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March 11, 2026

Via eCourts

Honorable Aldo J. Russo, J.S.C.
Essex County Historic Courthouse
470 Martin Luther King Jr. Blvd
Chamber/Courtroom 108
Newark, NJ 07102

**RE: In the Matter of the Application of the Village of South Orange
Docket No. ESX-L-758-25**

Dear Judge Russo:

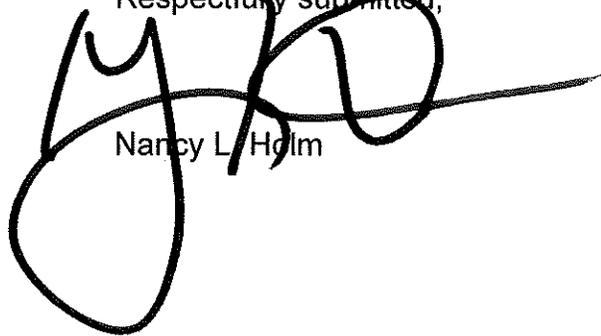
As the Court is aware, this office represents the Village of South Orange with regard to affordable housing matters. In accordance with the Court's February 4, 2026 Order filed in this matter, and in accordance with the amended Fair Housing Act, N.J.S.A. 52:27D-304.1(f)(2)(c), please find the following documentation to be submitted in furtherance of the Village's application for a Certificate of Compliance:

1. Village's Amended Housing Element and Fair Share Plan ("HEFSP");
2. Planning Board Resolution Adopting Amended HEFSP;
3. Village Council Resolution No. 2026-069 Endorsing the Village's Amended HEFSP;
4. Ordinance No. 2026-08, Repealing and Replacing the Village's Affordable Housing Ordinance and Development Fee Ordinance;
5. Ordinance No. 2026-09, Establishing the Valley Street Affordable Housing Overlay Zone District;
6. Resolution No. 2026-072 Adopting an Amended Spending Plan;
7. Resolution No. 2026-068 Adopting an Affordability Assistance Manual; and
8. Resolution No. 2026-067 Adopting an Affirmative Marketing Plan.

The Village has worked diligently to implement its Fourth Round HEFSP, as amended, and all of the corresponding ordinances and administrative documents. Should any documentation need to be corrected or amended, the Village will do so timely, in accordance with the instructions of the Court.

The Village looks forward to finalizing its Fourth Round compliance with the Court in the coming months.

Respectfully submitted,

A large, stylized handwritten signature in black ink, appearing to read 'Nancy L. Holm', is written over the typed name.

Nancy L. Holm

cc: All Attorneys of Record (via eCourts)
Village of South Orange (via email)
Topology, Village Planners (via email)

1



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

Prepared For:



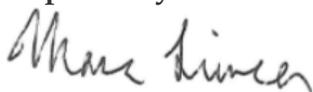
South Orange Village
76 South Orange Avenue
South Orange, NJ 07079

Adoption Date: May 5, 2025
Amended Date: March 4, 2025

Acknowledgements

<p>Mayor Sheena C. Collum</p> <p>Village Council Jennifer Greenberg Bill Haskins Summer Jones Hannah Zollman Patricia Canning</p> <p>Affordable Housing Counsel Nancy L. Holm, Esq.</p> <p>Village Planner Greer Patras, PP</p>	<p>Village Administrator Julie Doran</p> <p>Planning Board Harold Colton-Max, Chairman Carolyn Morin, Vice Chairman Patricia Canning, Village Council Member Julie Doran, Village Administrator Sheena Collum, Mayor Jon Busch-Vogel Cecil House Lillian Harris David Kraiker</p> <p>Planning Board Attorney William Sullivan, Esq.</p> <p>Planning Board Secretary / Clerk Ojetti Davis</p>
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Prepared by:



Marc Lincer, AICP/PP, CAPM
Planner License No. 33LI00656000

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

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I. 2026 Amendment

Content replaced by revisions or that is otherwise no longer applicable is in ~~strikethrough~~, while new / revised content is in *green italics*.

This Housing Element and Fair Share Plan (“HEFSP”) was adopted by the Planning Board on May 5, 2025, and subsequently submitted to the Affordable Housing Dispute Resolution Program (the “Program”) on May 6, 2025. No challenges were submitted by the August 31, 2025 deadline alleging that the Village’s HEFSP was not in compliance with the Fair Housing Act. Nonetheless, amendment to the Village’s HEFSP is required to maintain an up-to-date and compliant implementation program ahead of the March 15, 2026 to adopt all implementing resolutions and ordinances (see NJSA 52:27D-304.1 and NJSA 52:27D-310.

