



Parsippany Troy Hills

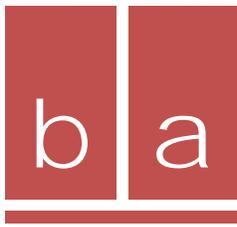
Master Plan Element

Housing Element & Fair Share Plan

Approved: June 25, 2025, Amended March 2, 2026

Township of Parsippany-Troy Hills | Morris County, New Jersey





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Housing Element and Fair Share Plan Master Plan

Township of Parsippany-Troy Hills
Morris County, New Jersey

Prepared for the Township of Parsippany-Troy Hills
Planning Board

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Table of Acronyms

Acronym	Meaning
BOCA	Building Officials and Code Administrators
CHAS	Comprehensive Housing Affordability Strategy
CO	Certificate of Occupancy
COAH	Council on Affordable Housing
DCA	Department of Community Affairs
FHA	Fair Housing Act
FHA-2	Fair Housing Act- As Amended
FSHC	Fair Share Housing Center
GDP	General Development Plan
HE&FSP	Housing Element and Fair Share Plan
HUD	Department of Housing and Urban Development
MLUL	Municipal Land Use Law
NJAC	New Jersey Administrative Code
NJSA	New Jersey Statutes Annotated
PTS	Princeton Theological Seminar
RCA	Regional Contribution Agreement

Executive Summary

The following executive summary is offered for the 2025 and amended 2026 Township of Parsippany-Troy Hills Housing Element and Fair Share Plan (HE&FSP).

Executive Summary

The following 2025 Housing Element and Fair Share Plan (HEFSP) of the Master Plan outlines the manner in which the Township of Parsippany-Troy Hills will address its affordable housing obligation. The plan is organized into four sections:

- ❖ Section 1: Introduction and Overview
Section 1 offers an introduction to the plan, as well as background information regarding affordable housing and its history in both the State of New Jersey and the Township of Parsippany-Troy Hills. It also identifies the requirements of a master plan as well as a HE&FSP.
- ❖ Section 2: Housing Element
Next, Section 2 contains the Housing Element. This section provides background data regarding the Township’s physical, demographic, and housing characteristics. It also provides a projection of the Township’s housing stock as well as its capacity to accommodate its overall fair share.
- ❖ Section 3: Fair Share Obligations
Section 3 summarizes the past and present affordable housing obligations of the Township.
- ❖ Section 4: Fair Share Plan
Finally, Section 4 contains the Fair Share Plan which details how the Township will address its Present Need, Prior Round, Third Round, and Prospective Need Obligations.

The Township’s obligations were derived from a variety of different sources, including the former Council on Affordable Housing (COAH), a prior settlement agreement with Fair Share Housing Center (FSHC), and most recently a methodology provided by the Department of Community Affairs (DCA). These obligations are summarized in the table below and on the following pages.

Table 1: Affordable Housing Obligations Summary

Category	Obligation
Prior Round Obligation (1987-1999)	664
Third Round Obligation (1999-2025)	1,314
-Third Round RDP	845
-Third Round Unmet Need	469
Fourth Round Obligation (2025-2035)	496*
Present Need (Rehabilitation) Obligation	138

* The Township received an adjusted allocation of 496 based upon a Superior Court Order Fixing Municipal Obligation dated May 13, 2025.

Prior Round Obligation

The Prior Round Obligation encompasses the years 1987 through 1999. The Township was assigned a Prior Round Obligation of **664 affordable units** which was entirely addressed through a variety of components. These components are summarized in the following table and are discussed in greater detail in Section 4.3.

Table 2: Prior Round Obligation Summary: 664.

Prior Round Compliance Mechanisms	Credits	Bonus	Total	Status
Prior Cycle Credits: 100% Affordable Developments - Completed				
<u>Baldwin Oaks</u> (B 712, L 39) (Rental)-Age Restricted: 250 units	166	N/A*	166	Complete
Alternative Living Arrangements- Completed/Proposed				
<u>ARC</u> (B 202, L 9.06) (Rental) Entin Rd.	6	6	12	Complete
<u>ARC</u> (B 202, L 9.07) (Rental) Entin Rd	6	6	12	Complete
<u>Dept. of Special Ed-Roman Catholic</u> -B 208, L 5 (Rental) Littleton Rd.	5	5	10	Complete
<u>CBH to Homeless Solutions</u> (B 10, L 1.03) (Rental) Ruth Davis Drive	32	32	64	Complete
<u>JSDD of Metrowest</u> (B 446, L 10) (Rental) Pleasant Terrace	5	5	10	Complete
<u>Advancing Opportunities, Inc.</u> (B 518, L 25) (Rental) Hiawatha Blvd.	4	4	8	Complete
<u>Advancing Opportunities, Inc.</u> (B 709, L 27) (Rental) 66 N. Beverwyck Rd.	4	4	8	Complete
<u>Community Hope Inc.</u> (B 174, L 12) (Rental) 639 Tabor Road	6	6	12	Complete
<u>New Bridge & The Rose House</u> (B 168, L 119) (Rental) Moraine Road	4	4	8	Complete
<u>Special Homes NJ & Monarch Associates</u> (B 204, L 1) Littleton Rd.	4	4	8	Complete
<u>The Rose House Corp.</u> -B 497, L 10 (Rental) Knoll Rd.	4	4	8	Complete
<u>Carmela Lunt Corp. Community Hope</u> (B 756, L 5) (Rental) Deauville Dr.	4	4	8	Complete
Regional Contribution Agreement: Newark (294 committed, 269 creditable)	269	N/A	269	
Inclusionary Developments- Completed or Proposed				
Mill Run Apartment (B 15, L 5&6) (Rental)-Route 10	16	16	32	Complete
Palmar Assoc. LLC. (B 450, L 14, 15, 16 & 17) (For sale)-Interval Road (2 available, 1 applied)	1	0	1	Complete
Weichert- Johnston Road- B 200, L 8 (Rental) (19 total available, 14 applied)	14	14	28	Approved
Total- (Prior Round Credit Summary and Surplus (Age Restricted) (250-166=84)	550	114	664	

Third Round Obligation

The Third Round Obligation encompasses the years 1999 through 2025. Pursuant to a Settlement Agreement between Parsippany-Troy Hills and FSHC and approved by the Court, the Township's Third Round need allocation was 1,314 units although the Township sought and was granted a vacant land adjustment resulting in a Third Round Realistic Development Potential (RDP) obligation of 845 units and a total Unmet Need of 469 units.

This RDP obligation is largely satisfied through a variety of components both existing, proposed and as modified herein to address a few programs that have not been effectuated. As shown, these components comprise a total of 634 units and 211 bonus credits applied. The crediting for the Third Round in this plan has been modified to address recommendations of the Affordable Housing Dispute Resolution Program (AHDRP) and the settlement with Fair Share Housing Center (FSHC). The plan adjusts program credits in the Third Round associated with Westmont Plaza and PARQ (aka Lanidex) projects in comparison to prior housing plans. These components are summarized in the following table and are discussed in greater detail in Section 4.4.

Table 3: Third Round Components RDP 845 Obligation

Plan Component	Credits	Bonus	Total	Status
Prior Cycle Surplus Credits from Prior Round				
Baldwin Oaks- B 712, L 39 (Rental)	84	N/A	84	Complete
Brookside- B 412, L 15 (Rental)	127	N/A	127	Complete
Prior Cycle Credits: Alternative Living Arrangements- Completed				
Cheshire (B 484, L 8.01) (Rental)- North Beverwyck Road	6	N/A*	6	Complete
<u>ARC</u> (B 601, L 1) (Rental)- Hiawatha Blvd.-Prior Cycle	4	N/A*	4	Complete
Applicable Units Built and/or Approved in Third Round				
700 Mountain Way- B 14, L 9, 9.1&10 (Rental)	15	15	30	Complete
Palmar Assoc. LLC. (B 450, L 14, 15, 16 & 17) (For sale)-Interval Road (2 total, 1 available from Prior Round)	1	0	1	Complete
Special Homes of New Jersey- B 129, L 6 (Rental) Glenwood Place	4	4	8	Complete
Market to Affordable- Completed				
Habitat for Humanity. (B 528, L 1.1) (Ownership) (2002)	1	0	1	Complete
Inclusionary Developments- Zoned and Under Construction				
Stanberry Parsippany LLC. - B 200, L 1.02 (Rental)	67	34	101	Construction
Mack Cali-aka Avalon Residential B 202, L 3.12 & 3.20 (Rental)	82	82	164	Construction

Plan Component	Credits	Bonus	Total	Status
PARQ aka Lanidex- Block 392 Lots 1 and 2, (Rental) 120 total AH units approved, 74 applied +12 rental bonus**	137	68	205	Zoned, Approved, under Construction
Weichert- Johnston Road- B 200, L 8 (Rental) (19 total, 5 available from Prior Round)	5	5	10	Approved
Lexica-aka SJP MC VI- Cherry Hill Road- B 136, L 44 & 76 (Rental)	65	3*	68	Constructed
Proposed-Alternative Living Arrangements				
Community Options: B 741, L 58 (Rental) Normandy Drive	4	-	4	Completed
Community Options: 4 sites: (Rental) Ferncliff Rd, Maplewood Dr, Norman Ave & N Beverwyck Rd	16	-	16	Completed
Allies and Mental Health Assoc to replace planned Advancing Opportunities, Inc.: 2 sites (Rental)	8	-	8	Completed
Avidd Community Services of NJ: B 598, L 12 (Rental) Minnehaha Blvd.	4	-	4	Complete
Avidd Community Services of NJ: B 30, L 3.02 (Rental) Circle Drive.	4	-	4	Complete
Totals:	634	211	845	Required 845

*Bonus cap of 25% of 845 reached.

