

# AMENDMENT TO THE

## Chester Borough

### Housing Plan Element

and

### Fair Share Plan

For

### Round Four (2025-2035)

(Adopted and Endorsed on June 27, 2025)

Chester Borough, Morris County, NJ

**EXPLANATORY NOTE:** This is an amendment to the Chester Borough 2025 Housing Element and Fair Share Plan (HEFSP), adopted by the Chester Borough Land Use Board and endorsed by the Chester Borough Mayor and Council on June 27, 2025. This amendment memorializes revisions to the plan caused by Chester Borough's Mediation Agreement with Fair Share Housing Center (FSHC), entitled "Mediation Agreement Before the Affordable Housing Dispute Resolution Program In the Matter of the Application of the Borough of Chester, County of Morris Docket No. MRS-L-252-25" and dated December 4, 2025, to address FSHC's comments to the adopted HEFSP. This amendment replaces pages 1-14 of the adopted HEFSP in accordance with the terms of the December 4, 2025 Mediation Agreement.

**AMENDMENT PUBLIC HEARING DATE: MARCH 12, 2026:**

**ADOPTED MARCH 12, 2026**

*Prepared by*

*Chester Borough Planning Board*

in consultation with Banisch Associates, Inc.  
111 Main Street, Flemington, NJ 08822

The original of this report was signed and sealed  
in accordance with N.J.A.C. 13:41-1.3

*DjBanisch*

March 12, 2026

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## EXECUTIVE SUMMARY

This amended Housing Plan Element and Fair Share Plan (“HEFSP” or “Housing Plan”) has been prepared to address Chester Borough’s Round Four (2025-2035) affordable housing obligations. This Housing Plan sets forth the manner in which Chester Borough will address its Round Four affordable housing obligations. This Housing Plan has been prepared in accordance with the Municipal Land Use Law (“M.L.U.L.”) and the NJ Fair Housing Act, as amended in 2024 (“2024 FHA Amendments”), and applicable rules including N.J.A.C. 5:93-1 et seq. and N.J.A.C. 5:80-26.1 et seq., as amended through December 2024.

Chester Borough’s Round Four affordable housing obligations are identified, as follows:

- |                                  |                       |
|----------------------------------|-----------------------|
| 1. Round Four Present Need:      | 10 units.             |
| 2. Round Four Prospective Share: | 72 units <sup>1</sup> |

Chester Borough received a Round Three Judgment of Compliance and Repose (JOC&R) on March 16, 2020 from the Hon. Michael C. Gaus, J.S.C. for the Prior Round (1987-1999) and Round Three (2000-2025), pursuant to Chester Borough’s Round Three Housing Plan, a November 2018 Settlement Agreement with the Fair Share Housing Center<sup>2</sup> (FSHC Agreement) and an October 4, 2018 intervenor’s Settlement<sup>3</sup> with Larison’s Corner, LLC and Turkey Farms Acquisitions, LLC (“TF Agreement”). Prior to entering the Court process in 2015, Chester Borough made three attempts to secure Council on Affordable Housing (COAH) Third-Round substantive certification. COAH did not act on any of the Borough’s petitions for substantive certification during the period marked by COAH’s three attempts at Third-Round rule-making and attendant Court challenges that ultimately sidelined COAH and moved affordable housing compliance to the Courts, from which Chester received the March 16, 2020, JOC&R.

Chester Borough has a lack of water and sewer capacity for new development. The Borough’s public water system is operated by NJ American. The water service area is limited in scope with many individual homes and business dependent upon individual potable wells for water supply. The Borough’s public sewer system serves only a portion of the Borough; it is at capacity that limits any new connections or expansion of buildings with existing sewer connections due to the treatment capacity constraint. Due to the sewer capacity constraint, Chester Borough is entitled to a durational adjustment for Round Four.

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<sup>1</sup> The municipal determination of Chester Borough’s Round Four affordable housing obligations was by municipal resolution, that was adopted on January 28, 2025 and filed with the Superior Court 1/29/2025 with Chester Borough’s Complaint for declaratory judgment relief for its Round Four affordable housing obligations (MRS-L-000252-25 in re “The Matter of Chester Borough”).