Accordingly, changes to the originally adopt HEFSP as amended herein include:

- 1. Update to the Village’s crediting regime in response to new projects and new information.*
- 2. Updates to appendices to reflect:*
 - 1. Amendments to / replacement of ordinances, resolutions, and other documentation required for inclusion in the HEFSP by N.J.S.A. 52:27D-310 and Administrative Directive #14-24, particularly pertaining to conformance with amendments adopted on December 15, 2025 to the New Jersey Administrative Code regarding the Uniform Housing Affordability Controls (N.J.A.C. 5:80-26), Spending Plans (N.J.A.C. 5:99-2), Development Fees (N.J.A.C 5:99-3).*
 - 2. Otherwise bring documentation up-to-date with the latest information and update for consistency.*

II. 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.2¹ (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.

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

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 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.2,² 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).*

² <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](#),³ 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.

³ https://www.njcourts.gov/sites/default/files/administrative-directives/2024/12/dir_14_24.pdf

III. 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. ⁴
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. ⁵
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. ⁶
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”*

⁴ <https://data.census.gov/table>

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

⁶ <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

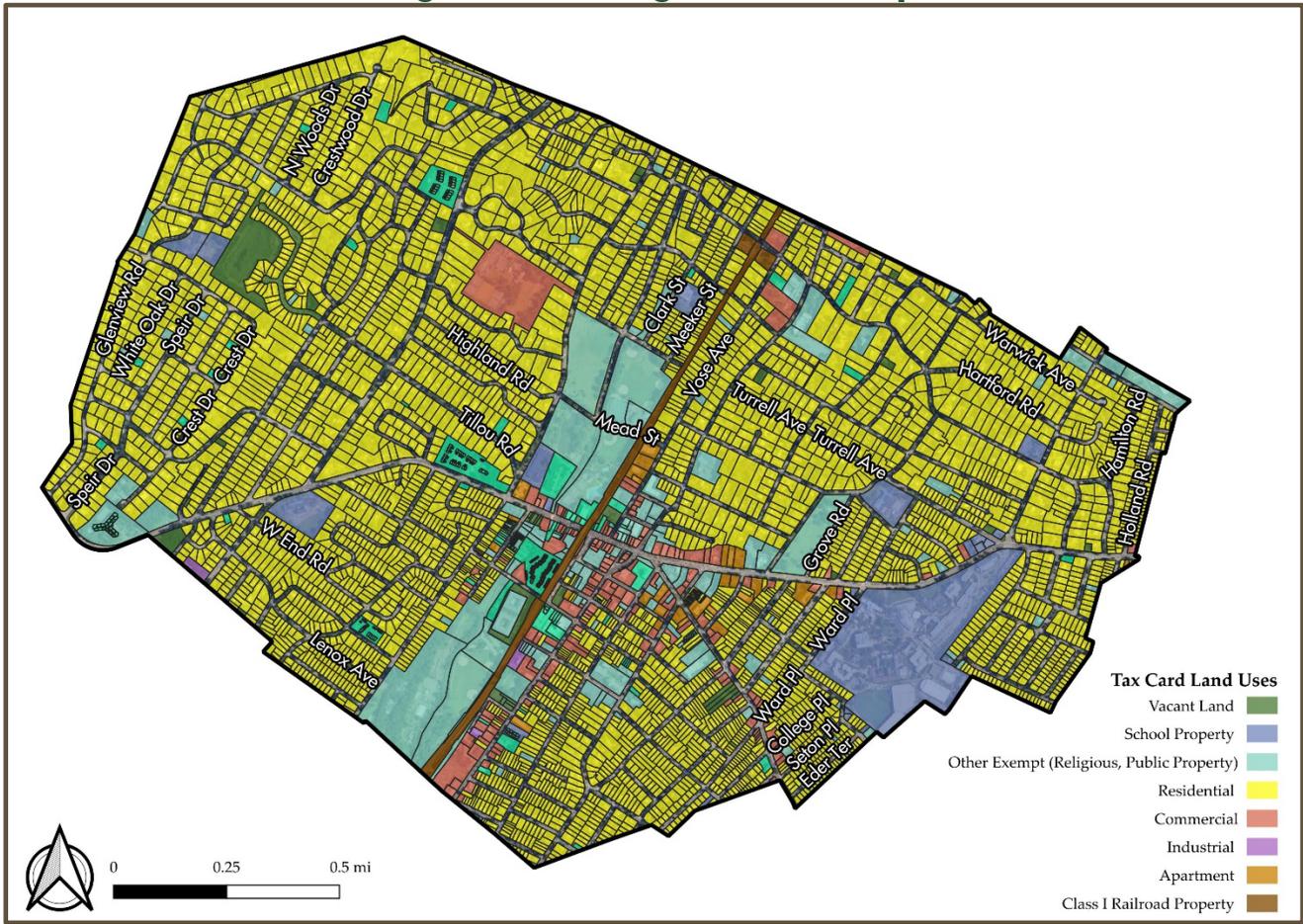
YEAR	POPULATION	ANNUALIZED % CHANGE
2015	5,647	-
2050 (Predicted)	6,739	0.5%

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.