**This development replaces the Westmont Plaza project which was formerly an overlay zone to address unmet need, which is being reallocated from the Third Round Unmet Need to replace developments and programs that are no longer determined viable since it has received preliminary and final site plan approval and has been partially constructed in the Third Round.

The 2019 HE&FSP also identified numerous plan components to address Parsippany Troy Hills Third Round Unmet Need of 469 units. These plan components are summarized in Section 4.4.

Fourth Round Obligation

Governor Murphy signed the A-40/S-50 Bill into law on March 20, 2024 after the Senate and Assembly adopted it. This legislation (FHA-2) amended the Fair Housing Act (FHA or the Act) by abolishing COAH and created a new process that involved the creation of a new entity known as the Affordable Housing Dispute Resolution Program (the AHDRP), as well as the DCA responsibilities and the Administrative Office of the Courts (AOC).

FHA-2 directed the DCA to calculate the Present Need (also referred to as the Rehabilitation obligation) and the Prospective Need (also known as the new construction obligation) for Round Four based upon the standards set forth in the Act. The DCA issued its report on October 18, 2024, and, in accordance with the Act, made clear that the obligations generated by the report were advisory only and non-binding. For Parsippany Troy Hills, the DCA Report identified a Present Need of 138 and a Prospective Round Four Need of 553.

Since the DCA report is non-binding, each municipality had the opportunity to study and define why its obligations should be different based on the standards in the Act. The Township conducted such an analysis and determined that the DCA had made oversights in the Land Capacity Factor calculation, which is part of the formula that determines fair share obligations. The Township adopted a binding resolution on January 11, 2025 which committed to the 138-unit Present Need obligation identified by DCA, but identified a reduced Prospective Need obligation of 496 units due to the Township's assessment of errors in DCA's report pertaining to Parsippany Troy Hills Land Capacity Factor. Ultimately, the Township's Prospective Need obligation was established at **496 affordable units** by a trial court order issued on May 13, 2025.

The January 11, 2025 resolution further noted that the Township reserved the right to seek an adjustment of its Fourth Round Prospective Need number based upon a lack of vacant, developable and suitable land. Since the time of the Third Round HE&FSP, the Township entered into compliance with the Highlands Council-Planning Area. Accordingly, the Township undertook a detailed Vacant Land Analysis using the Highlands Build Out Analysis and an analysis of numerous redevelopment proposals to determine if there were any changed circumstances since the 2019 HE&FSP that would warrant a recalibration of Parsippany Troy Hills RDP. At this time, the Township concludes the Highlands Build Out analysis did not identify any additional parcels that were not included in the Third Round Vacant Land Analysis. Although the Township has 7 properties representing a changed circumstance requiring a Fourth Round RDP obligation. Together, these 7 properties generate a total Fourth Round RDP obligation of the full 496 units.

The Township addresses its **496 Fourth Round RDP** obligation via new contemplated redevelopment areas and infill development, plus eligible bonus credits, as summarized in Table 5 below totaling 496 credits. The components to address this obligation are summarized on the following table and are discussed in greater detail in Section 3.3.

The Township prepared a 2025 Fourth Round HEFSP, adopted June 25, 2025, and endorsed July 22, 2025 and the Township filed a resolution of participation in the Affordable Housing Dispute Resolution Program (the "AHDRP") and a declaratory judgment action pursuant to N.J.S.A. 52:27D-301 et. seq. (the "Fair Housing Act"). The Township's HEFSP received several objections submitted to the AHDRP. Subsequently, the Township, FSHC and an objector KF Schoolhouse, LLC (KF), have agreed to amicably resolve the issues set forth in the challenge through a mediation agreement pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) and Administrative Directive #14-24, which if approved will result in a compliance certification for the Township for the Fourth Round. Township's Fourth Round agreement with Fair Share Housing Center ("FSHC"), authorized by resolution 2025-225 of the Township Council on December 15, 2025, necessitate certain adjustments to the Township's HEFSP plan. This document is revised to address these changes herein.

Table 4: Fourth Round Components-496-Unit RDP-Full Obligation

Project Description	Credits	Bonus (25% Max)	Total
Inclusionary Developments - Proposed			
<u>4 Gatehall -Toll Brothers</u> : B 175, L52; 13.66 ac <ul style="list-style-type: none"> Conventional and stacked townhouses 	36	18	54
<u>Parq-Lanidex</u> : B 392, L 1.01, 1.02, 1.03, 1.04; 31.7 ac <ul style="list-style-type: none"> AIN-Mixed Use multifamily development. 	120	60	180
<u>3081 Route 46 Bixmor Redevelopment Mixed Use</u> : B 411 , L 31.1; 18.4 ac <ul style="list-style-type: none"> AIN Mixed Use-multifamily residential development 	78	39	117
<u>909-Parsippany Boulevard-Embassy Suites KRE</u> : B 420, L2 <ul style="list-style-type: none"> Adaptive Re-Use-Multifamily residential development 	42	7 (cap)	49
<u>400 Interpace- P3 Properties</u> : B 136, L43.5; 27.3 ac <ul style="list-style-type: none"> Mixed Use-Office-Multifamily residential development 	40	-	40
<u>1 Upper Pond Road</u> : B 13, L 43.4; 16 ac <ul style="list-style-type: none"> Stacked and conventional townhouses 	31	-	31
<u>1855 US 46- Cerbo Lumber Property 1855 US 46, LLC-Shree</u> <ul style="list-style-type: none"> Multifamily residential development 	25	-	25
Total	372	124	496
Remaining Need in Fourth-Round			0

Section 1: Introduction and Overview

The following section offers an introduction to the Township of Parsippany-Troy Hills 2025 Housing Element and Fair Share Plan. It provides background information regarding affordable housing and its history in both the State of New Jersey and the Township of Parsippany-Troy Hills. It also identifies the requirements of a master plan as well as a Housing Element and Fair Share Plan.

1.1: What is Affordable Housing?

Affordable housing is income-restricted housing that is available for sale or for rent. Typically, affordable housing is restricted to very-low, low-, and moderate-income households. These categories are derived from median regional income limits established for the state. New Jersey is delineated into six different affordable housing regions. Parsippany-Troy Hills is located in Region 4 which includes Morris, Monmouth, and Ocean Counties.



Regional income limitations are updated every year, with different categories established for varying household sizes. The table below identifies the 2024 regional income limits by household size for Region 2. As shown, a three-person family with a total household income of no greater than \$97,440 could qualify for affordable housing in the Township's region.

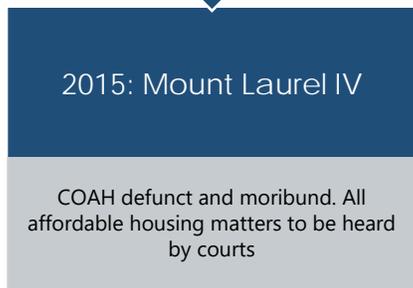
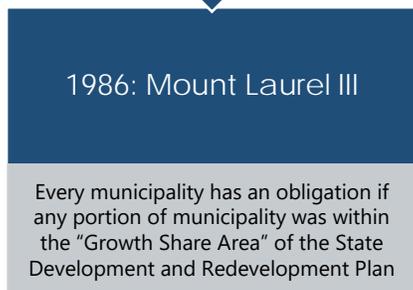
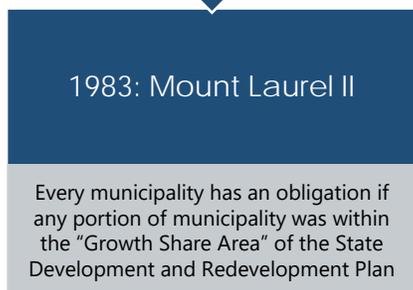
Table 5: 2025 Affordable Housing Region 2 Income Limits by Household Size

Income Level	1 Person	2 Person	3 Person	4 Person
Median	\$94,800	\$108,300	\$121,800	\$135,300
Moderate	\$75,840	\$86,640	\$97,440	\$108,240
Low	\$47,400	\$54,150	\$60,900	\$67,650
Very-Low	\$28,440	\$32,490	\$36,540	\$40,590

Source: UHAC 2025 April 29,2025 NJHMFA

One of the most common forms of affordable housing is inclusionary development, in which a certain percentage of units within a multifamily development are reserved for affordable housing. Affordable housing can be found in a variety of other forms, including but not limited to: one hundred percent affordable housing developments, deed-restricted accessory apartments, assisted living facilities, alternating arrangements such as supportive housing or group homes, and age restricted housing.

1.2: History of Affordable Housing



The history of affordable housing in New Jersey can be traced back to 1975, when the Supreme Court first decided in *So. Burlington Cty. NAACP v. Township of Mount Laurel* (known as Mount Laurel I) that every developing municipality throughout New Jersey had an affirmative obligation to provide for its fair share of affordable housing. In a subsequent decision in 1983 (known as Mount Laurel II), the Court acknowledged that the vast majority of municipalities had ignored their constitutional obligation to provide affordable housing.

Accordingly, the Court refined this obligation to establish that every municipality had an obligation, although those within the growth area of the State Development and Redevelopment Plan (SDRP) had a greater obligation. The Court also called for the state legislature to enact legislation that would save municipalities from the burden of having the courts determine their affordable housing needs. The result of this decision was the adoption of the Fair Housing Act in 1985 as well as the creation of the New Jersey Council on Affordable Housing (COAH), which became the state agency responsible for overseeing the manner in which New Jersey's municipalities address their low and moderate income housing needs.

COAH proceeded to adopt regulations for the First Round obligation, which covered the years 1987 to 1993. It also established the Second Round housing-need numbers that cumulatively covered the years 1987 through 1999. Under both the First and Second Rounds, COAH utilized what is commonly referred to as the "Fair Share" methodology.

