

FOURTH ROUND HOUSING ELEMENT AND FAIR SHARE PLAN

Borough of Highlands
Monmouth County, New Jersey

May 2025

Adopted by Highlands Land Use Board
on June 12, 2025

Prepared By:



Heyer, Gruel & Associates
Community Planning Consultants
236 Broad Street, Red Bank, NJ 07701
(732) 741-2900

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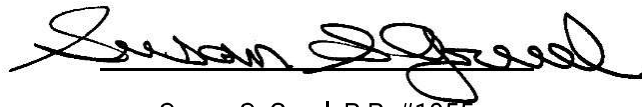
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The original of this report was signed and
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Susan S. Gruel, P.P. #1955

With contributing content by Megan Adam and Brooke Schwartzman, Associate Planners

Principals in Charge:

Susan S. Gruel, P.P. #1955 Fred Heyer, AICP, P.P. #3581

Table of Contents

EXECUTIVE SUMMARY	4
INTRODUCTION	5
First and Second Rounds	6
Third Round	6
Fourth Round	7
BOROUGH OF HIGHLANDS' HISTORY OF AFFORDABLE HOUSING	9
PLANNING FOR AFFORDABLE HOUSING	11
PART 1: HOUSING ELEMENT	13
DEMOGRAPHIC CHARACTERISTICS	13
EXISTING HOUSING CONDITIONS	19
EMPLOYMENT DATA	26
PART 2: FAIR SHARE PLAN	33
INTRODUCTION	33
CURRENT STANDARDS	33
HIGHLANDS BOROUGH AFFORDABLE HOUSING OBLIGATIONS	36
REVIEW OF PRIOR ROUND COMPLIANCE	36
FOURTH ROUND PRESENT NEED / REHABILITATION OBLIGATION	40
FOURTH ROUND PROSPECTIVE NEED OBLIGATION	40
Third Round Credits Carried Over	41
CONSISTENCY WITH STATE PLANNING REQUIREMENTS	43
USE OF SURPLUS CREDITS	44
SUMMARY OF FAIR SHARE COMPLIANCE	45

Appendices

Appendix A: Executed Settlement Agreement between The Borough of Highlands and Fair Share Housing Center, dated June 19, 2019
Appendix B: Court Order Approving Fair Share Housing Center Settlement Agreement, filed on September 23, 2019
Appendix C: Borough of Highlands Resolution #25-045 – Committing to Comply with Affordable Housing Obligations for Round 4
Appendix D: Round Four Declaratory Judgement Complaint (Docket No. MON-L-000196-25), filed on January 16, 2025
Appendix E: Ptak Towers Documentation
Appendix F: Monmouth Highlands Apartments Documentation
Appendix G: Shadowlawn Redevelopment Plan
Appendix H: Borough of Highlands Resolution #24-221 – Designation of a Conditional Redeveloper for the Shadowlawn Redevelopment Area
Appendix I: Borough of Highlands Ordinance O-19-17 – Mandatory Set-Aside and Development Fee Ordinances
Appendix J: Amended Central Business District (CBD) Redevelopment Plan
Appendix K: Additional Affordable Housing Resolutions
Resolution #19-263 – Adopting an Affirmative Marketing Plan
Resolution #25-124 – Appointing Heyer, Gruel & Associates as the Borough's Administrative Agent for the Year 2025
Resolution #25-125 – Appointing the Borough Administrator as the Designated Municipal Housing Liaison for the Year 2025

EXECUTIVE SUMMARY

The following Fourth Round Housing Element and Fair Share Plan has been prepared for the Borough of Highlands in the County of Monmouth in accordance with the Fair Housing Act as most recently amended (P.L. 2024, c 2).

