are non-family households, which includes individuals. (Source: ACS 2019-2023, Table S1101 & S2501).

## Income Characteristics

Households in New Milford have, on average, slightly lower incomes than that of Bergen County as a whole. Annual median income for New Milford households in 2023 was \$113,513, whereas annual median income for households in Bergen County was \$116,709. Table 13, Household and Family Income by Income Brackets for New Milford and Bergen County, 2023, further illustrates these findings by noting the number of households in each of the income categories.

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*Table 13. Household and Family Income by Income Brackets for New Milford and Bergen County, 2023*

	New Milford		Bergen County	
	Households	Percent	Households	Percent
<b>Less than \$5,000</b>	32	0.5%	7,259	2.1%
<b>\$5,000 to \$9,999</b>	10	0.2%	3,942	1.1%
<b>\$10,000 to \$14,999</b>	121	2.0%	7,234	2.0%
<b>\$15,000 to \$19,999</b>	170	2.8%	6,577	1.9%
<b>\$20,000 to \$24,999</b>	132	2.1%	6,705	1.9%
<b>\$25,000 to \$34,999</b>	329	5.3%	15,240	4.3%
<b>\$35,000 to \$49,999</b>	474	7.7%	23,079	6.5%
<b>\$50,000 to \$74,999</b>	705	11.5%	39,916	11.3%
<b>\$75,000 to \$99,999</b>	859	14.0%	35,056	9.9%
<b>\$100,000 to \$149,999</b>	1,107	18.0%	62,751	17.8%
<b>\$150,000 or more</b>	2,218	36.0%	145,548	41.2%
<b>Total</b>	6,157	100%	353,307	100%
<b>Median Income</b>	\$113,513		\$123,715	

Source: American Community Survey, 2019-2023 (Table S2503 Financial Characteristics)

Although the Census data does not provide a breakdown of household income by household size, the 2024 Regional Income Limits prepared by the Affordable Housing Professionals of New Jersey<sup>1</sup> for Bergen, Hudson, Passaic and Sussex Counties (Region 1) indicate the median household income for a household of one person was \$84,288. As such, the moderate-income threshold for a household of one person was \$67,431 (i.e., 80 percent of \$84,288). In attempting to approximate the number of low- and moderate-income households in the Borough, using a household size of one is a conservative approach that represents just a minimum threshold. Table 13 above shows that the percentage of households in the Borough for which income was below the closest breakpoint to this minimum threshold (i.e. \$75,000) was approximately 32 percent.

The percentage of persons and household below the poverty level, as defined by the 2023 American Community Survey, equates to 4.6 percent of all New Milford Residents. This is lower than the County as a whole, wherein 6.7 percent of County residents were living below the poverty level in 2023. (Source: ACS 2019-2023, Table S1701)

## Employment Characteristics

Table 14, Employment Status, New Milford, indicates the number of Borough residents 16 years and over who are in the labor force, the type of labor force (i.e., civilian or armed forces) and employment status. Approximately 71 percent of New Milford residents 16 and over are in the labor force and, among those in the labor force, all are in the civilian labor force. Of the residents in the civilian labor force, approximately 94 percent are employed and approximately 6 percent are unemployed.

<sup>1</sup> [https://ahpnj.org/member\\_docs/Income\\_Limits\\_2024\\_FINAL.pdf](https://ahpnj.org/member_docs/Income_Limits_2024_FINAL.pdf)

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*Table 14. Employment Status, New Milford*

	Number in New Milford	Percent in New Milford
<b>Population 16 years and over</b>	13,392	100%
<b>In Labor Force</b>	9,515	71.0%
<b>Civilian Labor Force</b>	9,515	71.0%
<i>Employed</i>	8,907	66.5%
<i>Unemployed</i>	608	4.5%
<b>Armed Forces</b>	0	0.0%
<b>Not in Labor Force</b>	3,877	29.0%

Source: American Community Survey, 2019-2023 (Table DP03 Selected Economic Characteristics)

Table 15, Employment by Occupation, New Milford, 2023, identifies the occupations of employed persons. While New Milford residents work in a variety of industries, 56 percent of employed residents work in Management, Professional and related-occupations; 20 percent are employed in Sales and Office-related occupations; and nearly 12 percent are employed in Service-related occupations.

*Table 15. Employment by Occupation, New Milford, 2023*

Job Sector	Number	Percent
<b>Management, Business, Science, and Arts Occupations</b>	5,000	56.1%
<b>Service</b>	1,059	11.9%
<b>Sales and Office</b>	1,812	20.3%
<b>Natural Resources, Construction, and Maintenance</b>	378	4.2%
<b>Production, Transportation, and Material Moving</b>	658	7.4%
<b>Total</b>	8,907	100%

Source: American Community Survey, 2019-2023 (Table DP03 Selected Economic Characteristics)

Table 16, Distribution of Employment by Industry, Borough Residents, 2023, shows the distribution of employment by industry for employed New Milford residents. The four industries to capture the largest segments of the population were: the Educational, Health, and Social Services sector at nearly 27 percent; the Professional, Scientific, Management, Administrative, and Waste Management Services sector at 17 percent; the Retail sector at 10 percent; and the Financing, Insurance, Real Estate, Renting, and Leasing sector at almost 10 percent.