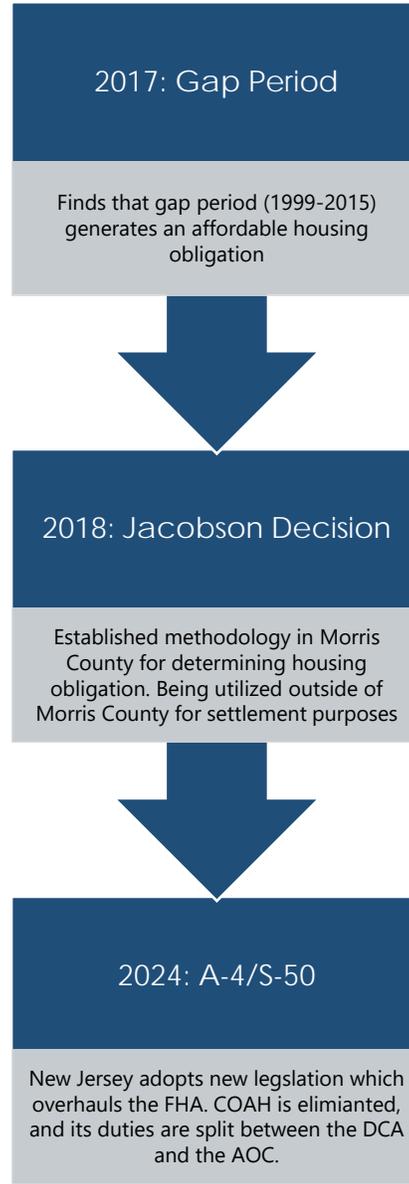
COAH utilized a different methodology, known as "Growth Share," beginning with its efforts to prepare Third Round housing-need numbers. The Third Round substantive and procedural rules were adopted in 2004.

However, these regulations were challenged and in January 2007, the Appellate Division invalidated various aspects of them and remanded considerable portions of the rules to COAH with the directive to adopt revised regulations.

In May 2008, COAH adopted revised Third Round regulations which were published and became effective on June 2, 2008. Coincident to this adoption, COAH proposed amendments to the rules they had just adopted, which subsequently went into effect in October 2008. These 2008 rules and regulations were subsequently challenged again, and in an October 2010 decision the Appellate Division invalidated the Growth Share methodology and also indicated that COAH should adopt regulations pursuant to the Fair Share methodology utilized in Rounds One and Two. The Supreme Court affirmed this decision in September 2013, which invalidated much of the third iteration of the Third Round regulations and sustained the invalidation of Growth Share. As a result, the Court directed COAH to adopt new regulations pursuant to the methodology utilized in Rounds One and Two.

Deadlocked with a 3-3 vote, COAH failed to adopt revised Third Round regulations in October 2014. Fair Share Housing Center (FSHC), who was a party in both the 2010 and 2013 cases, responded by filing a motion in aid of litigants’ rights with the New Jersey Supreme Court. The Court heard the motion in January 2015 and issued its ruling on March 20, 2015. The Court ruled that COAH was effectively dysfunctional, and consequently returned jurisdiction of affordable housing issues back to the trial courts where it had originally been prior to the creation of COAH in 1985.

This 2015 Court decision created a process in which municipalities may file a declaratory judgment action seeking a declaration that their HE&FSP is constitutionally compliant and receive temporary immunity from affordable housing builders’ remedy lawsuits while preparing a new or revised HE&FSP to ensure their plan continues to affirmatively address their local housing need as may be adjusted by new housing-need numbers promulgated by the court or COAH.



Subsequently, the Supreme Court ruled on January 18, 2017 that municipalities are also responsible for obligations accruing during the so-called "gap period," the period of time between 1999 and 2015. However, the Court stated that the gap obligation should be calculated as a never-before calculated component of Present Need, which would serve to capture Gap Period households that were presently in need of affordable housing as of the date of the Present Need calculation (i.e. that were still income eligible, were not captured as part of traditional present need, were still living in New Jersey and otherwise represented a Present affordable housing need).

On March 20, 2024, the State of New Jersey adopted a package of affordable housing bills which overhauled the Fair Housing Act. This legislation ultimately eliminated COAH and split its duties and functions between the Department of Community Affairs (DCA) and the Administrative Office of the Courts (AOC).

The DCA was designated by the legislation as the entity responsible for calculating the state's regional needs as well as each municipality's present and prospective fair share obligations pursuant to the Jacobson Decision. However, the legislation makes clear that these numbers are advisory and that each municipality must set its own obligation number utilizing the same methodology. Meanwhile, the Affordable Housing Dispute Resolution Program (the "AHDRP") within the AOC is tasked to handle any disputes regarding affordable housing obligations and plans.

1.3: The Township's Historic Responses

Parsippany-Troy Hills has a long history of substantial voluntary compliance with the Mount Laurel doctrine. The Township's initial effort to address its Mount Laurel obligation was set forth in the 1991 Housing Plan, whereby Parsippany-Troy Hills addressed its low- and moderate-income housing obligation of 1,028 dwelling units through a mix of inclusionary development, credits for previously constructed lower-income housing, rehabilitation, and participation in a Regional Contribution Agreement (RCA) with the City of Newark.

Following the 1991 Plan, the Council on Affordable Housing (COAH) adopted adjusted first and second round housing need numbers requiring the Township to provide for 727 affordable housing units, including 664 new construction units and 63 rehabilitation units. The Township prepared and submitted for certification a Housing Element and Fair Share Housing Plan dated March 7, 1995. By COAH resolution dated August 7, 1996, the Township received second round substantive certification of its Housing Element and Fair Share Plan.

To address the Township's Third Round obligation, COAH adopted new substantive (N.J.A.C. 5:94) and procedural rules (N.J.A.C. 5:95) for the period beginning December 20, 2004, changing its methodology from a "fair share" formula to a "growth share" formula. At the same time, COAH readjusted all municipal first and second round housing-need new-construction numbers. Parsippany-Troy Hills' previous 664 unit first and second round new construction obligation was reduced to 439 units. A 48-unit rehabilitation share was also assigned to the Township at that time.

As detailed in the Third Round Housing Plan adopted on November 29, 2005, the Township's third round "growth share" affordable housing obligation was projected to be 315 units, consisting of a 267-unit growth share obligation for the period between 2004 and 2014 and 48 rehabilitation units. At that time, Parsippany-Troy Hills had addressed 41 of its 48-unit rehabilitation obligation and identified that they would continue to participate in the rehabilitation of units to meet its obligation.

Parsippany-Troy Hills received extended substantive certification for their second-round plan from COAH on July 27, 2005. On December 16, 2005, the Township petitioned COAH for Third Round substantive certification with its plan dated November 29, 2005. This plan was never certified by COAH as in 2007 the Appellate Division issued an opinion on challenges to COAH's Third Round rules, and affirmed in part, reversed in part, and remanded the matter to COAH for adoption of revised rules in conformance with its decision. In re N.J.A.C. 5:94 & 5:95, 390 N.J. Super. 1 (App. Div.), cert. denied, 192 N.J. 71-72 (2007).

In 2008, COAH adopted revised Third Round rules to address the 2007 court decision. On June 7, 2010, the Township filed a petition for substantive certification with COAH in accordance with its revised Third Round obligations. Later in 2010, the Appellate Division again invalidated COAH's revised Third Round rules, including the "growth share"

methodology that COAH had promulgated in 2007 to determine municipalities' fair share affordable housing obligations. In re N.J.A.C. 5:96 & 5:97, 416 N.J. Super. 462 (App. Div. 2010), aff'd as modified, 215 N.J. 578 (2013). On September 26, 2013, the Court affirmed the Appellate Division's decision striking down COAH's Third Round rules and ordered COAH to promulgate new regulations in accordance with its first and second round regulations. In re N.J.A.C. 5:96 & 5:97, 416 N.J. Super. 462 (App. Div. 2010), aff'd as modified, 215 N.J. 578 (2013).

Parsippany-Troy Hills Township updated its previous 2008 Housing Plan in accordance with the New Jersey Supreme Court's March 10, 2015 decision. Ultimately, a Settlement Agreement was signed between the Township and the Fair Share Housing Center (FSHC) on April 11, 2019. On June 21, 2019, Superior Court Judge Honorable Michael C. Gaus J.S.C. entered an Order on July 24, 2019, approving the FSHC Settlement Agreement. The Settlement Agreement identified an adjustment to the Township's Third round Prospective Need to a Realistic Development Potential (RDP) of 857 units, later revised to 845 units. Leaving a balance of 469 units as what is termed "Unmet Need".

In response to the new legislation adopted by the State of New Jersey in March of 2024, the Township initially adopted Resolution #R2025-049 on January 21, 2025 which established its affordable housing obligations for the Fourth Round. While the Township accepted the methodology utilized by the DCA in determining its Prospective Need Obligation, it offered several adjustments to ensure the data utilized by the DCA was correct in determining this need. These corrections initially altered the Township's Prospective Need Obligation from 553 to 496 affordable units.

The Township received an objection regarding its calculated Prospective Need from The Builders Association. Following the settlement conferences conducted by the AHDRP, the Township received a Superior Court Order of Hon. Janine M Allen, J.S.C. on May 13, 2025 establishing a Prospective Need Obligation of **496**. See Appendix A for a copy of this Order.

1.4: Overview of a Master Plan

The Municipal Land Use Law (MLUL), which serves as the guiding legal document for planning and zoning throughout the State of New Jersey, identifies a master plan as "...a composite of one or more written or graphic proposals for the development of the municipality as set forth in and adopted pursuant to section 19 of P.L. 1975, c.291 (C.40:55D-28)."

In other words, a master plan is a comprehensive, long-term strategic document which is intended to guide the growth and development of a community. It is a roadmap, one which identifies where a municipality presently is and where it wishes to be in the future. A master plan develops the general parameters around which development is to occur and, specifically, where different types of development should occur. By doing so, a master plan links a municipality's land use vision to its existing and proposed zoning regulations.