The Borough of Highlands is a 1.4 square mile developed community located in the central part of New Jersey in the County of Monmouth. The Borough borders the communities of Atlantic Highlands and Middletown, and is located across the Sandy Hook Bay from Sea Bright. Route 36 traverses the Borough in its eastern section and connects Highlands with Sea Bright by way of the Captain Joseph Azzolina Memorial Bridge. The southeastern section of the Borough sits on a high bluff, overlooking the Sandy Hook Bay and Atlantic Ocean.

According to the 2020 Census, Highlands' population was 4,621, which represents a decrease of 7.7 percent from 2010. The US Census Bureau 2018-2023 American Community Survey estimates a total population of 4,575 in 2023. In 2020, the median age of Borough residents was 49.3 years, and the average household size decreased slightly from the 2010 level of 2.08 persons to 1.75 persons.

The housing stock of the Borough is predominantly single-family detached dwelling units. A majority of the housing structures were built in the 1970s. The Borough is located in Housing Region 4, a region that consists of Mercer, Monmouth, and Ocean counties. Based on the 2025 Regional Income Limits, the median income in Region 4 for a four-person household is \$134,600, the moderate-income is \$107,680, and the low-income is \$67,300.

Highlands Borough entered into a Settlement Agreement with Fair Share Housing Center (FSHC) to establish the Borough's Third Round affordable housing obligation on June 19, 2019. The subsequent compliance efforts were approved by the Court in a Final Judgement of Compliance and Repose (JOR), dated May 22, 2020, confirming the Borough satisfied its Third Round obligations.

The Borough was able to fully meet its Prior Round and Third Round obligations through credit-worthy units that are existing or proposed, as well as through rental bonus credits.

The Borough has a Fourth Round rehabilitation share of 0 units and a Fourth Round Prospective Need of 30 units. This Prospective Need is separated into a realistic development potential (RDP) of 0 units and an unmet need of 30 units.

The Borough will fully address its Fourth Round obligations through the following mechanisms: existing credits, rental bonus credits, proposed inclusionary zoning, Mandatory Affordable Housing Set-Aside Ordinance, and Development Fee Ordinance.

INTRODUCTION

The need to provide a realistic opportunity for the construction of affordable housing in New Jersey, the country's most densely populated state, has been recognized for decades. In the case of Southern Burlington County NAACP v. the Township of Mount Laurel 67 N.J. 151 (1975), (commonly known as Mount Laurel I), the New Jersey Supreme Court established the doctrine that developing municipalities have a constitutional obligation to create a realistic opportunity for their fair share of low and moderate income housing.

In Southern Burlington County NAACP v. Township of Mount Laurel, 92 N.J. 158, 456 A.2d 390 (1983), decided on January 20, 1983 (commonly known as Mount Laurel II), the Supreme Court responded to the response of municipalities to Mount Laurel II. It sought to "put steel" into the doctrine by making it far easier for developers to secure a builder's remedy. The builder's remedy created an incentive to developers to sue non-compliant municipalities and force them to comply. Mount Laurel II also created the Judgment of Repose to incentivize municipalities to comply. A Judgment of Repose protected municipalities from anyone who would sue it and claim entitlement to a builder's remedy or other relief based upon the claim that the municipality was noncompliant.

In the wake of Mount Laurel II, developers sued municipalities seeking builder's remedies. The wave of builder's remedy lawsuits created the impetus for legislation to protect municipalities from builder's remedies. A decision by Judge Serpentelli, one of three judges appointed by Chief Justice Wilentz to implement Mount Laurel II, increased the need for a legislative cure. More specifically, in 1984, Judge Serpentelli issued the AMG decision which established a formula for any developer to determine the fair share obligation of any municipality.

The pressure of builder's remedy suits, combined with the ease in determining the fair share of any municipality through the AMG formula, culminated in the enactment of the New Jersey Fair Housing Act in 1985. The Fair Housing Act (FHA) is found at N.J.S.A. 52:270-301, et seq. The FHA established the Council on Affordable Housing (COAH) as an administrative alternative to builder's remedy lawsuits and the concomitant jurisdiction of the courts. COAH was given the responsibility of dividing the state into housing regions, determining regional and municipal fair share affordable housing obligations, and adopting regulations that would establish the guidelines and approaches that municipalities may use in addressing their affordable housing need.