<sup>2</sup> The November 6, 2018 FSHC Settlement Agreement stipulates to the Borough’s Prior Round and Round Three obligations and Chester Borough’s Round Three Housing Plan to address the obligations, it is referenced in the March 16, 2020 final JOC&R.

<sup>3</sup> The agreement called for 20 townhouses on Block 101, Lots 12.07 & 12.08 (Mill Ridge Lane); and 36 affordable family rental units, a 20,000 sq. ft. medical office building, a 5,000 sq. ft. office building, and 12,500 sq. ft. pharmacy and a 7,500 sq. ft. restaurant on the Turkey Farm site (Block 101, Lots 113, 14, 15 & 16).

The Highlands Plan Conformance Process was needed to enable the Highlands Council and the Borough to endorse an application for an on-site package treatment plant with a groundwater discharge system to be developed to support the TF Agreement. Following Plan Conformance, both the Highlands Council and Chester Borough endorsed an application by Turkey Farms Acquisitions, LLC (TF) to the NJDEP for a Water Quality Management Plan amendment for an the TF on-site treatment plant and groundwater discharge system to support the development of the 36-affordable family rental apartments on the TF site along with the other components in the TF Agreement. That amendment was received, but the project stalled due to the loss of the major tenant planned for the site (the pharmacy) and the 36 Round Three affordable family rental units were not built.

Highlands Plan Conformance has served Chester Borough in another way. Chester Borough has worked toward remedying the sewer constraint issue through the Highlands Plan Conformance process. Chester Borough undertook extensive planning and engineering investigations over the past several years to make an application to the NJDEP for an amended Water Quality Management Plan approval for a new sewage treatment plant that will be permitted to discharge to surface water – the existing plant discharges to groundwater. The approval was granted by NJDEP in May 2025. However, planning, design and construction of the replacement sewage treatment plant will be a time-consuming process to complete before any construction on the new plant and installation of new sewer collection lines.

The lack of sewer capacity, in and of itself constitutes a durational adjustment to the Round Four affordable housing obligations assigned to and accepted by the Chester Borough for Round Four, pursuant to N.J.A.C. 5:93-4.3 (c), which states that:

“The lack of adequate capacity, in and of itself, shall constitute a durational adjustment of the municipal housing obligation. The requirement to address the municipal housing obligation shall be deferred until adequate water and/or sewer are made available.

Technically, Chester Borough has been a durational adjustment municipality for more than 25 years due to the sewer capacity constraint, including during the Prior Round and Round Three. However, the Turkey Farm (“TF”) site has sufficient land area to construct a package treatment plant

With respect to the Township’s Fourth Round Prospective Need Obligation, N.J.S.A. 52:27D-310h and N.J.S.A. 13:20-23 require the Township’s HEFSP to take into the Township’s compliance with the Highlands Water Protection and Planning Act, N.J.S.A. 13:20-1 et seq., (“Highlands Act”).

Under N.J.S.A. 52:27D-310h, Highlands municipalities are required to analyze compliance of the housing element with the Highlands Regional Master Plan including the most recent Highlands Municipal Build Out Report, and to consider opportunities for affordable housing, including redevelopment, that are consistent with the Highlands Regional

Master Plan. The most recent Highlands Build-out indicates a build-out of zero (0) new affordable units are possible under the sewer constraints that Chester Borough faces.

Highlands Build-out: Zero (0) Units.

The Township has no developable parcels that have sufficient lot area for multifamily development under the Highlands Regional Master Plan pursuant to the Highlands Guidance Documents and methodology.<sup>4</sup>

## **STATUTORY AFFORDABLE HOUSING REQUIREMENTS**

This Housing Plan has been prepared in accordance with the provisions of the Municipal Land Use Law (N.J.S.A. 40:55D-28b(3)) and the Fair Housing Act (FHA) as amended (N.J.S.A. 52:27D-310), to address Chester Borough's Round Four (2025-2035) affordable housing obligations.