Master plans therefore provide municipalities with the legal basis to control development through the adoption of land use ordinances which are designed to implement its goals, policies, and recommendations. As per the MLUL, a Planning Board must reexamine its master plan at least once every ten years in order to ensure it is timely and effective.

As established by NJSA 40:55D-28 of the MLUL, the planning board is the designated entity responsible for the preparation and adoption of a master plan. A master plan must be adopted at a public hearing after proper public notice, thus ensuring that the community has an opportunity to contribute, ask questions, and offer recommendations.

The MLUL further identifies the mandatory contents of a master plan, which include:

- ❖ A statement of objectives, principles, assumptions, policies, and standards upon which the constituent proposals for the physical, economic, and social development of the municipality are based;
- ❖ A land use plan, and;
- ❖ A recycling plan, and;
- ❖ A housing plan.

The Township's last reexamination report and the subject of this reexamination was prepared by Burgis Associates, Inc., adopted by the Planning Board on July 25, 2019. It included a reexamination of the Township's 1979 and 1985 Master Plans and the 2002 and 2008 Master Plan and Development Regulations Periodic Reexamination Report. The 2019 reexamination report revised some of the goals and objectives in the previous plans and report.

The Township of Parsippany-Troy Hills adopted Master Plans in 1979 and 1985 to meet the requirements of New Jersey's new MLUL legislation adopted by the State in 1975. Since then, the Township has prepared and adopted several Master Plan Reexamination Reports including 2002, 2008, 2019 and the most recent in 2022.

1.5: Overview of a HE&FSP

A Housing Element and Fair Share Plan (HE&FSP) serves as the blueprint for how a municipality will address its fair share of affordable housing. It is designed to help a community broaden the accessibility of affordable housing.

While technically a discretionary component of a municipal master plan, a HE&FSP is nevertheless an effectively obligatory plan element. As established by NJSA 40:55D-62.a of the Municipal Land Use Law (MLUL), a municipality must have an adopted HE&FSP in order to enact its zoning ordinance. Thus, from a public policy perspective, a HE&FSP is an essential community document. Moreover, without a HE&FSP, a municipality may be susceptible to a builder's remedy lawsuit in which a developer could file a legal action to have a specific piece of property rezoned to permit housing at higher densities than a municipality would otherwise allow or in areas not planned for housing, provided a certain percentage of units are reserved as affordable.

The Fair Housing Act (FHA), which was adopted in 1985 and has been amended multiple times since then, establishes the required components of a HE&FSP. These are summarized as follows:

1. 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;
2. 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;
3. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
4. An analysis of the existing and probable future employment characteristics of the municipality;
5. 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;
6. A consideration of the lands that are most appropriate for construction of low- and moderate-income housing and 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;
7. 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;
8. For a municipality located within the jurisdiction of the Highlands Water Protection and Planning Council, 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;
9. 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.

Section 2: Housing Element

The following section provides background data regarding the Township's physical, demographic, and housing characteristics. It also offers a projection of the Township's housing stock as well as its capacity to accommodate its overall fair share.

Information Regarding Data Sources

The information contained in Section 2.2 entitled "Demographic Changes," Section 2.3 entitled "Housing Demographics," Section 2.4 entitled "Employment Demographics," and Section 2.5 entitled "Employment Projections" was obtained from a variety of publicly available data sources. These are summarized below:

1. **United States Decennial Census**
 The US Census is described in Article I, Section 2 of the Constitution of the United States, which calls for an enumeration of the people every ten years for the apportionment of seats in the House of Representatives. Since the time of the first Census conducted in 1790, it has become the leading source of data about the nation's people and economy. Please note that all incomes reported in the Census are adjusted for inflation.
2. **American Community Survey (ACS)**
 The American Community Survey is a nationwide ongoing survey conducted by the US Census Bureau. The ACS gathers information previously contained only in the long form version of the decennial census, such as age, ancestry, educational attainment, income, language proficiency, migration, disability, employment, and housing characteristics. It relies upon random sampling to provide ongoing, monthly data collection. Please note that all incomes reported in the ACS are adjusted for inflation.
3. **New Jersey Department of Health**
 The New Jersey Department of Health is a governmental agency of the State of New Jersey. The department contains the Office of Vital Statistics and Registry, which gathers data regarding births, deaths, marriages, domestic partnerships, and civil unions.
4. **New Jersey Department of Community Affairs (DCA)**
 The New Jersey Department of Community Affairs is a governmental agency of the State of New Jersey. Its function is to provide administrative guidance, financial support, and technical assistance to local governments, community development organizations, businesses, and individuals to improve the quality of life in New Jersey.
5. **New Jersey Department of Labor and Workforce Development**
 The New Jersey Department of Labor and Workforce Development is a governmental agency of the State of New Jersey. One of its roles is to collect labor market information regarding employment and wages throughout the state.

2.1: Community Overview

The Township of Parsippany-Troy Hills is located within the northeasterly portion of Morris County. It is bounded by the Municipality of Township of Plainsboro and Cranbury to the north, the Monroe and Millstone Township to the east and southeast, the Township of Robbinsville to the south, the Township of West Windsor to the west.

Parsippany-Troy Hills has a total area of approximately 26.27 square miles, making it the third largest municipality in Morris County. The landscape of Parsippany-Troy Hills is a diversified one, and consists of well-established single-family and multi-family neighborhoods, concentrations of local business and regional commercial corridors, and large swaths of open space serving the region.

The total land area of the Township, excluding roadways and streets is 12,864 acres. The Township currently contains 16,014 parcels. The majority of the Township is primarily characterized by residential development. In fact, over 4,201.6 acres of the municipality's total land area, (40.4%) consists of residential uses. Single-family residential accounts for the bulk of this majority, accounting for 32.6% of the Township's total land area. Multi-family residential developments are less common, comprising 995.7 acres, or 7.7 %, of the Township's total land use area.

Commercial land uses account for a total of 2300 acres, or approximately 17.8 % of the Township's total land use area. Commercial land use constitutes the largest commercial use with 1,872.7 acres and Golf Course & Country Club making up 427.5 acres.

Land uses under the Public/Semi-Public classification comprise the second largest land use category in the Township, accounting for 3,559.1 acres, or 27.6% of the Township's total land area. Semi-public land uses, including places of worship and other non-profit organizations, account for 216.1 acres of the Township's total land area, while schools comprise an additional 296.5 acres. Municipal property makes up most of this category with more than 3,046.5 acres.

The Township also contains 3,311.3 acres of other land uses, or 25.7% of total acres, with vacant making up 205.4 acres, Industrial equaling 407.7 acres, while Utility's makes up 1,176.3 acres. Additionally, Railroad land use makes up less than 20 acres and 1,503.5 acres. Other Exempt land uses account for 11.7% percent of the total acreage of the Township and include preserved Green Acres Open Space.

The Township of Parsippany-Troy Hills is located in the easterly portion of Morris County. It is bounded by eight municipalities, including: the Borough of Mountain Lakes and the Town of Boonton to the north; the Montville Township to the northeast; East Hanover Township to the southeast, Hanover Township to the south, Borough of Morris Plains and Morris Township to the southwest and the Denville Township to the west. Even with the substantial size of the municipality, the Township has experienced such substantial growth over many years resulting in the it being essentially a fully developed community with very little vacant developable land remaining for new development.

The Township contains one Class I rail line known as the Morristown Line of NJ Transit, which is part of the Morris & Essex Lines that traverses the western portion of the Township from North to South

Table 6: Existing Land Uses

Land Use		Acres	% of Total Acres	Parcels	% of Total Parcels
Residential	Residential 1 & 2 Family	4,201.6	32.66%	12,169	75.99%
	Multifamily	995.7	7.74%	2,395	14.96%
Commercial	Commercial	1,872.7	14.56%	682	4.26%
	Golf Course & Country Club	427.5	3.32%	8	0.05%
Public/Semi-Public	Public Property	3,046.5	23.68%	409	2.55%
	Public School	296.6	2.31%	24	0.15%
	Church & Charitable	216.1	1.68%	73	0.46%
Other	Vacant	205.4	1.60%	63	0.39%
	Industrial	407.7	3.17%	73	0.46%
	Utility	1,176.3	9.14%	22	0.14%
	Railroad	18.5	0.14%	2	0.01%
	Other Exempt	1,503.5	11.69%	94	0.59%