In 2008, the Legislature amended the FHA to add requirements for very low-income housing. Very low-income households are those in which the gross household income is 30% or less than the region's median household income. Low-income households are those with incomes no greater than 50% of the region's median household income. Moderate-income households are those with incomes no greater than 80% and

no less than 50% of the region's median household income. Each is adjusted for household size and is in relation to the median gross income of the housing region in which the municipality is located.

First and Second Rounds

The First and Second Rounds under COAH are collectively referred to as the "Prior Round." The Prior Round obligation is the cumulative 1987-1999 fair share obligation. The First Round consists of the six-year period between 1987 and 1993 for which COAH first established a formula for determining municipal affordable housing obligations (N.J.A.C. 5:92-1 *et seq.*). Then in 1994, COAH established amended regulations (N.J.A.C. 5:93-1.1 *et seq.*) and produced additional municipal affordable housing obligations for the years 1993 to 1999. This second round of obligations is known as the Second Round. When COAH adopted regulations for Round 2, it made the Round 1 and 2 obligations cumulative for both periods.

Third Round

Housing rounds were originally established by the Fair Housing Act as six-year periods, but in 2001 the Legislature extended the rounds to 10-year periods. This should have meant that the Third Round ran from 1999 to 2009. However, COAH didn't establish new rules for the Third Round until the end of 2004 (N.J.A.C. 5:94-1 and 95-1 *et seq.*). The Third Round time period was therefore extended to 2014. The Third Round rules established a new method for calculating a municipality's affordable housing obligation, known as "growth share." This method required municipalities to project future residential and non-residential development and then derive their obligation from that growth.

After the New Jersey Appellate Court invalidated several components of the Third Round rules, COAH released revised rules in 2008. The Third Round was once again extended to 2018 to provide municipalities with the time to apply the amended rules and establish mechanisms to meet their obligations. The revised third round rules, like the initial third round rules established the obligations based on a growth share approach.

On October 8, 2010, in response to numerous legal challenges to the second iteration of COAH's third round regulations, the Appellate Division ruled that COAH could not allocate obligations through a "growth share" formula and directed COAH to use similar methods to those used in the First and Second Rounds.

COAH proposed third round regulations a third time in 2014 using a formula similar to the ones it had used in the first and second rounds. However, when COAH had a meeting to consider adopting these rules on October 20, 2014, it deadlocked and then failed to make any efforts to break the deadlock.

On March 10, 2015, the New Jersey Supreme Court decided In re Adoption of N.J.A.C. 5:96 & 5:97 by the N.J. Council on Affordable Housing, 221 N.J. 1 (2015) (Mount Laurel IV), wherein it responded to COAH's failure to adopt defensible rules for Round 3. This decision changed the landscape by which municipalities are required to comply with their constitutional obligation to provide their fair share of affordable housing.

The Supreme Court held that since COAH was no longer functioning, trial courts were to resume their role as the forum of first instance for evaluating municipal compliance with Mount Laurel obligations. The decision also established a transitional process for municipalities to seek temporary immunity and ultimately a Judgment of Compliance and Repose (“JOR”) from a court, which was the “judicial equivalent” of Substantive Certification from COAH.

On January 18, 2017, the Supreme Court decided In Re Declaratory Judgment Actions Filed by Various Municipalities, County of Ocean, Pursuant To The Supreme Court’s Decision In In re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (2015) (“Mount Laurel V”), which held that need having accrued during the Gap Period (1999-2015) had to be addressed and was part of the Present Need. The Supreme Court held that there is an obligation with respect to that period for households that came into existence during that gap period that are eligible for affordable housing, that are presently (as of 2015) in need of affordable housing, and that are not already counted in the traditional present need.