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*Table 16. Distribution of Employment by Industry, Borough Residents, 2023*

<b>Job Sector</b>	<b>Number</b>	<b>Percent</b>
<b>Agriculture, Forestry, Fishing and Hunting, and Mining</b>	0	0%
<b>Construction</b>	435	4.9%
<b>Manufacturing</b>	691	7.8%
<b>Wholesale Trade</b>	265	3.0%
<b>Retail Trade</b>	903	10.1%
<b>Transportation and Warehousing, and Utilities</b>	360	4.0%
<b>Information</b>	189	2.1%
<b>Financing, Insurance, Real Estate, Renting, and Leasing</b>	854	9.6%
<b>Professional, Scientific, Management, Administrative, and Waste Management Services</b>	1,512	17.0%
<b>Educational, Health and Social Services</b>	2,390	26.8%
<b>Arts, Entertainment, Recreation, Accommodation and Food Services</b>	534	6.0%
<b>Public Administration</b>	321	3.6%
<b>Other</b>	453	5.1%
<b>Total</b>	<b>8,907</b>	<b>100%</b>

Source: American Community Survey, 2019-2023 (Table DP03 Selected Economic Characteristics)

Of the employed residents, approximately 81 percent are private wage and salary workers; 13 percent are government workers; and nearly 6 percent are self-employed. See Table 17, Distribution by Class of Worker, 2023, for additional details.

*Table 17. Distribution by Class of Worker, 2023*

	<b>Number in New Milford</b>	<b>Percent in New Milford</b>
<b>Private Wage and Salary Workers</b>	7,211	81.0%
<b>Government Workers</b>	1,166	13.1%
<b>Self-employed in own not incorporated business workers</b>	509	5.7%
<b>Unpaid family workers</b>	21	0.2%
<b>Total</b>	<b>8,907</b>	<b>100%</b>

Source: American Community Survey, 2019-2023 (Table DP03 Selected Economic Characteristics)

The New Jersey Department of Labor and Statistics tracks covered employment throughout the State. See Table 18, Private Sector Employment in New Milford by Industry Sector, 2012, 2017, 2022, for additional details. According to the New Jersey Department of Labor and Statistics, there were 2,431 jobs in New Milford in 2022. Educational Services; Retail Trade; Health Care and Social Assistance; and Accommodation and Food Services were the largest sectors of in-town employment, with 658, 460, 442, and 277 jobs, respectively. Table 18 also shows the number of employees by sector in New

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Milford in 2012 and 2017. The largest decrease in local employment between 2012 and 2022 was in the Health Care and Social Assistance sector, which experienced a decrease of 83 jobs (or almost 16 percent). The sector which saw the largest local employment increase between 2012 and 2022 was the Retail Trade sector, which experienced an increase in 125 jobs (or 37 percent).

*Table 18. Employment in New Milford by Industry Sector, 2012, 2017, 2022*

	2012		2017		2022	
PRIVATE SECTOR JOBS	COUNT	SHARE	COUNT	SHARE	COUNT	SHARE
Agriculture, Forestry, Fishing and Hunting, and Mining	0	0.0%	0	0.0%	0	0.0%
Mining, Quarrying, and Oil and Gas Extraction	0	0.0%	0	0.0%	0	0.0%
Utilities	0	0.0%	0	0.0%	0	0.0%
Construction	83	3.6%	102	4.1%	112	4.6%
Manufacturing	16	0.7%	5	0.2%	8	0.3%
Wholesale Trade	100	4.3%	82	3.3%	18	0.7%
Retail Trade	335	14.4%	413	16.7%	460	18.9%
Transportation and Warehousing	15	0.6%	14	0.6%	39	1.6%
Information	33	1.4%	34	1.4%	18	0.7%
Finance and Insurance	62	2.7%	62	2.5%	58	2.4%
Real Estate and Rental and Leasing	20	0.9%	18	0.7%	28	1.2%
Professional, Scientific and Technical Services	104	4.5%	45	1.8%	40	1.6%
Management of Companies and Enterprises	7	0.3%	2	0.1%	3	0.1%
Administration & Support, Waste Management and Remediation	66	2.8%	57	2.3%	48	2.0%
Educational Services	565	24.4%	605	24.4%	658	27.1%
Health Care and Social Assistance	525	22.6%	509	20.5%	442	18.2%
Arts, Entertainment, and Recreation	3	0.1%	74	3.0%	20	0.8%
Accommodation and Food Services	215	9.3%	258	10.4%	277	11.4%
Other Services (Excluding Public Administration)	54	2.3%	73	2.9%	69	2.8%
Public Administration	117	5.0%	125	5.0%	133	5.5%
<b>TOTAL PRIVATE SECTOR</b>	<b>2,320</b>	<b>100%</b>	<b>2,478</b>	<b>100%</b>	<b>2,431</b>	<b>100%</b>

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

## Growth Trends and Projections

### Residential Trends and Projections

According to the New Jersey Construction Reporter, between 2013 and 2023, New Milford issued 87 certificates of occupancy: 48 for one and two family dwelling units, 39 for multifamily dwelling units and zero for mixed use dwelling units. See Table 19, Residential Certificates of Occupancy, 2013-2023, for additional details.