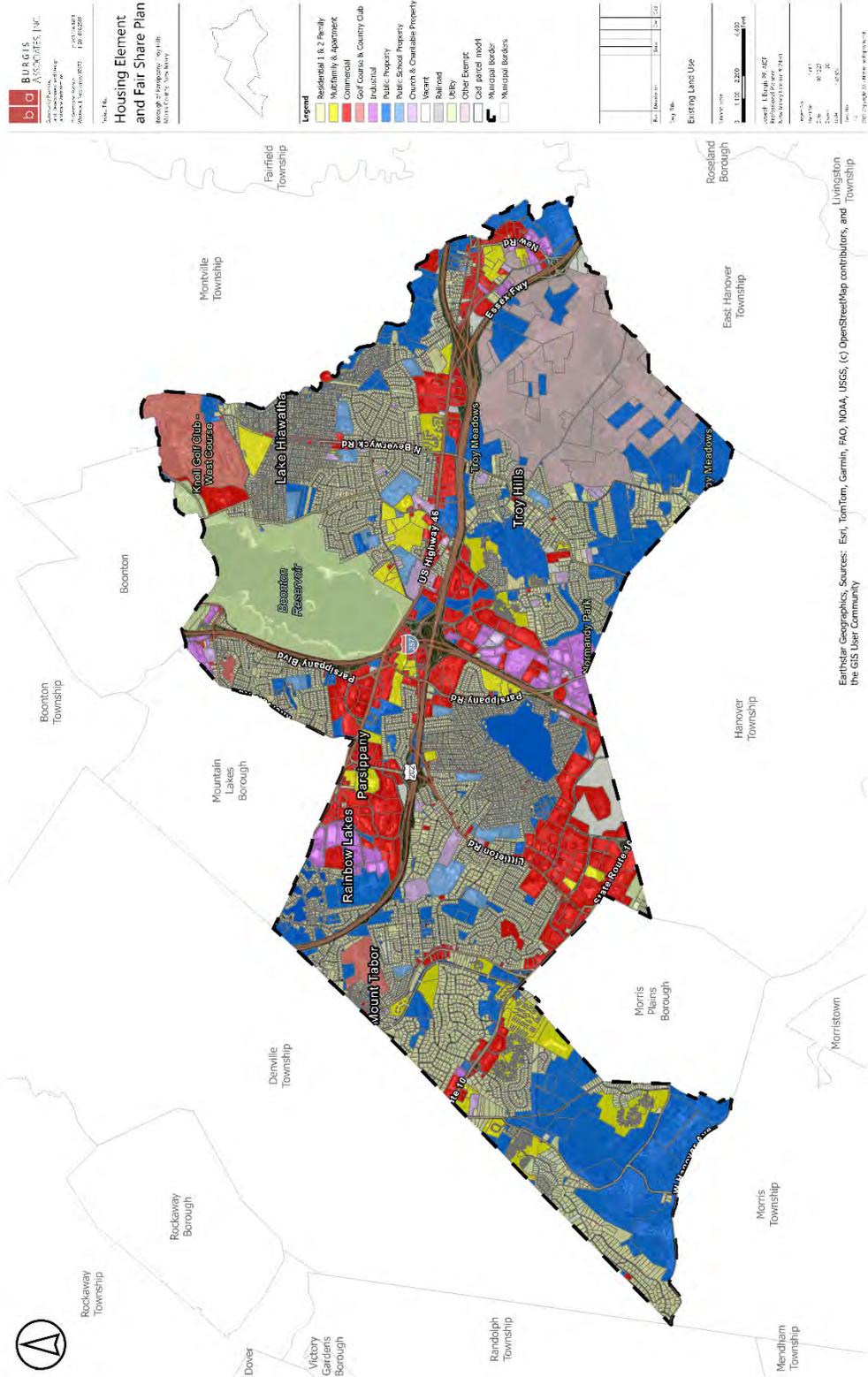
Source: ArcGIS Calculations

Regional access to the Township is provided by access to the interstate highway network provided by three interstate highways: I-287 which runs north-south, I-80 which runs east-west. The interchange of I-80 and I-287 is in the center of the Township. The Township also is served by a number of State, and County arterial roads. The principal arterials include U.S. Route 46, which provides an east-west connection, and U.S. Route 202 (Littleton Road), which provides a north-south connection.

Map 1: Community Overview



Map 2: Existing Land Use



2.2: Demographic Analysis

Analyzing demographic and population data is a necessary and integral step in planning for the future needs of a community. As such, the following section outlines the demographic changes experienced by the Township of Parsippany-Troy Hills over the past several decades.

This section is an analysis of demographic information is obtained from the 2010 Decennial Census as well as the 2010 and 2023 American Community Survey (ACS) 5-year estimates. The ACS data consists of estimates based upon data averages across a five-year span, otherwise known as "period" estimates. They are not actual counts, rather they are representative of data collected over a period of time and thus may not be directly comparable to decennial census figures. For example, the 2023 ACS includes data collected from 2019, 2020, 2021, 2022 and 2023. The following provides an assessment of population size, rate of population growth, age characteristics, as well as household size and income levels. Each of these items is described in detail below. This information is vital for the Township to carefully plan for the current and future needs of its residents and the community.

Population Changes

The Township experienced a substantial increase in population from 1950 to the 1970s. The boom in the population at that time could be attributable to the increase in housing availability. The Township maintained a steady population total, with a dip in 1980, but despite that reduction there has been consistent population growth ever since 2000. The population slightly increased from 2020 then through the year 2023.

Table 7: Population Growth, 1950-2023

Year	Population	Population Change	Percent Change
1950	15,290	X	X
1960	25,557	10267	67.1%
1970	55,112	29555	115.6%
1980	49,868	-5244	-9.5%
1990	48,478	-1390	-2.8%
2000	50,649	2171	4.5%
2010	52,854	2205	4.4%
2020	52,048	-806	-1.5%
2023	56,072	4024	7.7%

Source: US Census Bureau; 2023 American Community Survey Five-Year Estimate

Age Characteristics

As shown in the age distribution table below, the Township's age characteristics show a slight increase in median age from 40.4 years in 2010 to 42.4 according to the 2023 ACS data. The largest age cohort in 2023 represented 15.0% of the population (35-44 age group), and the largest cohort in 2010 accounted for 18.2% (45-54 age group). The age groups showing declines between the 2010 census and the 2023 ACS data appear to be 5 and under, 5-9, 25-44, 35-44, 45-54, 55-59-year-old cohorts.

Table 8: Age Characteristics, 2010-2023

Age Group	2010		2023	
	Pop	%	Pop	%
Under 5	3103	5.9%	2338	4.2%
5 to 9	3319	6.3%	2969	5.3%
10 to 14	2,736	5.2%	2961	5.3%
15 to 19	2,523	4.8%	2841	5.1%
20 to 24	2,605	4.9%	3347	6.0%
25 to 34	7,794	14.7%	7187	12.8%
35 to 44	8,509	16.1%	8404	15.0%
45 to 54	8,707	16.5%	7713	13.8%
55 to 59	3,858	7.3%	3896	6.9%
60 to 64	2,636	5.0%	4123	7.4%
65 to 74	3910	7.4%	5330	9.5%
75 to 84	2150	4.1%	3623	6.5%
85 +	1004	1.9%	1340	2.4%
Total	52,854	100.0%	56,072	100%
Median Age	40.4		42.4	

Sources: 2010 & 2023 American Community Survey 5-Year Estimates.

Household Type and Size

The data shown on the following table indicates that the breakdown between the share of owner occupied and rental occupied units has remained mainly the same since 2010 with the majority of units being owner occupied. There has been some increase in the number of rental units in the Township and housing vacancies have decreased over this time frame from 4.8% in 2010 to 2.4% in 2023.

Table 9: Owner-Occupied and Renter-Occupied Units, 2010-2023

Category	2010		2023	
	# of Units	%	# of Units	%
Owner Occupied	13,120	61.3%	13,538	58.3%
Renter Occupied	7,233	33.8%	9,118	39.3%
Vacant Units	1035	4.8%	559	2.4%
Total	21,388	100.0%	23,215	100.0%

Source: US Census Bureau; 2023 American Community Survey Five-Year Estimate

The census data shown below presents how the Township’s average household size decreased from 2.46 in 2010 to 2.34 in 2023 while the Morris County household size also dipped steadily from 2.85 to 2.79 over the same time period. The total population increased from 2010 to 2023, while the number of households slightly increased over the same span of time.

Table 10: Average Household Sizes, 2010-2023

Year	Total Population	Number of Households	Average Household Size Parsippany-Troy Hills	Average Household Size Morris County
2010	52,854	21,388	2.46	2.85
2023	56,072	23,215	2.34	2.79

Sources: 2010 & 2023 American Community Survey 5-Year Estimates.

Income and Poverty

The following data from the 2010 census and the 2023 ACS indicates that the median household income in Parsippany-Troy Hills increased more than 31% from 2010 to 2023 increasing from \$85,760 to \$112,923. The Township household median income in 2023 was higher than both Morris County at \$96,152 and New Jersey as a whole at \$99,781.

Furthermore, household incomes have generally continued to rise throughout the Township since 2010. This is particularly evident in upper-tier incomes. In 2010, an estimated 20.6% of all households had a household income of \$150,000 or more. By

2023, this percentage is estimated to have increased to more than one third (35.7%) of the population.

Overall, the Township's poverty rates as both a percentage of population and as a percentage of families is lower than both the rates reported by Morris County and New Jersey.

Table 11: Household Incomes, 2010-2023

Income Category	2010*		2023*	
	Number	%	Number	%
less than \$10,000	473	2.3%	927	4.1%
\$10,000 to \$14,999	318	1.6%	209	0.9%
\$15,000 to \$24,999	1055	5.2%	552	2.4%
\$25,000 to \$ 34,999	1407	6.9%	825	3.6%
\$35,000 to \$ 49,999	1779	8.7%	1220	5.4%
\$50,000 to \$74,999	3934	19.3%	2439	10.8%
\$75,000 to \$99,999	2812	13.8%	3548	15.7%
\$100,000 to \$149,999	4391	21.6%	4858	21.4%
\$150,000 to \$199,000	2116	10.4%	2847	12.6%
\$200,000 or more	2,068	10.2%	5,231	23.1%
Total households	20,353	100.0%	22,656	100.0%
Median Income (Household)	\$85,760		\$112,923	

Source: US Census Bureau; 2010 & 2023 American Community Survey 5-Year Estimates.

Table 12: Income and Poverty, 2023

Income Type	Parsippany-Troy Hills	Morris County	New Jersey
Median Household Income	\$112,923	\$134,929	\$101,050
Median Family Income	\$148,266	\$168,431	\$123,892
Per Capita Income	\$59,526	\$69,226	\$53,118
Poverty Status (Percent of Population)	7.40%	10.80%	9.70%
Poverty Status (Percent of Families)	2.8%	8.20%	9.70%

Source: 2023 American Community Survey Five-Year Estimate

2.3: Housing Demographics

This section of the analysis provides an inventory of the Township’s housing stock. The inventory details housing characteristics such as age, condition, purchase/rental value and occupancy. It also details the number of affordable units available to low- and moderate-income households and the number of substandard housing units capable of being rehabilitated. As previously noted, the latest information from the American Community Survey consists of five-year estimates by the Census Bureau, not actual counts and may not be directly comparable to census figures.