As the methodology and obligations from the Gap and Prospective Need had not been fully adjudicated at that time, various trial judges issued opinions on the appropriate methodology and 354 municipalities reportedly settled with Fair Share Housing Center wherein they negotiated the obligations for Round 3.

Municipal obligations were therefore broken down in Round Three Housing Element and Fair Share Plans as Present Need/Rehabilitation, Prior Round (1987-1999), and Third Round and Gap Period (1999-2015). Municipalities that received their Final Judgement of Compliance and Repose had immunity from builders’ remedy lawsuits through the end of the Third Round, June 30, 2025.

Fourth Round

On March 18, 2024, the affordable housing legislation known jointly as Senate Bill S50 and Assembly Bill A4 passed both houses of the legislature. Governor Murphy signed the bill (P.L.2024, c.2) into law on March 20, 2024, establishing a new methodology for determining municipalities’ affordable housing obligations for the Fourth Round and beyond. The new legislation, which comprehensively amends the FHA, overhauled the process that municipalities undertake to establish and plan for their constitutionally mandated affordable housing obligation. Most notably, this legislation formally abolished COAH while transferring its functions to the New Jersey Department of Community Affairs (DCA) and Housing Mortgage and Finance Agency (HMFA). As a result, the legislation codified the method for calculating regional and municipal affordable housing needs and returned most of the process from the Courts to state administrative departments.

The amended FHA called on the DCA to issue a non-binding report on the new Present Need Obligation (commonly referred to as the rehab obligation) and the Prospective Need for Round 4 and subsequent rounds. The amended FHA required the DCA to base its analysis of the obligations for each municipality

based upon the standards set forth in the amended FHA. Accordingly, on October 18, 2024, the DCA released a report outlining the Fourth Round (2025-2035) Fair Share methodology and its calculations of low- and moderate-income obligations for each of the State's municipalities. The amended FHA gave municipalities until January 31, 2025, to review the obligation reported by the DCA and perform their own analysis of their obligation based on the methodology in the legislation and previously established by the Courts. If any municipality wished to commit to an obligation different from the one reported by the DCA, the amended FHA required the municipality to adopt a resolution by January 31, 2025 committing to the number that it contended was the appropriate obligation. If a municipality wished to commit to the numbers that the DCA reported, the amended FHA required the municipality to adopt a resolution committing to the DCA numbers.

The amended FHA required any municipality that wished to participate in the new process that the Act created to file a declaratory relief action within 48 hours of adopting the resolution committing to the numbers the municipality deemed appropriate.

The amended FHA gave any interested party who wished to oppose the numbers to which any municipality committed to file an Answer by February 28, 2025 which included a particularized objection to the numbers to which the municipality committed.

The amended FHA gave "the program" until March 31, 2025 to try to resolve any disputes over the fair share numbers to which a municipality committed through an "Affordable Housing Dispute Resolution Program". The program is a new entity created by the amended FHA. It is staffed with seven current or retired judges and the judges have the authority to use adjudicators to assist it in mediating disputes over the obligations of municipalities.

The amended FHA gives municipalities until June 30, 2025 to file a Housing Element and Fair Share Plan and related documents showing how the municipality will comply with its obligations. The Fourth Round Plans will follow the same general format as they have with certain updates to their requirements dealing with various types of housing and the bonus credit calculation system. Notably, HE/FSPs are required to be consistent with the State Development and Redevelopment Plan (SDRP), which has yet to be adopted. (A draft SDRP was released in late 2024). As part of the HE/FSP, municipalities shall include an assessment of the degree to which the municipality has met its fair share obligation from the prior rounds of affordable housing (i.e. First, Second, and Third Rounds).

BOROUGH OF HIGHLANDS' HISTORY OF AFFORDABLE HOUSING

The Borough of Highlands adopted a Housing Element and Fair Share Plan (HE/FSP) as part of its Master Plan in 2004. The Borough, however, did not file a HE/FSP for substantive certification with COAH for either of the previous rounds.