*Table 19. Residential Certificates of Occupancy, 2013-2023*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
<b>1 &amp; 2 Family</b>	8	7	9	3	4	5	3	2	1	3	3	48
<b>Multifamily</b>	0	0	0	0	0	1	0	38	0	0	0	39
<b>Mixed Use</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	8	7	9	3	4	6	3	40	1	3	3	87

*Source: New Jersey Construction Reporter*

The Borough has seen the construction of primarily one- and two-family homes over the last decade, which due to limited vacant land has generally occurred as infill in existing developed areas. There also was a significant number of multi-family units added to the Borough's housing stock as part of an inclusionary housing development. As is detailed further in Chapter V, the Borough anticipates the construction of a moderate amount of residential development in coming years through potential redevelopment of existing properties. Aside from these projects, the Borough anticipates little additional housing development. This is due largely to a lack of vacant land, with environmental constraints or other limiting factors on the remaining undeveloped tracts zoned for residential use.

### Non-Residential Trends and Projections

According to the New Jersey Construction Reporter, between 2013 and 2023, New Milford issued certificates of occupancy for a total of ±208,720 square feet of non-residential building space. See Table 20, Non-Residential Certificates of Occupancy, 2013-2023, for additional details. The majority of the non-residential growth can be attributed to:

- 71,068 square feet of retail space, for which a certificate of occupancy was issued in 2019;
- 67,859 square feet of multifamily/dormitories, for which certificates of occupancy were issued in 2018 and 2020;
- 31,474 square feet of office space, for which certificates of occupancy were issued in 2015, 2017, 2018, and 2022; and
- 22,542 square feet of signs, fences, utility & miscellaneous, for which certificates of occupancy were issued in 2013, 2019, 2021

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*Table 20. Non-Residential Certificates of Occupancy, 2013-2023*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Office	0	0	2,880	0	16,082	3,227	0	0	0	9,285	0	31,474
Retail	0	0	0	0	0	0	71,068	0	0	0	0	71,068
A-1	0	0	0	0	0	0	0	0	0	0	0	0
A-2	0	0	0	0	0	0	0	0	4,640	0	0	4,640
A-3	0	0	0	0	0	0	0	0	0	0	0	0
A-4	0	0	0	0	0	0	0	0	0	0	0	0
A-5	0	0	0	0	0	0	0	0	0	0	0	0
Multifamily/ Dormitories	0	0	0	0	0	9,859	0	58,000	0	0	0	67,859
Hotel/ Motel	0	0	0	0	0	0	0	0	0	0	0	0
Education	0	0	0	0	0	8,100	0	0	0	0	0	8,100
Industrial	0	0	0	0	0	0	0	3,037	0	0	0	3,037
Hazardous	0	0	0	0	0	0	0	0	0	0	0	0
Institutional	0	0	0	0	0	0	0	0	0	0	0	0
Storage	0	0	0	0	0	0	0	0	0	0	0	0
Signs, Fences, Utility & Misc.	43	0	0	0	0	0	21,000	0	1,499	0	0	22,542
<b>TOTAL</b>	<b>43</b>	<b>0</b>	<b>2,880</b>	<b>0</b>	<b>16,082</b>	<b>21,186</b>	<b>92,068</b>	<b>61,037</b>	<b>6,139</b>	<b>9,285</b>	<b>0</b>	<b>208,720</b>

*Source: New Jersey Construction Reporter*

### Capacity for Growth

New Milford is essentially fully developed. The Vacant Land Analysis in the following chapter addresses this issue in detail, and demonstrates the lack of available developable land within the Borough. The most realistic development opportunities involved the redevelopment of existing developed properties for residential use or mixed-use development.



## V. Fair Share Plan

### Affordable Housing Obligations

#### Introduction

The New Jersey Department of Community Affairs (DCA) has calculated statewide and regional affordable housing needs, including municipal obligations. These non-binding determination of each municipality's Fourth Round (2025 to 2035) affordable housing obligations were released on October 18, 2024. A deadline of January 31, 2025 was set for municipalities to adopt a binding resolution setting forth either their acceptance of the DCA determination of their obligations or the municipal determination of their Fourth Round obligations. New Milford's Mayor and Council adopted a resolution on January 27, 2025 setting forth its determination of the Borough's Fourth Round obligations. This resolution was filed with the State's Affordable Housing Dispute Resolution Program within 48 hours of adoption and was published on the Borough's website as required. Each of these obligations is discussed below.

#### Present Need

Present Need, also known as the rehabilitation obligation, is defined as the number of substandard existing deficient housing units in the municipality currently occupied by low- and moderate-income (LMI) households. The DCA proposed a non-binding Present Need obligation for New Milford of 14. The Borough of New Milford has accepted this obligation.

#### Prospective Need

Municipal Prospective Need obligations are calculated as a share of the region in which the municipality is located (New Milford's region includes Bergen, Hudson, Passaic and Sussex Counties). The total Prospective Need for this region is 27,743, with this need allocated to municipalities throughout the region. However, "Qualified Urban Aid Municipalities" are exempt from addressing Prospective Need, which increases the remaining municipalities' obligations. Regional Prospective Need is then allocated across the non-qualified urban aid municipalities in the region by applying three factors.