Number of Housing Units

As illustrated in the table below, the overall number of housing units within the Township has continued to increase from the 1980s through 2023. Understandably, the slowest percentage increase in numbers was between 2000 and 2010 during the Great Recession.

Table 13: Housing Units, 1980-2023

Year	Housing Units	Numerical Change	% Change
1980	17,715	X	X
1990	18,960	1,245	7.0%
2000	20,066	1,106	5.8%
2010	21,388	1,322	6.6%
2023	23,215	1,827	8.5%

Source: US Census Bureau, 2023 ACS Five-Year Estimate

Units in Structure for Occupied Units

Information regarding the number of dwelling units in housing structures provides insights into the types of housing which exist throughout the Township. The following table offers insights into the unit-composition of the Township’s structures since 2010.

The Township’s housing stock has historically been comprised of single-family detached and attached dwellings. The 2023 ACS estimate data provided in the table below shows a total of 11,837 single-family detached dwellings which amounts to 51 percent of all housing units in the Township. This percentage is a decrease from 2010 when single-family dwellings accounted for approximately 56 percent of municipal housing units. There was an increase from 2010 to 2023 in the number of structures containing 20 units or more which represents 19.5 percent of overall units.

Table 14: Units in Structure, 2010-2023

Units in Structure	2010*		2023*	
	No.	%	No.	%
Single Family, Detached	11,978	56.0%	11,837	51.0%
Single Family, Attached	1233	5.8%	2050	8.8%
2	549	2.6%	780	3.4%
3 or 4	402	1.9%	713	3.1%
5 to 9	901	4.2%	993	4.3%
10 to 19	2993	14.0%	2295	9.9%
20+	3252	15.2%	4523	19.5%
Mobile Home	67	0.3%	24	0.1%
Other	13	0.1%	0	0.0%

Source: US Census Bureau; 2010 & 2023 American Community Survey Five-Year Estimates.

Purchase and Rental Value of Housing Units

The following two tables identify purchase values and rental values for the specified owner-occupied and renter-occupied units in Tenafly.

As shown in the Table below, the purchase values of the Township's owner-occupied housing stock have typically exceeded those of the State of New Jersey and have been somewhat commensurate to those of Bergen County. Over the past thirteen years, the median value of the Township's owner-occupied housing stock is estimated to have increased approximately 17.5%, from \$442,800 in 2010 to \$520,200 in 2023. This represents a lower percentage increase than that of the State (19.8%) and slightly higher than the County (17.3%).

Until recently, the median contract rental value in the Township has typically remained higher than both Bergen County and the State of New Jersey. However, the 2023 ACS estimates that the median contract rent for the County has surpassed that of the Township's. Over the past thirteen years, the median gross rent increased approximately 50.5%. This represents a lower percentage increase than that experienced by the County (52.3%) and the State (51.4%).

Table 15: Value of Owner-Occupied Units, 2010-2023

		2010		2023	
Value Range	Number	Percent	Number	Percent	
Less than \$50,000	121	0.9%	113	0.8%	
\$50,000 to \$99,999	76	0.6%	122	0.9%	
\$100,000 to \$149,999	44	0.3%	154	1.1%	
\$150,000 to \$199,999	525	4.0%	451	3.3%	
\$200,000 to \$299,999	1410	10.7%	1114	8.2%	
\$300,000 to \$499,999	6377	48.6%	4335	32.0%	
\$500,000 to \$999,999	4461	34.0%	7053	52.1%	
\$1,000,000 or more	106	0.8%	196	1.4%	
Total	13120	100.0%	13538	100.0%	
Township Median Value		\$442,800		\$520,200	
Morris County Median Value		\$474,700		\$557,000	
New Jersey Median Value		\$357,000		\$427,600	

Source: US Census Bureau; 2010 and 2023 American Community Survey Five-Year Estimates.

Table 16: Specified Renter Occupied Housing Units by Rent, 2000-2023

		2010		2023	
Value Range	Number	Percent	Number	Percent	
Less than \$500	426	6.0%	272	3.0%	
\$500 to \$999	1183	16.8%	166	1.8%	
\$1,000 to \$1,499	4668	66.1%	2415	26.5%	
\$1,500 to \$1,999	784	11.1%	3943	43.2%	
\$2,000 to \$2,499			1076	11.8%	
\$2,500 to \$2,999			563	6.2%	
\$3,000 or more			578	6.3%	
No cash rent	172	X	105	X	
Total	7,061	100.0%	9,118	100.0%	
Township Median Value		\$1,136		\$1,710	
Morris County Median Value		\$1,221		\$1,860	
New Jersey Median Value		\$1,092		\$1,653	

Source: US Census Bureau; 2010 and 2023 American Community Survey Five-Year Estimates.

Deficient Housing Units

Neither the Census nor the ACS classify housing units as deficient. However, the Fair Housing Act defines a "deficient housing unit" as housing which: is over fifty years old and overcrowded; lacks complete plumbing, or; lacks complete kitchen facilities.

Accordingly, the following tables are intended to provide insights into the extent to which the Township has deficient housing units. Table 17 examines the extent to which there is overcrowding in the Township's housing stock. Overcrowding is typically associated with housing units with more than one occupant per room. As shown, the estimated number of occupied housing units considered to be overcrowded is negligible

Table 17: Occupants Per Room (2023)

Occupants per Room	Owner-Occupied	Renter-Occupied
0.50 or Fewer	10,382	5,455
0.51 to 1.00	3,019	3,326
1.01 to 1.50	102	177
1.51 to 2.00	12	92
2.01 or More	23	68
Total	13,538	9,118

Source: 2023 American Community Survey Five-Year Estimates.

Table 18 below identifies housing units with complete plumbing and kitchen facilities. As shown, all occupied units in the Township were identified as having complete plumbing and kitchen facilities.

Table 18: Plumbing and Kitchen Facilities (2023)

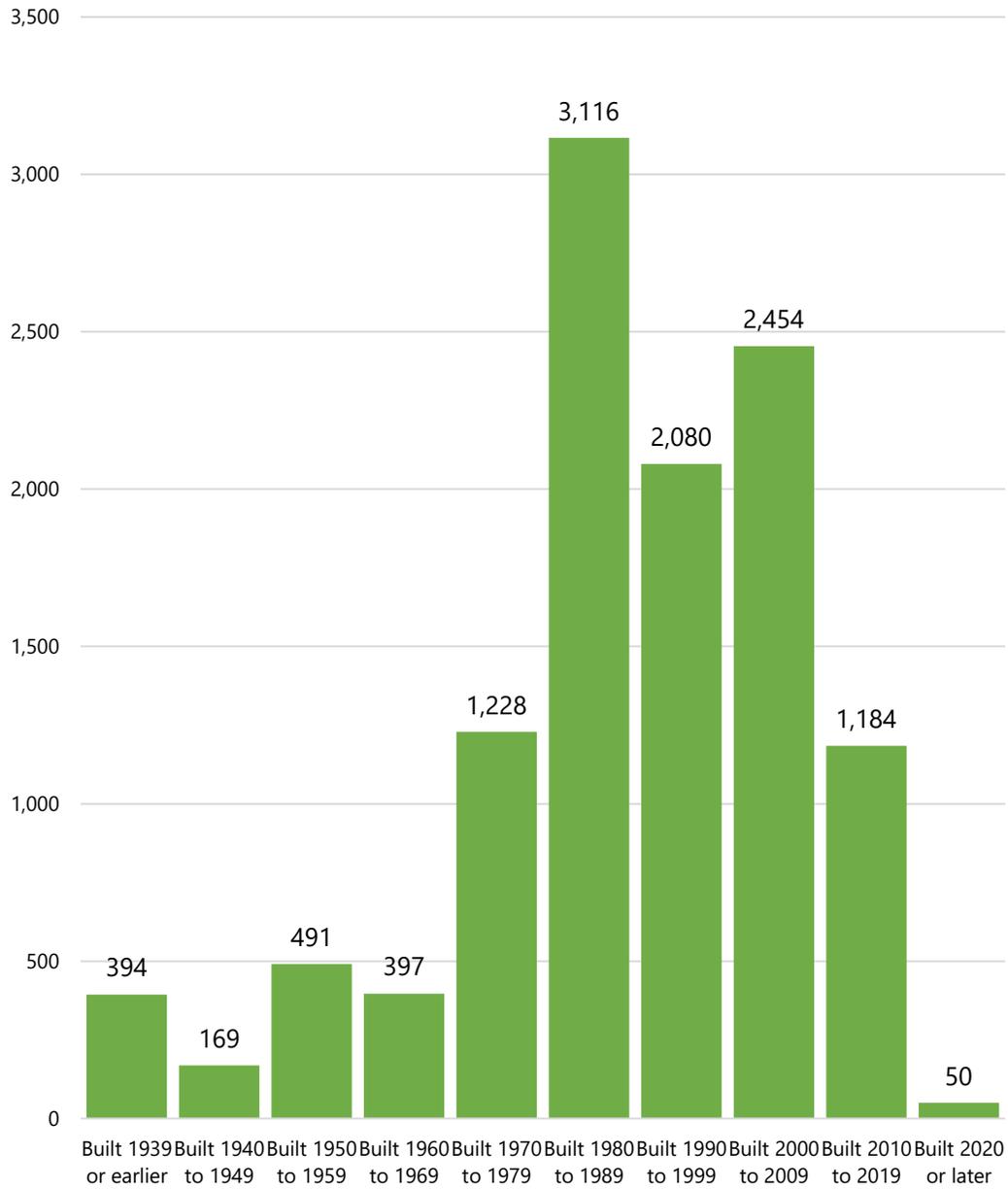
	Units with Complete Facilities	Units without Complete Facilities
Plumbing	22,617	39
Kitchen	22,600	56

Source: 2023 American Community Survey Five-Year Estimates.