Since Highlands Borough was not under the jurisdiction of COAH at that time and since municipalities needed to be a municipality participating in the COAH process to be eligible to participate in the new procedures established by Mount Laurel IV, the Borough did not file a declaratory judgment action in 2015 in accordance with Mount Laurel IV. Nevertheless, Highlands subsequently took steps to satisfy its affordable housing obligation, including adopting a Housing Element and Fair Share Plan (HE/FSP) on July 14, 2016. Further, on December 27, 2016, the Borough filed a Declaratory Judgement Complaint (Docket No. MON-L-0012-17) seeking the entry of a declaratory judgment (i) approving the Highlands' Housing Element and Fair Share Plan as being in compliance with its obligation to provide its fair share of affordable housing under the Mt. Laurel Doctrine and issuing a Judgment of Repose for a time period commencing upon the date of entry of the Order and expiring on July 1, 2025, and (ii) approving the Highlands' development fee ordinance and Spending Plan for the disposition of its affordable housing trust funds. The Borough's Third Round Spending Plan was adopted on October 16, 2019, and approved by the Court on May 22, 2020.

The Borough entered into a Settlement Agreement with FSHC on June 19, 2019 (Appendix A). The Honorable Linda Grasso Jones, J.S.C conducted a Fairness Hearing on August 9, 2019, at which time she ruled that the Settlement Agreement was fair and reasonable to low- and moderate-income households. On September 23, 2019, the Judge issued an order, attached as Appendix B, memorializing her decision. On October 3, 2019, the Borough's Land Use Board adopted a Housing Element and Fair Share Plan to implement the Settlement Agreement.

On January 15, 2025, in accordance with the standards established by the amended FHA and described above, the Borough adopted Resolution #25-045. This resolution maintained the DCA-generated obligation, to establish its Fourth Round housing obligation, and thus guaranteed protection from builders' remedy suits (Appendix C).

Further, on January 16, 2025, in accordance with the standards established by the amended FHA and described above, the Borough filed a Complaint (Docket No. MON-L-000196-25) seeking the entry of a declaratory judgment (i) to secure the jurisdiction of the Dispute Resolution Program and the Court; (ii) to have the Dispute Resolution Program and the Court approve the Borough of Highlands' Present and Prospective affordable housing obligations as set forth in Resolution #25-045; (iii) to have the Dispute Resolution Program and the Court approve a HE/FSP to be adopted by the Land Use Board and endorsed

by the Council and issue a conditional or unconditional "Compliance Certification" or other similar declaration; (iv) to have the Dispute Resolution Program and the Court confirm Highlands' immunity from all exclusionary zoning litigation, including builder's remedy lawsuits, for the duration of Fourth Round and; (v) to have the Dispute Resolution Program and the Court take such other actions and grant such other relief as may be appropriate to ensure that the Borough receive and obtain all protections as afforded to it for compliance, including, without limitation, all immunities and presumptions of validity necessary to satisfy its affordable housing obligations voluntarily without having to endure the expense and burdens of unnecessary third party litigation (Appendix D).

This Fourth Round HE/FSP sets forth mechanisms implemented to address the Borough's affordable housing obligations and has been prepared in accordance with the Fair Housing Act as most recently amended (P.L.2024, c.2).

PLANNING FOR AFFORDABLE HOUSING

Pursuant to both the FHA (N.J.S.A. 52:27D-310, et seq.) and the Municipal Land Use Law (MLUL) (N.J.S.A. 40:55D-28), municipalities in New Jersey are required to include a Housing Element/Fair Share Plan in their master plans. The principal purpose of the housing element is to describe the specific, intended methods that a municipality plans to use in order to meet its low- and moderate-income housing needs. Further, the housing element is meant to demonstrate the existing zoning or planned zoning changes that will allow for the provision of adequate capacity to accommodate household and employment growth projections, to achieve the goal of access to affordable housing for present and future populations. The statutorily required contents of the housing element are:

- 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;
- 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;
- 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);

- 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.