The Municipal Land Use Law at N.J.S.A. 40:55D-28.b(3), identifies the following requirements for a Housing Plan Element:

(3) A housing plan element pursuant to section 10 of P.L.1985, c.222 (C.52:27D-310), including, but not limited to, residential standards and proposals for the construction and improvement of housing;

The essential contents of a Housing Element are identified in the Fair Housing Act at N.J.S.A 52:27D-310 which provides that "a municipal housing element shall be designed to achieve the goal of access to affordable housing to meet present and prospective housing needs, with particular attention to low- and moderate-income housing, and 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;

- *This is addressed in Appendix A – Housing Element Plan.*

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;

- *This is addressed in Appendix A – Housing Element Plan.*

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<sup>4</sup> For example, a five unit building requires a minimum of 40 acres of lot area in Chester Borough under the Highlands 8-acres per unit density assigned to Chester Borough for build-out. There are no undeveloped parcels in Chester Borough that are large enough to meet this density standard.

- c. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
- *This is addressed in Appendix A – Housing Element Plan.*
- d. An analysis of the existing and probable future employment characteristics of the municipality;
- *This is addressed in Appendix A – Housing Element Plan.*
- 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; and
- *This is addressed below in the section entitled “Determination of Present Need and Prospective Share.”*
- 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.”
- *This is addressed below in the section entitled “Site Suitability Analysis.”*
- 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);
- *See section “Relationship to the State Development and Redevelopment Plan.”*
- 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
- *This is addressed below in the sections entitled “Determination of Present Need and Prospective Share” and Consideration of Lands for Affordable Housing Development.*
- 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.”

The 2024 FHA Amendments identify an additional requirement for the Round Four HE/FSP at C.52:27D-304.1 subsection 3. f. (2) (a), as follows:

“... As part of its housing element and fair share plan, the municipality shall include an assessment of the degree to which the municipality has met its fair share obligation from the prior rounds ... If a prior round obligation remains unfulfilled, ... the municipality shall address such unfulfilled prior round obligation in its housing element and fair share plan.”

- *This is addressed below.*

## DETERMINATION OF PRESENT NEED AND PROSPECTIVE SHARE

This section addresses N.J.S.A 52:27D-310 e. identifying the Municipal determination of the Present Need and the Prospective Share.

Chester Borough accepted the NJ Department of Community Affairs (DCA) calculation of Round Four affordable housing obligations for Round Four (2025-2035) that was published by the DCA in the October 2024.

- Present Need: 10 units
- Prospective Share: 72-units.

Chester Borough will address the Present Need obligation through participation in the Morris County HOME Rehabilitation Program.

Chester Borough cannot create a realistic opportunity for its prospective need of 72 due to a lack of developable land and a lack of available sewer. Moreover, under the Highlands Build-out, the Borough has an affordable housing obligation of zero (0) units. Under any theory, the Borough is entitled to adjust its obligation to 0 and can only be required to address a deferred portion of what is unmet need:

“The lack of adequate capacity, in and of itself, shall constitute a durational adjustment of the municipal housing obligation. The requirement to address the municipal housing obligation shall be deferred until adequate water and/or sewer are made available.”

As indicated in the Executive Summary above, the durational adjustment conditions have existed in Chester Borough for at least 25 years and could have been recognized in past affordable housing cycles, instead, the Borough attempted to address the obligations with the resources available to it, despite the fact that the durational adjustment would have deferred Borough’s obligation.

***Under the Borough’s Highlands Build-out or any other form of adjustment, the Borough’s Prospective Share is adjusted to a Round Four obligation of Zero.***

## ASSESSMENT OF PRIOR ROUNDS AFFORDABLE HOUSING COMPLIANCE

This section of the Housing Plan provides an assessment of the degree to which Chester Borough has met its fair share obligation from the prior rounds pursuant to C.52:27D-304.1 subsection 3. f. (2) (a). These obligations consist of the Prior Round (1987-1999) and Round Three (1999-2025).

### PRIOR ROUND (1987-1999)ASSESSMENT:

According to the Borough's Round Three Housing Plan and FSHC Agreement, Chester Borough's Prior Round (1987-1999) obligation is 16. The Borough's 16-unit Prior Round obligation was fully satisfied with the existing affordable housing units that are existing and occupied.