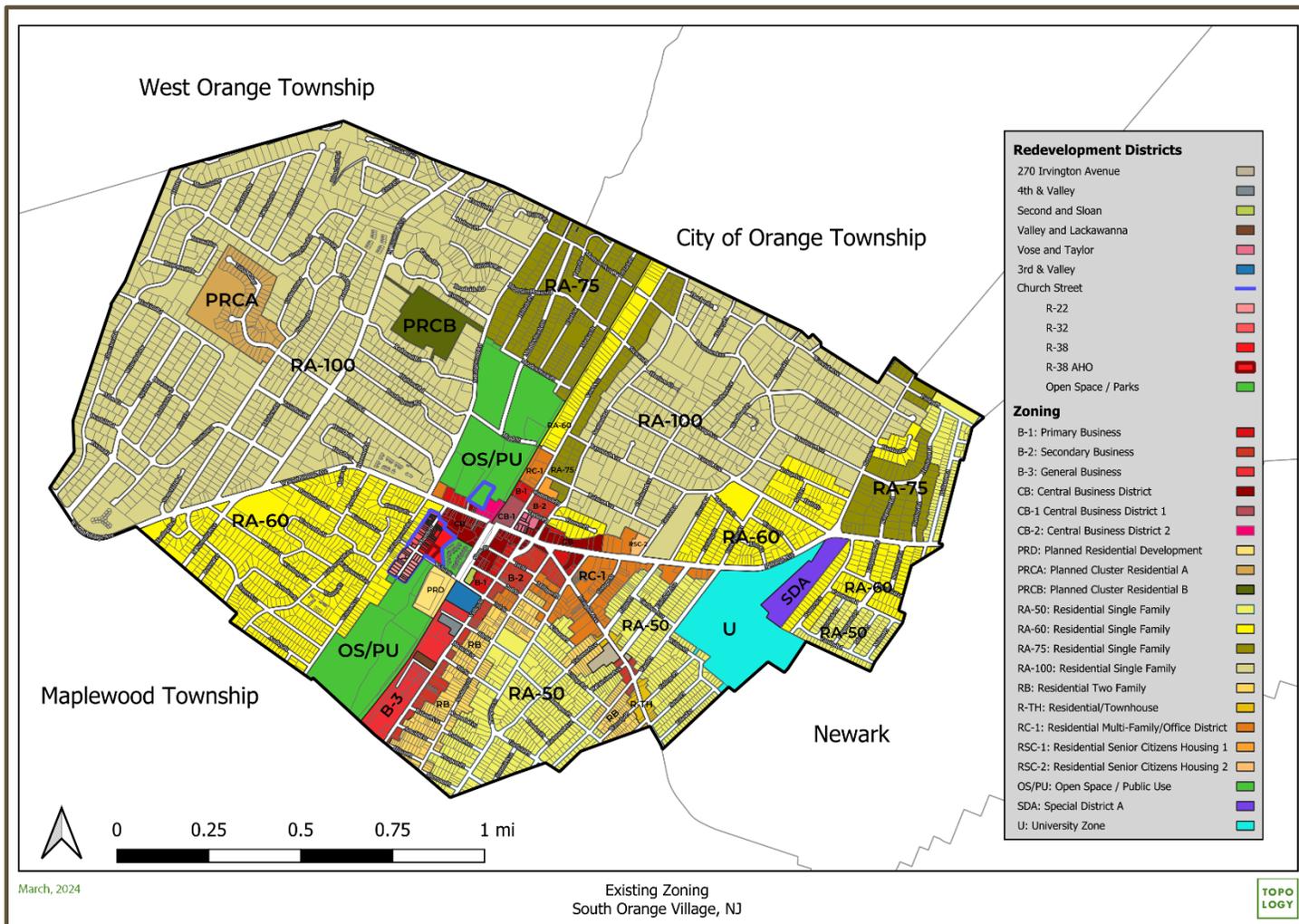
South Orange expects new developments to bear the cost that such development puts upon the existing infrastructure. This includes the addition of capacity necessitated by the new development, as well as associated maintenance costs. New developments that contribute revenue to the Village through annual 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

Source: 5-Year American Community Survey, 2018 & 2023, DP02, DP04

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

Source: 5-Year American Community Survey, 2023, DP02

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-329.20,⁷ which establishes the “Multigenerational Family Housing Continuity Commission” for the purpose of conducting research, obtaining public input, and adopting

⁷ <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"](#)

IV. 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
IDENTIFIED IN THIRD ROUND HEFSP			
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 16 Supportive Credits Only (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 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
ADDITIONAL IDENTIFIED CREDITS			
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
Total Credits Planned			192
TOTAL Credits Achieved			197 200
Prospective Obligation			192
Surplus			5 8

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~~ 67.5 credits plus 8 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, ~~118.5~~ 75.5 credits is significantly more. If it's interpreted as 25% of 163 credits, the total would be 40.75 and South Orange would still be producing ~~an excess of 300%~~ *nearly 200% of its obligation.*

The Village will satisfy this obligation through the following projects:

Figure 3: Prospective Need Projects Maps