PART 1: HOUSING ELEMENT**DEMOGRAPHIC CHARACTERISTICS****Population**

The population trends experienced in Highlands Borough, Monmouth County, and the State of New Jersey from 1930 through 2020 are shown below as well as the 2023 population estimate from the U.S. Census Bureau American Community Survey. There were 4,624 residents in Highlands Borough in 2020, which was a decrease of 384 people, or 7.7 percent, from 2010. The population continued to decrease slightly from 2020 to 2023 where the estimated population is 4,575. The Borough experienced steady growth from 1930 to 1980 with the largest and most significant increase in population occurring during the 1970s when the Borough's population increased by 32.5 percent. Monmouth County and the State have also experienced continued growth since 1930. Both the County and State saw significant population increases during the 1990s.

Population Trends									
Year	Highlands			Monmouth County			New Jersey		
	Population	Change		Population	Change		Population	Change	
		Number	Percent		Number	Percent		Number	Percent
1930	1,877	-	-	147,209	-	-	4,041,334	-	-
1940	2,076	199	10.6%	161,238	14,029	9.5%	4,160,165	118,831	2.9%
1950	2,959	883	42.5%	225,327	64,089	39.7%	4,835,329	675,164	16.2%
1960	3,536	577	19.5%	334,401	109,074	48.4%	6,066,782	1,231,453	25.5%
1970	3,916	380	10.7%	461,849	127,448	38.1%	7,171,112	1,104,330	18.2%
1980	5,187	1,271	32.5%	503,173	41,324	8.9%	7,365,011	193,899	2.7%
1990	4,849	-338	-6.5%	553,124	49,951	9.9%	7,730,188	365,177	5.0%
2000	5,097	248	5.1%	615,301	62,177	11.2%	8,414,350	684,162	8.9%
2010	5,005	-92	-1.8%	630,380	15,079	2.5%	8,791,894	377,544	4.5%
2020	4,621	-384	-7.7%	643,615	13,235	2.1%	9,288,994	497,100	5.7%
2023	4,575	-46	-1.0%	643,615	0	0.0%	9,261,699	-27,295	-0.3%
Total Change	-	2,698	143.7%	-	496,406	337.2%	-	5,220,365	129.2%

Source: 1930-2020 U.S. Decennial Census; 2018-2022 American Community Survey 5-Year Estimates

Population Composition by Age

The median age of the residents in Highlands in 2020 was 49.3 years, which shows a 9.3% increase from the 2010 median age of 45.1. Analysis of age group characteristics provides insight into the actual changes in population. This comparison is helpful in determining impacts these changes have on housing needs, community facilities and services for the municipality. As detailed in the table below, the entire composition of Highlands Borough experienced notable shifts since 2010. The most significant increase was in the 65

and over cohort, which saw an increase of 38.7 percent. The 55 to 64 age cohort also increased significantly by approximately 20.2 percent. Large decreases were seen as well in the under 5 years cohort (-42.9%) and the 45 to 54 age cohort (-33.4%). The largest cohort in 2020 was the 55 to 64 age (20.9%) compared to the 45 to 54 age (21.2%) in 2010. This data suggests that a larger portion of the Borough's residents are transitioning into the senior citizen age range, which will require the Borough to consider planning tools and approaches that encourage aging-in-place.