| <u>Project</u>               | <u>Type</u>      | <u>Status</u> | <u>Units or<br/>Bedrooms</u> | <u>Bonus</u> | <u>Total</u> | <u>Description</u>   |
|------------------------------|------------------|---------------|------------------------------|--------------|--------------|--|
| Project Hope                 | Supportive       | Existing      | 6                            | 4            | 10           | 91 Oakdale Road,<br>Block 110, Lot 13  |
| Trematore                    | Family<br>Rental | Existing      | 1                            | -            | 1            | 76 Main Street,<br>LLC, Block 129,<br>Lot 9  |
| CASH                         | Senior<br>Rental | Existing      | 4                            | -            | 4            | Chester Area Senior Housing,<br>Corp. ("CASH") (245<br>Main Street, Block 110, Lot 48;<br>19-age-restricted apartments                         |
| Asdal<br>Development,<br>LLC | Family<br>Rental | Existing      | 1                            | -            | 1            | 265 Main Street)<br>Block 110, Lot 38; inclusionary<br>apartment in 9-unit apartment -<br>8 market-rate units plus one (1)<br>affordable unit. |
| Total                        |                  |               | 12                           | 4            | 16           |  |

The Prior Round was fully satisfied with the existing affordable housing units identified in the table above.

### ROUND THREE (1999-2025) ASSESSMENT:

Chester Borough's Agreement with FSHC identified the following projects to address the Round Three RDP that was identified under vacant land adjustment procedures. Chester Borough identified a Round Three Realistic Development Potential (RDP) of 66. The Round Three Plan to satisfy the 66-unit RDP with a 6 unit surplus, as follows:

| <u>Project</u>                        | <u>Type</u>      | <u>Status</u> | <u>Units or<br/>Bedrooms</u> | <u>Bonus</u> | <u>Total</u> | <u>Description</u>   |
|---------------------------------------|------------------|---------------|------------------------------|--------------|--------------|--|
| <b>CASH<br/>(Senior)</b>              | Senior           | Existing      | 15                           | NA           | 15           | Existing Senior Affordable   |
| <b>TF<br/>(Family<br/>Rental)</b>     | Family<br>Rental | Proposed      | 36                           | 17           | 53           | Mixed Commercial,<br>Townhomes and Family<br>Affordable Rental at the Turkey<br>Farm and Mill Ridge Site |
| <b>Little<br/>Italian<br/>Kitchen</b> | Supportive       | Proposed      | 4                            | NA           | 4            | Proposed Supportive Housing  |
| <b>Total</b>                          |                  |               | 55                           | 17           | 72           |  |

The TF Family Rental Project and the Little Italian Kitchen projects addressing a portion of the Round Three obligation have not yet come to fruition, as listed and explained below. The TF project accounted for 29 of the Borough's 66 RDP. As explained below, a reduction in the TF affordable unit yield from 36 to 24 demonstrates that the TF RDP should be 24, not 29.

- 1. TF – Family Rental (Block 101, Lots 12.07, 12.08, 13, 14, 15 & 16)** One of the key factors in Round Three Compliance had to do with Highlands Plan Conformance that was a condition of Chester Borough's Round JOC&R. In his March 16, 2020 Order, the Hon. Michael C. Gaus, J.S.C. for Round Three identified the need for Highlands approval to facilitate the Turkey Farms Project, In his Order, Judge Gaus stated:

“As a long-term condition of approval, the Borough shall receive, and shall diligently pursue Highlands approval for the Turkey Farms project...”. Chester Borough diligently pursues and assisted in obtaining that approval through Highlands Plan Conformance.

Chester Borough diligently pursued and obtained Highlands Plan Conformance, designated a redevelopment area and adopted a redevelopment plan to facilitate the Turkey Farm project as required by Judge Gaus. Portions of the TF Agreement were granted site plan approval; however, one of the key tenants in this mixed-use office/commercial/residential settlement agreement withdrew from the project, which caused it to fail. The developer spent considerable time and effort trying to revive the approval with another key tenant to no avail.

At the end of 2024, the developer identified an alternative settlement that eliminated all office use and a fully reconstituted settlement proposal including 110 residential dwelling units, including 24 affordable units, a fast-food restaurant and a farm store. The developer contended and the Borough accepted that the reduction of the affordable component from 36 units to 24 units was necessary for economic viability of producing the affordable housing on the Turkey Farm site. The Borough agreed to this change in an amended settlement agreement with the developer.

The TF Sites generated an RDP of 29 units. The reduction in affordable units from 36 to 24 demonstrates that the site should be assigned an RDP of 24 because that is the number of affordable units that are realistically developable on the site. That reduction of five (5) units reduces the overall RDP for the Borough from 66 to an RDP of 61.