#### *Equalized Nonresidential Valuation*

This factor is the change in nonresidential property valuations in the municipality from 1999 to 2023 divided by the regional total change in nonresidential valuations. This factor for New Milford is 0.27%.

#### *Income Capacity*

This factor measures the extent to which a municipality's income level differs from that of the lowest-income municipality in its housing region. This factor for New Milford is 0.85%.

#### *Land Capacity*

This factor determines the total acreage that is developable in a municipality utilizing the most recent land use / land cover (LULC) data from the New Jersey Department of Environmental Protection (DEP), the most recently available MOD-IV Property Tax List data from the Division of Taxation in the



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Department of the Treasury, and construction permit data from the DCA. The calculation is supposed to exclude lands subject to development limitations. “Weighting factors” as specified in the Affordable Housing Law were applied to developable lands based on the planning area type in which such land was located. For municipalities such as New Milford located in Planning Area 1, the weight is 1, meaning there is no reduction, unlike in various other planning areas. This factor for New Milford is 0.11%.

However, New Milford’s Prospective Need obligation should be lower than the DCA’s non-binding obligation due to issues with DCA’s calculations as detailed below. In particular, the Land Capacity factor classifies a number of areas in the Borough as “developable” when in reality they are not.

The DCA issued the data that was the basis for the Land Capacity factor on November 27, 2024. The link to the DCA GIS data<sup>2</sup>, and the description section, includes the following language:

The land areas identified in this dataset are based on an (sic) the best available data using publicly available data enumerated in N.J.S.A. 52:27D-304.3c.(4) to estimate the area of developable land, within municipal and regional boundaries, that may accommodate development. It is important to note that the identified areas could be over or under inclusive depending on various conditions and that municipalities are permitted to provide more detailed mappings as part of their participation in the Affordable Housing Dispute Resolution Program.

The areas identified as developable in the DCA’s calculation of the Land Capacity factor is indeed overinclusive. Accordingly, the amount of developable land should be adjusted from 2.09 to 1.09 acres, which would result in the Land Capacity factor dropping from 0.11% to 0.05%. A document outlining this analysis is included in the Appendix.

### *Final Prospective Need Calculation*

The Equalized Nonresidential Valuation Factor, Land Capacity Factor And Income Capacity Factor for each municipality were averaged to determine an Average Allocation Factor, which is the basis for municipal Prospective Need. New Milford’s Average Allocation Factor is 0.41%, which resulted in DCA’s proposed non-binding Prospective Need obligation for New Milford of 114. However, the Average Allocation factor should be reduced from 0.41% to 0.39%. When this correction is made, New Milford’s Round 4 Prospective Need number is 108.<sup>3</sup>

The Borough filed a declaratory judgment complaint in the Superior Court of New Jersey on January 28, 2025, which included a prospective need number of 108. The New Jersey Builders’ Association (NJBA) filed an objection to New Milford’s filing on February 26, 2025, which challenged the proposed reduction in the Borough’s Prospective need number. Prior to a settlement conference on this matter

<sup>2</sup> <https://njdca.maps.arcgis.com/home/item.html?id=12acdf0a5104f8f8a2f604e96063e74>

<sup>3</sup> This calculation is based on the factors including in DCA’s Fourth Round municipal obligations spreadsheets, as it impossible to determine how these numbers would change based on numerous municipalities potentially submitting changes such as those being considered based on this document.

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on March 21, 2025, NJBA offered a settlement to adjust the DCA's prospective affordable housing need number for New Milford from 114 to 111. After considering the settlement offer by the NJBA and the comments of the Affordable Housing Alternative Dispute Resolution Program member and a Special Adjudicator, New Milford proposed a settlement of 110 prospective need affordable housing units, subject to approval by the Mayor and Council and certain reservations, which NJBA accepted. Based on this settlement, the Borough's modified Fourth Round Prospective Need is 110 units.

The Prospective Need obligation is cumulative. The new construction number consists of the Prior Round obligations for Rounds 1 and 2, the Prospective Need obligation for Round 3 and the Prospective Need obligation for Round 4.

In accordance with an agreement reached in 2016 between the Borough of New Milford and Fair Share Housing Center (FSHC), a Supreme Court-designated interested party in affordable housing proceedings statewide (the "2016 FSHC settlement agreement"), New Milford's Prospective Need obligations for 1987 to 2025 are as follows:

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

Third Round (1999 to 2025) Prospective Need: 288

The Present Need and Prospective Need are based upon a report entitled "New Jersey Low and Moderate Income Housing Obligations for 1999-2025 Calculated Using the NJ COAH Prior Round (1987-1999) Methodology," May 2016, prepared by David N. Kinsey, PhD, PP, FAICP (the "Kinsey Report"). The Third Round Prospective Need was adjusted as part of the 2016 FSHC settlement agreement. It was determined that New Milford's Realistic Development Potential (RDP) was 27, which results in a 50-unit obligation to address the Prior Round and Third Round RDP. As discussed below, when this RDP plus three surplus credits were subtracted from the Third Round Prospective Need, New Milford's Third Round "Unmet Need" was 258.