Population by Age 2010 and 2020, Borough of Highlands						
Population	2010		2020		Change, 2010 to 2020	
	Number	Percentage	Number	Percentage	Number	Percentage
Total population	5,005	100.00%	4,621	100.00%	-384	-7.7%
Under 5 years	252	5.0%	144	3.1%	-108	-42.9%
5 to 14	336	6.7%	322	7.0%	-14	-4.2%
15 to 24	448	9.0%	326	7.1%	-122	-27.2%
25 to 34	719	14.4%	730	15.8%	11	1.5%
35 to 44	734	14.7%	531	11.5%	-203	-27.7%
45 to 54	1,062	21.2%	707	15.3%	-355	-33.4%
55 to 64	805	16.1%	968	20.9%	163	20.2%
65 and over	644	12.9%	893	19.3%	249	38.7%
Median Age	45.1	-	49.3	-	4.2	9.3%

Source: U.S. Decennial Census, 2010 and 2020

Monmouth County experienced population fluctuation as well, but not nearly as dramatically as the Borough. The most significant increase was also in the 65 and over age cohort, which grew by 37.1 percent. Significant increases were also seen in the 55 to 64 age cohort (25.3%) and 25 to 34 age cohort (11.7%). Decreases were experienced in the under 5 cohort (-14.9%) and the 45 to 54 age cohort (-19.5%).

Population by Age 2010 and 2020, Monmouth County						
Population	2010		2020		Change, 2010 to 2020	
	Number	Percentage	Number	Percentage	Number	Percentage
Total population	630,106	100.0%	643,615	100.0%	13,509	2.1%
Under 5 years	34,755	5.5%	29,562	4.6%	-5,193	-14.9%
5 to 14	86,679	13.8%	75,723	11.8%	-10,956	-12.6%
15 to 24	78,229	12.4%	79,817	12.4%	1,588	2.0%
25 to 34	64,860	10.3%	72,466	11.3%	7,606	11.7%
35 to 44	86,499	13.7%	75,549	11.7%	-10,950	-12.7%
45 to 54	110,979	17.6%	89,310	13.9%	-21,669	-19.5%
55 to 64	81,688	13.0%	102,356	15.9%	20,668	25.3%
65 and over	86,691	13.8%	118,832	18.5%	32,141	37.1%
Median Age	41.3	-	43.5	-	2.2	5.3%

Source: U.S. Decennial Census, 2010 and 2020

Households

A household is defined as one or more persons, either related or not, living together in a housing unit. In 2020 there was a total of 2,425 households in Highlands Borough. Roughly 77 percent of the households were occupied by two persons or less. The average household size of the Borough in 2020 was 1.75, significantly less than that of the County's average of 2.51. The Borough's largest percentage of households was a one-person household (44.6%), while the County's was a two-person household (31.1%). The Borough's second most common household size was two-person households (32.2%), and the County's was one-person households, which represented 25.8 percent.

Household Size- Occupied Housing Units, 2020 Borough of Highlands and Monmouth County				
	Borough		County	
	Number	Percent	Number	Percent
Total Households	2,425	100.0%	244,630	100.0%
1-person household	1082	44.6%	63,104	25.8%
2-person household	781	32.2%	76,177	31.1%
3-person household	306	12.6%	40,092	16.4%
4-person household	154	6.4%	39,421	16.1%
5-person household	72	3.0%	17,126	7.0%
6-person household	18	0.7%	5,795	2.4%
7-or-more-person household	12	0.5%	2,915	1.2%
Average Household Size	1.75		2.51	

Source: US Decennial Census, 2020

According to the United States Census, family households are defined as two or more persons living in the same household, related by birth, marriage, or adoption. Slightly less than half of the households in the Borough in 2020 were family households, comprising of 42.5 percent of all households. The average family size was 1.75 persons. Around 30.5 percent of family households were married-couple families, of which the majority (60%) had no children.

In providing more detail of American households, the 2020 Census includes the sub-groups of non-traditional households: other family and non-family households. "Non-family" households are defined as those that consist of a householder living alone or sharing the home exclusively with people to whom he/she is not related. A majority of households in the Borough (57%) are nonfamily households. Of these households, the number of male and female householders were comparable, at 54% and 46%, respectively. Further, "other family" households accounted for 12% of all households, broken down into 7.8% female householders with no spouse or partner present and 4.2% male householders with no spouse or partner present.