Age of Housing Stock

The following figure identifies the years in which the Township’s structures were built. The Township’s housing stock is relatively new, with an estimated 76.8% having been constructed since 1980. This largely coincides with **Error! Reference source not found.**, which outlined the Township’s significant housing growth over the past several decades.

Figure 1: Year Structure Built



Source: 2023 American Community Survey 5-Year Estimates.

2.4: Housing and Employment Projections

The following section identifies the extent to which redevelopment housing and economic development has occurred in the community, which can assist in the determination of future residential and employment projections.

Recent Residential Development Activity

One way of examining the stability of a community's housing stock is by comparing the number of residential building permits issued for new construction as well as demolition permits issued every year. Since 2013, the Township has annually issued an average of 27.3 and 22 building permits and demolition permits, respectively. This results in an average positive net of 5.3 permits annually. This is reflective of the Township's established development pattern.

Table 19: Residential Building Permits and Demolition Permits

Year	Building Permits				Demos	Net
	1 & 2 Family	Multifamily	Mixed Use	Total		
2013	20	0	0	20	31	-11
2014	17	0	0	17	21	-4
2015	10	0	0	10	23	-13
2016	23	0	0	23	28	-5
2017	47	0	0	47	25	22
2018	38	0	0	38	25	13
2019	15	0	1	16	13	3
2020	27	0	0	27	21	6
2021	36	0	0	36	16	10
2022	45	0	0	45	14	31
2023	21	0	0	21	25	-4
Total	299	0	1	300	242	58

Source: Department of Community Affairs

Covered Employment

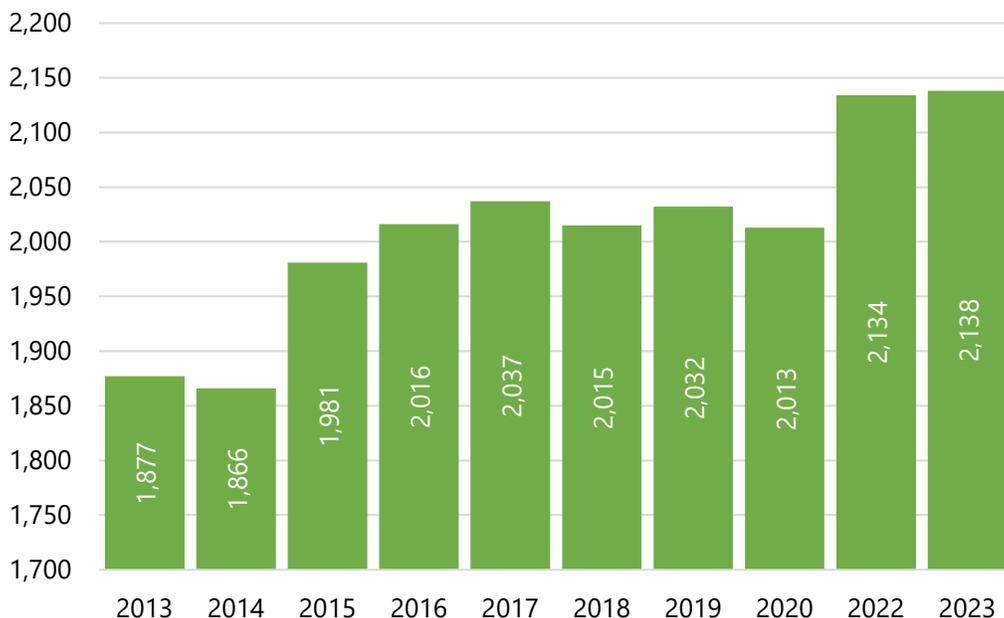
Figure 2 and Figure 3 below provide data on the Township's covered employment trends between 2013 and 2023, as reported by the New Jersey Department of Labor and Workforce Development. "Covered employment" refers to any employment covered under the Unemployment and Temporary Disability Benefits Law. Generally, nearly all employment in the state is considered to be "covered employment."

Figure 2 depicts the number of reported "employment units" within the Township. An "employment unit" is defined as an individual or organization which employs one or more workers. As shown, the Township experienced a fairly consistent loss of employment units between 2013 and 2014. Since that time, however, the number of employment units

rebounded in 2015, and remained relatively stable until growing again in 2022. As of 2023, there were a reported 2,134 employment units in the Township.

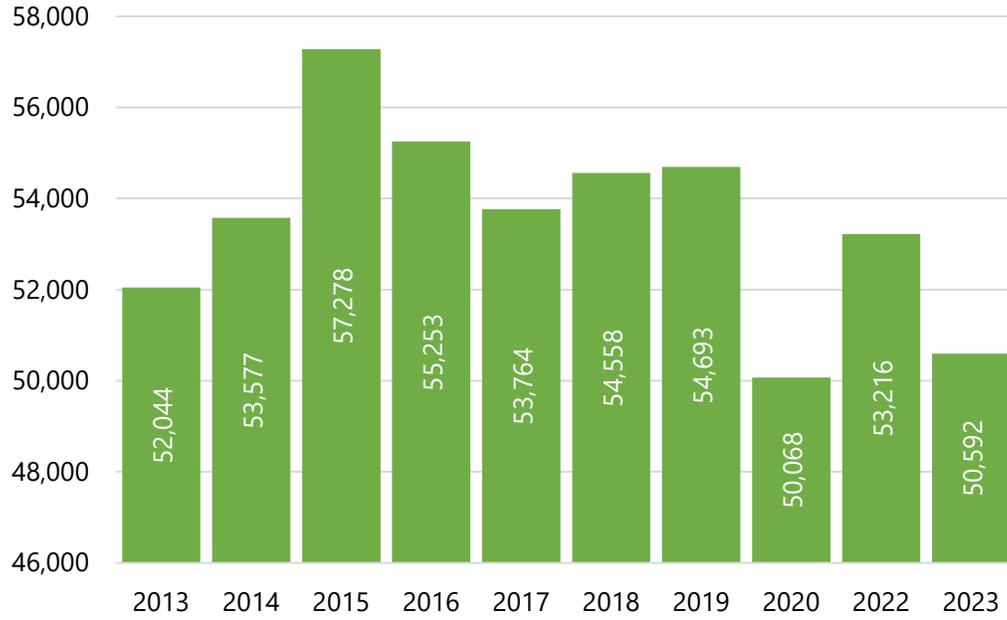
Similarly, employment levels have typically decreased since 2015. The most dramatic decrease occurred between 2019 and 2020, wherein employment in the Township decreased by a reported 8.5%. This may be attributed to COVID-19 pandemic. Since that time, employment in the Township has dropped down to 2020 employment levels. As of 2023, the Township’s reported covered employment was 50,592 individuals.

Figure 2: Covered Employment Units, 2013-2023



Source: Department of Labor and Workforce Development * 2021 Not accounted for within State Database

Figure 3: Covered Employment, 2013-2023



Source: Department of Labor and Workforce Development * 2021 Not accounted for within State Database

Section 3: Fair Share Obligation

The following section provides an overview of the Township's fair share obligation. It includes a brief history of the methodologies utilized to calculate affordable housing obligations throughout the state.

3.1: Fair Share Obligation

On March 20, 2024, the State of New Jersey adopted a package of affordable housing bills which overhauled the Fair Housing Act (FHA). This legislation eliminated the Council on Affordable Housing (COAH) and split its duties and functions between the Department of Community Affairs (DCA) and the Administrative Office of the Courts (AOC).

The DCA has been designated as the entity responsible for calculating the state's regional needs. NJSA 52:27D-304.2 establishes the methodology to be utilized by the DCA to determine the state's regional prospective needs of low- and moderate-income housing for the ten-year period spanning from July 1, 2025 to June 30, 2035. In summary, the projected household change for this period is estimated by establishing the household change experienced in each region between the most recent federal decennial census and the second-most recent decennial census. This household change, if positive, is then to be divided by 2.5 to estimate the number of low- and moderate-income homes needed to address low- and moderate-income household change in the region for the next ten years. This methodology resulted in a statewide prospective need of 84,698 low- and moderate-income units.

Furthermore, the DCA was also designated to calculate each municipality's present and prospective fair share obligations. However, the FHA makes clear that these calculations are advisory and that each municipality must set its own obligation number utilizing the same methodology.

On January 27, 2025, the Township adopted Resolution #R2025-049 which established its affordable housing obligations for the Fourth Round. A copy of this resolution is located in the Appendix. While the Township accepted the methodology utilized by the DCA in determining its Prospective Need Obligation, it offered several adjustments to ensure the data utilized by the DCA was correct in determining this need. Many of these corrections related to issues including, not limited to, sites being incorrectly identified as vacant when in fact they were developed, preserved open space properties or sites otherwise encumbered that were mistakenly identified as being available for development, slivers of sites that were the result of geo-spatial layers that were not properly lined up. These corrections altered the Township's Prospective Need Obligation from 553 to 496 affordable units.

The Township received an objection regarding its calculated Prospective Need from The NJ Builders Association. Following the settlement conferences conducted by the AHDRP, the Township was unable to settle with the Builders Association. Ultimately, the Township's Prospective Need obligation was established at 496 affordable units by Superior Court order issued on May 13, 2025.

3.2: Present Need Obligation

The following is noted regarding the Township's Present Need Obligation.

Present Need Obligation

As per the adopted legislation, a municipality's Present Need Obligation is determined "by estimating the deficient housing units occupied by low- and moderate-income households in the region, following a methodology similar to the methodology used to determine third round municipal present need, through the use of most recent datasets made available through the federal decennial census and the American Community Survey, including the Comprehensive Housing Affordability Strategy dataset thereof."

The "Affordable Housing Obligations for 2025-2035 (Fourth Round) Methodology and Background" workbook released by the DCA (herein referred to as the "DCA Workbook" or the "Workbook") notes that the Present Need calculations utilized three factors to calculate its present need: the number of housing units lacking complete kitchen facilities; the number of units lacking complete plumbing facilities; and the number of overcrowded units.