2. **Little Italian Kitchen (Block 101, Lot 11; .75-acres)** This is the site of a former restaurant that was destroyed by fire. The Borough purchased the property and entered into an agreement with a non-profit developers (Soldier On) to develop 4 units of supportive housing for disabled veterans. After several years of no progress on the project, the Borough contacted Nouvelle, a well-known developer with experience in disabled veterans housing development. This site remains viable as a four (4) or (5) unit veterans apartment project and remains a component to address the Third Round.

As part of Third Round compliance, to address Unmet Need, the Borough adopted an overlay zone at Block 133, Lot 5 (the “Chester Mall” Site”) for mixed use development, which permits a residential density of 10 units per acre, with a 20% affordable housing set-aside requirement.

In addition, Round Three compliance included a Mandatory Set-aside Ordinance (MSO) to address Unmet Need, which requires all new developments of five or more new dwelling units to provide a 20% affordable set-aside. This was a condition of the Borough’s Third Round FSHC Agreement and Final JOC&R. The Borough will amend this ordinance to clarify that a 20% set-aside is required for all developments, including multi-family and single-family detached dwelling units.

**SUMMARY – PRIOR ROUND & ROUND THREE COMPLIANCE ASSESSMENT**

As demonstrated above, Chester Borough’s Prior Round (1987-1999) Prospective Share obligation has been fully satisfied.

After adoption of the Borough’s Round Four HEFSP in June 2025, the Borough negotiated a settlement for Round Four compliance with Fair Share Housing Center which resulted in a Mediation Agreement (Mediation Agreement), dated December 2, 2026. The Borough agreed to revise the Round Three compliance plan to address the revised RDP of 61, as follows:

| <b>Project</b>                          | <b>Type</b>   | <b>Status</b> | <b>Units</b> | <b>Bonus</b>    | <b>Total</b> |
|---|---------------|---------------|--------------|-----------------|--------------|
| CASH                                    | Senior        | Existing      | 15           | NA              | 15           |
| Turkey Farms (amended)                  | Family Rental | Proposed      | 24           | 17<br>(25% cap) | 41           |
| Little Italian Kitchen                  | Supportive    | Proposed      | 4-5          | NA              | 4            |
| 128 Main Street,<br>92 West Main Street | Family Rental | Existing      | 2            | NA              | 2            |
| <b>Total</b>                            |               |               | 45           | 17              | <b>62</b>    |

- With respect to the Turkey Farms project, Chester Borough has enacted an enabling ordinance for the creation of 24 affordable units, and has executed an amended settlement agreement with the developer of the project for the construction of those units.
- As a stipulation of settlement in the Mediation Agreement, the Borough agreed to identify a group home, which is yet to be determined. However, the Borough is actively negotiating creation of a group home at Nazareth Village with Nouvelle, LLC and the Archdiocese of Paterson.
- With respect to the Little Italian Kitchen, the Borough is actively negotiation an agreement with Nouvelle for the construction of the four or five units of veterans very-low income housing apartments.

## ROUND FOUR FAIR SHARE PLAN

### PRESENT NEED

This section of the Housing Plan sets forth Chester Borough's Fair Share Plan to address the Round Four affordable housing obligations. As set forth above in the section entitled "Determination of Present Need and Prospective Share", Chester Borough has a Present Need of ten (10) units. In Round Three, the Borough received an adjusted Present Need obligation based on an analysis of the Borough's housing stock at that time (2019). The Borough will again undertake a survey of existing housing conditions to determine whether an adjustment to the NJDCA calculated Present Need obligation should be adjusted.

The Borough will address the Present Need through the Morris County HOME rehabilitation funding program, and will supplement rehabilitation costs to the extent that funding available through the HOME Program is insufficient to complete a rehabilitation project.

### ROUND FOUR PROSPECTIVE SHARE OBLIGATION

The Borough's Round Four Prospective Share obligation is 72. As explained above Chester Borough's Round Four Prospective Share Obligation is identified through Highlands Build-out procedures as zero (0) affordable units. However, the Borough's lack of sewer constituted a durational adjustment in accordance with N.J.A.C. 5:93-4.3 because it has no available wastewater treatment capacity to serve any new development. As such, the Borough's situation is a hybrid of two adjustments recognized in the regulations: A vacant Land Adjustment and a Durational Adjustment.