Household Size and Type, 2023		
Highlands Borough		
	Total	Percent
Total Households	2,616	100%
Family Households	1112	42.5%
Married couple family	798	30.5%
With children	320	12.2%
Without children	478	18.3%
Other Family	314	12.0%
Male householder, no spouse	109	4.2%
With children	55	2.1%
Without children	54	2.1%
Female householder, no spouse	205	7.8%
With children	106	4.1%
Without children	99	3.8%
Nonfamily household	1504	57.5%
Male householder	813	31.1%
Living alone	752	28.7%
Not living alone	61	2.3%
With children	0	0.0%
Female householder	691	26.4%
Living alone	557	21.3%
Not living alone	134	5.1%
With children	0	0.0%

Source: US Decennial Census, 2020 and 2018-2023 American Community Survey 5-Year Estimates

Income

As measured in 2023, Highlands had a lower median household income compared to Monmouth County and the State of New Jersey. In 2023, the median income in Highlands was \$90,082, roughly \$32,645 less than the County and \$10,968 less than the State's median income. The Borough's per capita income significantly exceeded that of the County and the State.

Per Capita and Household Income		
	2023 Per Capita Income	2023 Median Household Income
Highlands	\$73,460	\$90,082
Monmouth County	\$65,545	\$122,727
New Jersey	\$52,583	\$101,050

Source: 2018-2023 American Community Survey 5-Year Estimates

In 2023, nearly 65 percent of all households in the Borough earned \$50,000 or more with the largest percentage (18.8%) earning \$200,000 or more. This percentage was followed by those households that

earned \$75,000 to \$99,999 (16.9%) and finally those who earned \$150,000 to \$199,999 (14.2%). About 24 percent of households earned less than \$35,000. In Monmouth County, the most common income bracket was also the \$200,000 or more range with roughly 30 percent of households earning that much. Roughly 15 percent of households in the County earned less than \$35,000.

Household Income Borough of Highlands and Monmouth County, 2023				
	Highlands		Monmouth County	
	Number¹	Percentage	Number¹	Percentage
Total Households	2,552	100.0%	230,439	100.0%
Less than \$10,000	190	7.4%	8,165	3.5%
\$10,000 to \$14,999	60	2.4%	5,319	2.3%
\$15,000 to \$24,999	172	6.7%	10,781	4.7%
\$25,000 to \$34,999	191	7.5%	10,705	4.6%
\$35,000 to \$49,999	285	11.2%	17,390	7.5%
\$50,000 to \$74,999	201	7.9%	25,153	10.9%
\$75,000 to \$99,999	431	16.9%	25,542	11.1%
\$100,000 to \$149,999	178	7.0%	24,161	10.5%
\$150,000 to \$199,999	363	14.2%	33,996	14.8%
\$200,000 or more	481	18.8%	69,227	30.0%
Median Household Income	\$90,082		\$122,727	

Source: 2018-2023 American Community Survey 5-Year Estimates

1 Due to the data being estimates, the number in each row does not add up with the "total" row.

Poverty Status

Of the 4,575 persons of Highlands' population for which poverty status is determined, 349 individuals, or 7.6 percent, lived in poverty in 2023. Of those in poverty, a majority (87.1%) were in the age range of 18 to 64 years old, and the remaining 12.9 percent were seniors (over 65). The County had a lower poverty rate of 6.4 percent.

Poverty Status Borough of Highlands and Monmouth County, 2023				
	Highlands		Monmouth County	
	Number	Percentage	Number	Percentage
Total persons	4,575	-	637,240	-
Total persons below poverty level	349	7.6%	40,958	6.4%
Under 18	0	0.0%	9,487	23.2%
18 to 64	304	87.1%	23,232	56.7%
65 and over	45	12.9%	8,239	20.1%

Source: 2018-2023 American Community Survey 5-Year Estimates