### **Vacant Land Analysis**

There is limited land in the Borough that is vacant or otherwise developable for affordable and/or inclusionary housing. New Milford is entitled to a Vacant Land Adjustment (VLA) to determine the Borough's Fourth Round RDP based on the amount of vacant and/or developable land that is suitable for inclusionary development. Our office has completed the VLA analysis, and has determined that New Milford's Fourth Round RDP is six units. After subtracting this number from the Fourth Round Prospective Need of 110 units, New Milford has a Fourth Round Unmet Need of 104 units. The VLA is included in Appendix 2. It includes a map depicting environmental constraints in the Borough, including wetlands and water bodies derived from the 2020 State Land Use/Land Cover dataset; steep slope areas exceeding 15 percent greater than 5,000 square feet as per 10 foot digital elevation model LiDAR data; and flood hazard areas within the 100-year floodplain as indicated by FEMA. The map also depicts properties which were initially evaluated for development as affordable housing, which consists of vacant land and Borough-owned parcels, as well as the former ShopRite property.

## Proposed Compliance Mechanisms

### Present Need

New Milford will continue to participate in rehabilitation programs including the Borough of New Milford Housing Rehabilitation Program, the Bergen County Housing Improvement Program and the Community Development Block Grant Program.

### Prior Rounds and Prospective Need

The mechanisms provided in the Borough's 2017 Housing Plan to address the Third Round RDP are listed below.

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

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

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

**Sarna / 1070 River Road / The Nest – Block 104, Lot 18:** This property is located in the Residential E/Multi-Family Townhouse zone, which requires the provision of an affordable housing setaside as part of any residential development. A 38-unit multifamily residential project formerly known as the Gramercy and now known as The Nest was approved by the Planning Board in 2007. Construction was completed on this project in 2020 and it is now occupied. It includes 34 market rate units and four affordable rental units. The bedroom distribution for the affordable units was modified from the original approval to comply with the applicable standards of the Uniform Housing Affordability Controls (UHAC).

**ShopRite and Bank Sites, River Road – Block 501, Lots 9 and 10:** In 2016, New Milford agreed to a settlement with New Milford Redevelopment Associates, LLC which required the Borough to rezone this property for inclusionary mixed-use development. The rezoning was enacted via Ordinance No. 2017-01, which was adopted on February 27, 2017. These properties, which are located on the west side of River Road north of Dilworth Road, are the former Shop Rite site and the adjacent former bank property. The settlement agreement with New Milford Redevelopment Associates, LLC provides for the construction of 135 dwelling units, including 27 affordable rental units (a 20 percent setaside), and 12,500 square feet of retail space.

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Redevelopment of this property has not occurred to date, despite the site being rezoned in fulfillment of the Court-approved settlement agreement and the 2017 Housing Plan.

The FHA at N.J.S.A. 52:27D-304.1f.(2)(a) provides that, “In addressing prior round obligations, the municipality shall retain any sites that, in furtherance of the prior round obligation, are the subject of a contractual agreement with a developer.” Thus, the FHA mandates that this site remain in the HEFSP. The FHA goes on to provide that the municipality “shall demonstrate how any sites that were not built in the prior rounds continue to present a realistic opportunity, which may include proposing changes to the zoning on the site to make its development more likely, and which may also include the dedication of municipal affordable housing trust fund dollars or other monetary or in-kind resources.”

Given that this site was not developed under the prior Court-approved zoning, in 2024, the property was designated by the Borough as an “area in need of redevelopment.” A redevelopment plan is being prepared for this site to permit mixed-use development at a greater density than was previously permitted. The redevelopment plan provides for the construction of 160 dwelling units, of which 32 will be affordable rental units (a 20 percent set aside), and 12,500 square feet of retail space. The Borough will enter into a redevelopment agreement and a financial agreement with Crossroads Companies, or its affiliate, the developer of this property. The financial agreement will grant a tax exemption for the project and provide for a payment in lieu of taxes. These zoning changes and financial incentives will ensure that this site presents a realistic opportunity for the development of affordable housing.

Further, to the extent allowed by the terms of the Uniform Housing Affordability Controls (UHAC), as may be amended, UHAC shall not apply to this project because the project was previously included in a court approved HEFSP. In particular, the proposed project will contain a mixed-use building with eight residential units, all of which will be age-restricted affordable units. If this conflicts with UHAC, such requirement in UHAC shall be deemed waived upon approval of this HEFSP by the Affordable Housing Dispute Resolution Program and/or the applicable County level judge.

**Bonus Credits:** COAH’s Second and Third Round Substantive Rules provide bonus credits for provision of affordable rental units, as well as for other compliance mechanisms, within certain limitations. For purposes of calculating rental bonus credits, the 15 Prior Round credits and the 27-unit Third Round RDP described above combine to total 42 affordable units, qualifying New Milford to receive 11 rental bonuses. The 15 Prior Round rental units described above combine with 8 rental bonuses to fulfill the Prior Round prospective need of 23 affordable units.