However, the Borough's status is definitively durational adjustment as evidenced in a September NJDEP letter advising that the Borough had exceeded 95% capacity and can no longer accept new connections. Under durational adjustment procedures, the Borough agrees to endorse all applications to the NJDEP, and if NJDEP approves, the Borough will permit and add the site to the housing plan in accordance with N.J.A.C. 5:93-4.2.

### Consideration of Land for Affordable Housing.

N.J.S.A. 52:27D-310 f. requires “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.” In addressing this requirement, Chester Borough has examined land throughout the Borough and identified four (4) sites likely to redevelop to during Round Four as required by the 2024 FHA Amendments. The sites selected were identified for a variety of reasons, including (1) vacant parcels, (2) a pattern of vacancy in commercial and office space, and (3) redevelopment. These site are shown on Figure 1.

**FIGURE 1 - Round Four Sites for Inclusionary Zoning:**

| Redevelopment Sites<br>Address, (Block/Lot), Description   | Acreage   | 20%<br>affordable<br>unit yield |
|--|---|---------------------------------|
| <b>1. 95 West Main Street (133/4)</b> - Existing office & commercial space. This site is developed with office and retail uses, it has an NJPDES permitted on-site septic system with a capacity of 2,500 gpd, which is sufficient to support a total of 8 dwelling units (@ NJDEP’s 300 gpd flow rate). It is experiencing persistent vacancies. It adjoins Block 133, Lot 5 (Chester Mall, 11-85 West Main St.). The Mall was zoned with an overlay in Round Three to redevelop with a residential density of 10 du./ac in addition to the existing commercial use of the site. The Mall has an individual on-site 11,000 gpd sewage treatment plant with an NJPDES surface water discharge permit. There is potential for the two sites to redevelop if joined together, but total development would be constrained by whatever NJDEP would permit or require, which may include upgrading the treatment plan. The Borough will designate 95 West Main for the same 10 du/ac to incentivize future redevelopment of the two sites, potentially as a single development. | 2.84 @<br>10 du./ac.<br>= 28.4<br>total<br>units. | 5                               |
| <b>2. 65 Maple Avenue (131/4)</b> - Former Meenan Oil Site - This .98-acre site was formerly a commercial use (fuel depot, distribution yard, office, and retail sales) that has been abandoned and remediated from its former use. The office building remains, other structures from the former use have been removed. It has one (1) equivalent connection (300 gpd) of dedicated sewer allocation that could support only one (1) residential dwelling unit. The site is re-developable, but for the limited sewer flow that cannot be increased due to sewer system capacity limitations. The site is level, free of environmental constraints and is situated adjacent to commercial uses at a point where residential neighborhoods transition to commercial uses and is suitable for multi-family redevelopment.   | .98 @ 6<br>du./ac. =<br>6 units                   | 1                               |
| <b>3. 280 Main (119/6)</b> – This vacant site adjoins 300 Main St., the former municipal building that is currently vacant. The two sites share an approximately 200’ common lot line and could logically be redeveloped together as a single unit. The Borough will designate this a redevelopment area to facilitate development of this site together with 300  | 2.57 @ 6<br>du./ac. =<br>15.42<br>units           | 3                               |

|   |                                 |          |
|---|---------------------------------|----------|
| <p>Main Street. Aerial photography suggests that the site was at one time used for an agricultural use, which has long been discontinued. It adjoins low density residential and office/commercial development. Main Street sidewalks provide access to commercial uses. The elementary school is within walking distance of the site. The site is not located in the sewer service area and would require an alternative wastewater treatment system if developed before sewer service becomes available.</p>  |                                 |          |
| <p><b>4. 300 Main (119/8)</b> – This is the former Chester Borough municipal building that is vacant. The vacant building remains with two driveways on Main Street and parking. There is a water tower at the rear property line with cellular antennas to remain. The site is within the Borough’s sewer service area, but there is currently no assigned equivalent connection assigned to the site. Due to capacity constraints, there is no potential for additional connections to the sewer system. The site could logically be redeveloped with 280 Main (Block 119, Lot 6) described above; however, actual redevelopment will have to await sewer capacity when a new sewer plant is developed.</p> | <p>2 @ 6 du./ac. = 12 units</p> | <p>2</p> |

In accordance with paragraph 5. c) of the Mediation Agreement:

- i. The Borough agrees to zone site #2 below to extend existing overlay zoning from the Chester Mall onto the site to encourage inclusionary redevelopment of the two sites (existing on site wastewater package treatment plan on site #1).
- ii. The Borough will rezone site #3 below when adequate wastewater treatment becomes available to support development of six (6) units including one (1) affordable unit.
- iii. The Borough will rezone sites #4 & #5 below when adequate wastewater treatment becomes available to support development of:
  - a. 15 units on site #4, including 3 affordable units; and
  - b. 12 units on site #5 including 2 affordable units.

|  |                   |
|--|-------------------|
| <p>1. Chester Mall (7.2 ac x 10 du/ac = 72 units x 250 GPD/unit (15aff.):</p>                                    | <p>18,000 GPD</p> |
| <p>2. 95 West Main Street (Block 133, Lot 4, 2.8 ac.) (2.8-ac. x 10 du/ac = 28 units @250 GPD/unit (3 aff.):</p> | <p>7,000 GPD</p>  |
| <p>3. 65 Maple Avenue (Block 131, Lot 4) .98 ac. x 6 du/ac = 6 units @250 GPD (1 aff.):</p>                      | <p>1,500 GPD</p>  |
| <p>4. 280 Main Street (Block 119, Lot 6) 2.5 ac x 6 du/ac = 15 units x 250 GPD (3 aff.):</p>                     | <p>3,750 GPD</p>  |
| <p>5. 300 Main Street (Block 119, Lot 8) 2 ac x 6 du/ac = 12 units x 250 GPD (2 aff.):</p>                       | <p>3,000 GPD</p>  |
| <p>Total allocated sewer service gallonage</p>   | <p>33,250 GPD</p> |

## REDEVELOPMENT

Because the Borough's 72 units are deferred under Durational Adjustment rules, the The FHA requirement for a municipality to zone for 25% of the prospective need that has been adjusted does not apply here. That only applies to vacant land adjustments in Round Four. Nevertheless, bringing forth a full faith effort to address obligations, Chester Borough has identified the four (4) sites above for overlay zoning. There are no other appropriate sites for overlay zoning given the Borough significant constraints described in this HEFSP.

## SITE SUITABILITY ANALYSIS

All four sites identified above are available and approvable with zoning; however, development of the sites is dependent upon sewer service becoming available. Each site is also subject to review for consistency with the Highlands regional master plan.

The property owner for 280 Main Street (Site #3 above) has expressed an interest in being included in Chester Borough's Round Four Plan. Chester Borough has considered the request and including the site with the ambition that it is combined with 300 Main Street (former municipal building) that is included in the sewer service area. The site could be developed with or without 300 Main Street, and both sites must await available sewer capacity. The site is available, will be approvable with zoning, will be developable with sewer capacity; and is suitable based on the physical conditions of the site (level, location on Main Street, adjacency to compatible uses).

## 2024 FHA COMPLIANCE PARAMETERS

The 2024 FHA Amendments identify a series of requirements to be addressed in the Fair Share Plan. A series of compliance parameters requirements are to be applied to the whole number of units addressing the Prospective Share in the Housing Plan, including a 30% cap on age-restricted units, a requirement for at least 50% of the units to be available to families with children, a 25% rental unit requirement, and 12.5% family rental unit requirement, a requirement for 13% of the units in the plan to be reserved for very low-income households and one-half of the very low-income units available to families with children. The FHA identifies these compliance parameters, as follows:

“C.52:27D-311 l. A municipality may [1] **not** satisfy **more than 30 percent** of the affordable housing units, exclusive of any bonus credits, to address its prospective need affordable housing obligation through the creation **of age-restricted housing**. A municipality shall satisfy [2] **a minimum of 50 percent of the actual affordable housing units**, exclusive of any bonus credits, created to address its prospective need affordable housing obligation through the creation of housing **available to families with children** and otherwise in compliance with the requirements and controls established pursuant to section 21 of P.L.1985, c.222 (C.52:27D-321). A municipality shall satisfy [3] **a minimum of 25 percent of the actual affordable housing units**, exclusive of any bonus credits, to address its prospective need affordable housing obligation, **through rental**