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*Table 21. Prior and Third Round Credits for Built, Approved and Planned Projects*

<u>Affordable Development</u>	<u>Type</u>	<u>Units</u>	<u>Bonus Credits</u>	<u>Total Credits Plus Bonuses</u>
Group Homes	Alternative Living Arrangements	11 bedrooms	11	22
1070 River Road	Inclusionary Development	4 units	--	4
Block 501, Lots 9 and 10	Inclusionary Development	27 units	--	27
<b>TOTAL</b>				<b>53</b>

As shown above, New Milford has addressed its Prior and Third Round obligations of 50, meaning that it has a surplus of three credits that can be applied to its Fourth Round obligation.

#### Fourth Round Prospective Need

**ShopRite and Bank Sites, River Road – Block 501, Lots 9 and 10:** As discussed above, redevelopment of this property has not occurred to date, despite the site being rezoned in fulfillment of the Court-approved settlement agreement and the 2017 Housing Plan. Therefore, this site was considered developable in the VLA. The redevelopment plan for this property along with the redevelopment agreement and financial agreement provides for the construction of 160 dwelling units, of which 32 will be affordable rental units (a 20 percent set aside), and 12,500 square feet of retail space. Eight of these affordable units will be age-restricted. As this property was included in the Borough's 2017 Housing Plan and received credit for 27 units, the net number of credits for this site in the Fourth Round is five. This development is also eligible for 2.5 bonus credits as discussed below, for a total of 7.5 credits.

#### Bonus Credits

The bonuses included in the amended FHA for the Fourth Round are as follows:

- Supportive/Special Needs: One unit of credit and one bonus credit for each unit of low- or moderate-income housing for individuals with special needs or permanent supportive housing, as those terms are defined in section 2 of P.L. 2004, c.70 (C.34:1B-21.24)
- Ownership Units Created with Non-Profit: One unit of credit and one-half bonus credit for each low- or moderate-income ownership unit created in partnership sponsorship with a non-profit housing developer
- Transit: One unit of credit and one-half bonus credit for each unit of low- or moderate-income housing located within a one-half mile radius (or one-mile radius for projects located in a Garden State Growth Zone), surrounding a New Jersey Transit Corporation, Port Authority Transit Corporation, or Port Authority Trans-Hudson Corporation rail, bus, or ferry station, measured from the closest point on the outer perimeter of the station, including any associated park-and-ride lot, to the closest point of the housing project property
- Age-Restricted: One unit of credit and one-half bonus credit for a unit of age-restricted housing, provided that a bonus credit for age-restricted housing shall not be applied to more than 10 percent of the units of age-restricted housing constructed in compliance with the Uniform

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Housing Affordability Controls promulgated by the New Jersey Housing and Mortgage Finance Agency in a municipality that count towards the municipality's affordable housing obligation for any single 10-year round of affordable housing obligations

- Additional Three-Bedroom Units: One unit of credit and one-half bonus credit for each unit of low- or moderate-income family housing with at least three bedrooms above the minimum number required by the bedroom distribution
- Former Retail, Office, Commercial: One unit of credit and one-half bonus credit for a unit of low- or moderate-income housing constructed on land that is or was previously developed and utilized for retail, office, or commercial space
- Extension of Controls: One unit of credit and one-half bonus credit for each existing low- or moderate-income rental housing unit for which affordability controls are extended for a new term of affordability, in compliance with the Uniform Housing Affordability Controls, and the municipality contributes funding towards the costs necessary for this preservation
- Municipal Contribution to 100% Affordable: One unit of credit and one bonus credit for each unit of low- or moderate-income housing in a 100 percent affordable housing project for which the municipality either contributes property without which the project would not be feasible, or makes contributions from the municipal affordable housing trust fund that cover no less than 3 percent of the project cost
- Additional Very Low-Income Units: One unit of credit and one-half bonus credit for each unit of very low-income housing for families above the 13 percent of units required to be reserved for very low-income housing pursuant to section 7 of P.L.2008, c.46 (C.52:27D-329.1)
- Market to Affordable: One unit of credit and one bonus credit for each unit of low- or moderate-income housing created by transforming an existing rental or ownership unit from a market rate unit to an affordable housing unit

For the Fourth Round and beyond, a municipality shall not receive more than one type of bonus credit for any unit, and a municipality shall not be permitted to satisfy more than 25 percent of its prospective need obligation through the use of bonus credits.

The Block 501, Lots 9 and 10 project is eligible for bonus credits as it is located on land that was previously developed and utilized for retail space. This type of credit provides one-half bonus credit per affordable unit, or 2.5 credits for the net of five affordable units in this development.

#### Unmet Need

**Inclusionary Zoning Requirements:** While there are no other large vacant parcels available for redevelopment at this time, it is possible that existing developed areas may be proposed for redevelopment. Affordable housing is required to be provided as part of any large-scale redevelopment project. The following section was added to the Affordable Housing chapter of the Borough's General Ordinances in 2018 as part of the implementation of the Borough's 2017 Housing Plan, and was amended in 2019 to read as follows:



**§ 32-1.5 Inclusionary Housing Requirements for Rezoning and Variances.**

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

**Modifications to Affordable Housing Requirements in Business Zone:** The Borough's 2017 Housing Plan proposed modifications to the regulations for the Business zone district, which were implemented in 2018 by the adoption of Ordinance Number 2018:13. While the Business zone already permitted residential uses on upper floors of mixed-use building, a provision was added to permit residential-only developments as well as mixed-used developments on lots one acre in area or larger, if a set-aside of affordable housing is provided. The maximum residential density was set at 14 dwelling units per acre, with a minimum affordable housing set-aside of 20 percent of the dwelling units in the development, except that the minimum set-aside shall be 15 percent where affordable rental units are provided. Proposed modifications to encourage provision of affordable housing, while continuing to promote economic development in the Business zone, are shown below (additions in **bold underline**, deletions in ~~strikethrough~~):

**§ 30-25.3 Affordable Housing.**

- a. On lots one acre in area or larger, the maximum residential density shall be **2014** dwelling units per acre when low- and moderate-income dwelling units are provided in accordance with this subsection. The minimum affordable housing set-aside shall be 20 percent of the dwelling units in the development, except that the minimum setaside shall be 15 percent where affordable rental units are provided. A minimum of 13 percent of the affordable units shall be affordable to households earning 30 percent or less of the area median income for the ~~Council~~ ~~on Affordable Housing~~ region.
- b. Affordable dwelling units shall comply with the **Uniform Housing Affordability Controls** ~~applicable rules of the Council on Affordable Housing~~ and any other relevant state regulations.
- c. All other affordable housing requirements of the Borough of New Milford, including development fees and inclusionary zoning requirements, shall apply to development in the Business zone.

**Summary of Credits and Bonuses**

These Borough's Fourth Round compliance mechanisms and the credits and bonuses associated with them are summarized in Table 22.

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*Table 22. Fourth Round Credits*

<u>Affordable Development</u>	<u>Type</u>	<u>Units</u>	<u>Bonus Credits</u>	<u>Total Credits Plus Bonuses</u>
Block 501, Lots 9 and 10	Inclusionary Development	5 units*	2.5	7.5
Third Round	Surplus Credits	3 credits	No	3
<b>TOTAL</b>		<b>8</b>	<b>2.5</b>	<b>10.5</b>
<i>Business Zone</i>	<i>Modified Affordable Housing Requirements</i>	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>

\*As discussed above, 32 proposed units less the 27 units for which the Borough previously received credit results in a net of five units of credit

The above credits address at least 25 percent of the Borough's Prospective Need obligation that has been adjusted.

### **Consideration of Lands and Buildings for Low- and Moderate-Income Housing**

New Milford is an essentially fully developed municipality with limited vacant land. As documented by the VLA discussed above, most of the vacant land in the Borough is not developable due to environmental constraints or other factors. The one prime developable parcel of land at the time of the 2017 Housing Plan, the United Water site, has been redeveloped as part of a comprehensive agreement and rezoning that included rezoning a developed commercial property for inclusionary mixed-use development.

In terms of lands of developers who have expressed a commitment to provide low- and moderate-income housing, as discussed above the developer of the former ShopRite site (Block 501, Lots 9 and 10) has expressed interest and a draft redevelopment plan has been prepared for this property that provides an inclusionary housing setaside. Two other developers have expressed a commitment to provide low- and moderate-income housing:

- **730 River Road (Block 501, Lots 4 and 5):** The attorney for the owner of this property, Wayne Valley Investments, LLC, sent a letter to the New Milford Mayor and Council dated March 24, 2025 expressing its interest in being included in the HEFSP. The property is currently developed with a two-story office building.
- **854 River Road (Block 502, Lot 1):** The attorney for the owner of this property, The Brunetti Organization, sent a letter to the New Milford Mayor and Council and the New Milford Planning Board dated March 24, 2025 expressing its interest in being included in the HEFSP. The property is currently developed with a two-story building containing 41,000 square feet of retail and office space.

One other potential site was identified by the DCA as potentially developable as part of its calculations of non-binding municipal Fourth Round affordable housing obligations: a portion of the New Milford Elks Lodge property located at 1 Patrolman Ray Woods Drive (Block 507, Lot 7). The overall lot area is approximately 2.07 acres, according to tax records. There is no intention to redevelop this property at



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present. However, should it become available in the future, it may be an appropriate location for affordable housing development given its size and location proximate to stores, services and transportation.

Similarly, there is no intention to redevelop the VFW Post property located at 267 Madison Avenue (Block 1203, Lot 17) at this time. However, should it become available in the future, it may also be an appropriate location for affordable housing development given its size (1.49 acres) and its location proximate to stores, services and transportation.

All of the above sites and zones designated for potential affordable housing development, including the two properties whose owners have expressed interest, are shown on the “Potential Affordable Housing Sites” map in Appendix 1. Additional sites indicated on the map include properties within the Business Zone which provide the option for inclusionary housing development on properties larger than one acre.

### **Spending Plan**

The Borough of New Milford has a development fee ordinance (Section 32-2 of the Borough’s Revised General Ordinances) which is intended to provide a dedicated revenue source for affordable housing. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund for the purposes of affordable housing. These funds shall be spent for purposes including a housing rehabilitation program, costs associated with affordable housing construction, providing affordability assistance to low-income households and professional services related to the planning for affordable housing. The proposed Spending Plan is included in Appendix 6.

## VI. Relationship to Multigenerational Family Housing Continuity

Multigenerational housing is becoming a desired housing option in the State due to rising housing costs and an aging population. Housing for multigenerational families is necessary to offer a diverse housing stock and to account for population trends. Multigenerational housing can provide an opportunity for residents to age in place, save on costs associated with housing, and provide in-house care for an older adult or persons with disabilities. Additionally, multigenerational housing is a more sustainable approach to meeting housing obligations as there is no need for the construction of new homes in order to provide housing for additional individuals.

One possible approach to providing multigenerational housing is the construction of accessory dwelling units (ADUs). A frequent concern when choosing to live in multigeneration housing layout is lack of privacy. ADUs offer sufficient privacy within a home, providing all the benefits of multigenerational housing without individuals sacrificing their personal space. ADUs make use of existing infrastructure, and therefore are more environmentally friendly, and can easily maintain the character of the neighborhood and/or municipality. ADUs are also a positive economic option. There are five types of ADUs: detached, attached, interior, above garages, and garage conversions.

In addition to ADUs, another form of multigenerational housing that New Milford could continue to integrate into its housing stock is multifamily residential that offers resources and amenities for elderly, young adults, middle-aged parents, and young children alike to support all ages and all generations potentially living together. Providing amenities such as ADA compliant parking spaces, ramps, and public spaces, as well as on-site playgrounds and daycares, public office space, and meeting rooms facilitates cohesive living for all ages.

The Borough's Affordable Housing Ordinance defines accessory apartments as "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 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." The Borough's zoning districts, however, do not explicitly permit accessory apartments or dwelling units in any zones, with one specific exception. In the Residential A zone, the bulk regulations for yards note that "No building to be used as a dwelling shall be constructed or altered in the rear of a building situated on the same lot, nor shall any building be constructed in front of or moved to the front of a dwelling situated on the same lot. These provisions shall not be construed, however, as preventing the erection, alteration and maintenance of dwelling quarters in connection with an accessory building upon the rear of the lot when the persons occupying such quarters are employed in domestic service upon the premises". Therefore, it appears ADUs are limited to dwelling quarters for persons providing domestic services to a residential property in the Residential A zone.

In order to allow for secondary residential structures and specifically allow for ADUs in their residential zones, this section would have to be amended. Additional potential recommendations for the Borough to address multigenerational housing needs are as follows:

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- Allow ADUs in residential zones as permitted or conditionally permitted uses;
- Create design standards for multifamily residential development to guarantee diverse amenities and resources for persons of all ages;
- Encourage multigenerational housing in transit-oriented areas where public transit can be easily accessible to limit the need for extra parking spaces on the property and ensure the increased density has no negative effects on the community.

## VII. Consistency with the State Development and Redevelopment Plan

The New Jersey State Development and Redevelopment Plan (SDRP) was originally adopted in 1992. The purpose of the SDRP according to the State Planning Act at N.J.S.A. 52:18A-200(f) is to:

*Coordinate planning activities and establish Statewide planning objectives in the following areas: land use, housing, economic development, transportation, natural resource conservation, agriculture and farmland retention, recreation, urban and suburban redevelopment, historic preservation, public facilities and services, and intergovernmental coordination.*

The State Plan is not a regulation, but a policy guide, and is meant to coordinate planning activities and development throughout the state. At the municipal level, master plans are required to be evaluated and, if necessary, modified to reflect policies of the State Plan. The State Plan is also important when the State makes infrastructural and other investment decisions, i.e., in determining where available State funds should be expended.

A revised version of the plan was adopted by the State Planning Commission in 2001. While required by the State Planning Act to be revised and re-adopted every three years, the SDRP has only been readopted once during the 32 years since its original adoption. A new State Strategic Plan (SSP) was proposed in 2011 as the revision to the 2001 SDRP, but it has not been advanced in recent years. The State Office of Planning Advocacy started the process of preparing a new State Plan in 2023 and the State Planning Commission has been engaging with stakeholders. As part of the update process, the State Planning Commission approved the Preliminary State Development and Redevelopment Plan on December 4, 2024, and is now undertaking the Cross-Acceptance process (i.e. review of the plan at the county level).

Spatially, the last adopted State Plan utilizes planning areas, centers, and environs as a framework for implementing Statewide goals and policies. The State Plan Map indicates that the Borough of New Milford is located within the Metropolitan Planning Area (PA1). For the Metropolitan Planning Area, the State Plan has four major aims, as follows: (1) to provide for much of the state's future redevelopment; (2) to revitalize cities and towns and promote growth in compact forms; (3) to stabilize older suburbs and redesign areas of sprawl; and (4) to protect the character of existing stable communities.

The land use policy objectives of the Metropolitan Planning Area are to:

1. Promote redevelopment and development in cores and neighborhoods through cooperative regional planning efforts;
2. Promote diversification of land uses, including housing where appropriate, in single-use developments and enhance their linkages to the rest of the community; and
3. Ensure efficient and beneficial utilization of scarce land resources throughout the Planning Area to strengthen its existing diversified and compact nature.

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The New Milford Master Plan recognizes the need to encourage development and redevelopment on the limited developable land in the Borough. This Housing Plan promotes higher density compact forms of housing and mixed-use development in appropriate locations served by existing infrastructure and proximate to transit, stores and services, and is therefore consistent with the State Plan.