The analysis employed by the DCA relied upon data from the Department of Housing and Urban Development's (HUD's) Comprehensive Housing Affordability Strategy (CHAS) dataset, which has municipal-level data on the number and percentage of low- and moderate-income households from a special tabulation of the US Census's American Community Survey (ACS) data. Utilizing the methodology outlined in the Workbook, the DCA calculated a Present Need of **138 affordable units** for the Township. The Township has at this time accepted this Present Need and will continue to implement its local rehabilitation program to satisfy this need. The Township reserves its right to monitor this need and depending upon the future interest in this program, to conduct a structural conditions survey as per NJAC 5:93-5.2 rules to confirm the number of affordable units that actually need this rehabilitation by a Township wide Structural Conditions Survey.

3.3: Realistic Development Potential (RDP)

As noted in the Township's Third Round Plan, the Township of Parsippany Troy Hills is practically a fully developed community and is therefore entitled to adjust its Prospective Need obligation in accordance with a procedure set forth in the FHA. Specifically, N.J.S.A. 52:27D-310.1 permits municipalities to perform a realistic development potential (RDP) analysis by seeking a vacant land adjustment (VLA).

An RDP analysis requires an identification of vacant sites and underutilized sites in a municipality. Municipalities are required to consider all privately- and municipally-owned vacant parcels, as well as underutilized sites such as driving ranges, farms in SDRP

Planning Areas 1 and 2, nurseries, golf courses not owned by their members, and non-conforming uses.

However, municipalities are also permitted to eliminate a site or a portion of a site based on a variety of factors, including: lands dedicated for public uses other than housing since 1997; park lands or open space; vacant contiguous parcels in private ownership of a size which would accommodate fewer than five housing units; historic and architecturally important sites listed on the State Register of Historic Places or the National Register of Historic Places; preserved architectural lands; sites designated for active recreation; and environmentally sensitive lands.

The Township conducted such a study in the Third Round as follows:

a. Third Round RDP

The Township's Third Round Prospective Need obligation was adjusted by a Vacant Land Adjustment (VLA), which included an RDP analysis. As set forth in Parsippany Troy Hills 2019 Settlement Agreement with FSHC and 2019 HE&FSP, the Township's VLA determined that it had sufficient vacant land and properties available for redevelopment to address an RDP of 845 units. The Township's Third Round RDP of 845 units was ultimately affirmed and accepted by the Superior Court as part of Parsippany Troy Hills Third Round JOR. A copy of the Township's Third Round VLA is included at Appendix of this plan.

b. Fourth Round RDP

Parsippany Troy Hills continues to lack vacant, developable land and is entitled to rely on its previous Vacant Land Adjustment which established its RDP. This is determined by COAH's rules regarding same at N.J.A.C. 5:97-5.1(c) and (d), which state that:

A vacant land adjustment that was granted as part of a (previous) round certification or judgment of compliance shall continue to be valid provided the municipality has implemented all of the terms of the substantive certification or judgment of compliance. If the municipality failed to implement the terms of the substantive certification or judgment of compliance, the Council may reevaluate the vacant land adjustment.

In addition, since the 2019 Third Round HE&FSP, the Township is in conformance with the Highlands Regional Master Plan (RMP) Therefore the Township is entitled to adjust its obligation in accordance with a procedure set forth in the FHA and by the Highland Council.

The amendments to the FHA discussed in Section 1.2 herein continued to recognize the importance of the Highlands Regional Master Plan as a necessary input for the responsible production of affordable housing in the Highlands Region. Moreover, the FHA was amended to require conforming municipalities to include in their HE&FSP a "consideration of the most recent Highlands Municipal Build Out report." Accordingly, on April 18, 2024, the Highlands Council adopted

an amendment to the RMP which provides standards based upon the RMP and the FHA as to where it is appropriate to locate affordable housing based upon the goals, policies, and objectives of the RMP. Affordable housing developments in conforming municipalities must be consistent with the RMP Land Use Capability Zone (LUCZ) designations while providing for the protection of individual resource protections.

Accordingly, to guide this development, the Highlands Council developed a Build-Out Update. The Highlands Council applied environmental and regulatory constraints to develop a dataset identifying parcels that can support the development of five (5) units or more and have a net developable acreage of 0.83 acres or greater. The dataset also provided information as to whether these properties can be serviced by public wastewater or via on-site septic systems.

Further, a municipal RDP obligation from a prior round is considered "fixed" and shall not be revisited absent a changed circumstance. FSHC vs Twp. of Cherry Hill, 173 NJ 303 (2002) is the leading case that required a possible recalibration of an RDP based upon "changed circumstances."

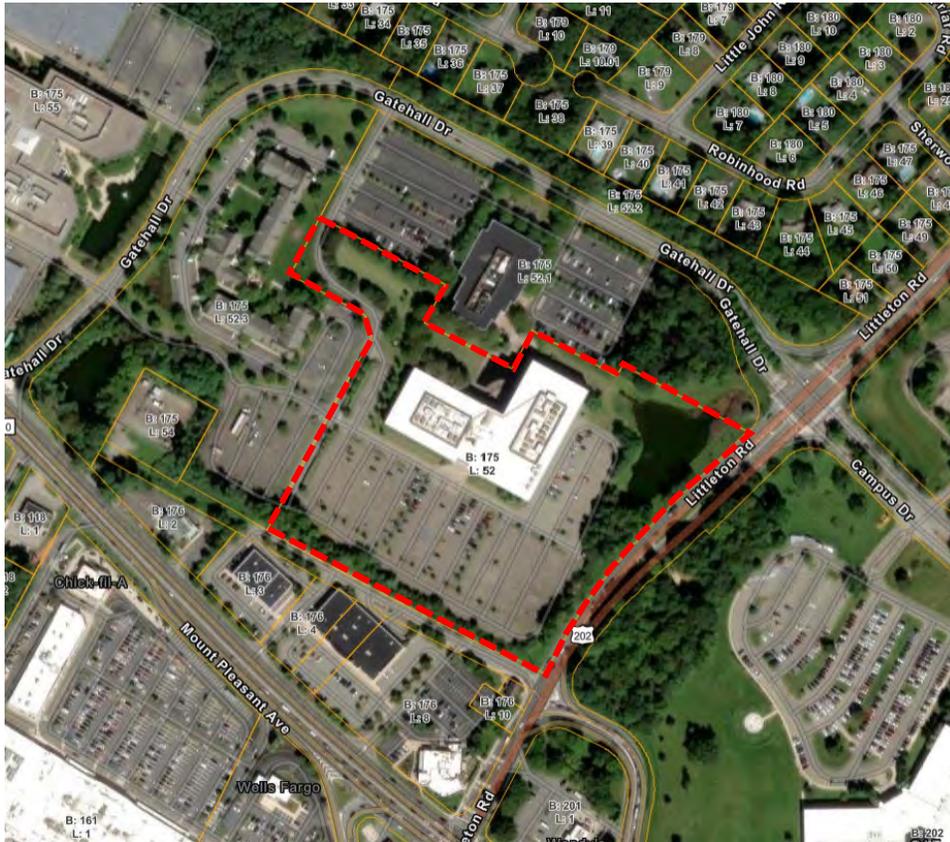
As such, this study undertook a detailed analysis in two parts, first was a review of the Highlands Build Out report. The review noted that the properties with identified buildout potential were properties that were either restricted from further development due to approved developed conditions (such as open space as part of an approved development or other restrictive covenants) or properties that were already accounted for in the Third Round RDP analysis. See the build out table in the Appendix of this report.

Second, this study reviewed potential changed circumstances in the Township in order to evaluate whether any such changed circumstance would warrant a recalibration of the Third Round's RDP. While the NJ Fair Housing Act permits a vacant land adjustment, the act at N.J.S.A. 52:27D-310.f, states a municipal housing element shall contain the review 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."

Therefore, the Township is required to the review certain non-vacant sites where they are determined to be appropriate for inclusionary development by a "willing" property owner taking into account sound planning rationale, goals, and objectives and, thus, not all presented non-vacant sites are appropriate for inclusionary development.

The Township has determined that 7 locations containing existing development represent through new development or a changed circumstance requiring a Fourth Round RDP obligation. These seven sites are described as follows:

a. 4 Gatehall Holdings LLC

Gatehall Holdings, LLC (Gatehall), is the contract purchaser of property identified as Block 175, Lot 52. The property encompasses approximately 13.67 acres and is currently developed with a 4-story office building. On March 3, 2025, the Planning Board recommended the property be designated as a non-condemnation Area in Need of Redevelopment. The property is bounded by an office building to the north, assorted restaurants and hotels to the west and south, and offices to the east.

While a formal redevelopment plan has not been established for the property, Gatehall has proposed the property be redeveloped for an inclusionary residential development for up to 177 units. The Township nevertheless takes the conservative position that this is a changed circumstance warranting additional RDP obligation in the Fourth Round. The Township assigns this site a Fourth Round RDP of 35.4 units, which is the RDP generated at the proposed 177 units at a 20 percent affordable housing set-aside.

Site suitability requirements are addressed below:

- 1) Available Site: The Township is unaware of any title or easement issues that would preclude the construction of an inclusionary development. The site is identified as available, and the property information is as follows:

Property Owners/Developer	Gatehall Holdings, LLC
Acreage	13.67 acres
Block/ Lot	Block 175 Lot 52
Current Zoning	SED-5
SDRP Planning Area	PA- 1
Highlands LUCZ	ECZ Existing Community Zone
Street Access	Gatehall Road

- 2) Suitable: The site is bound by complimentary uses.
- 3) Developable: This site borders a joint stormwater basin along the easterly border of the property. These environmental features do not represent a limitation to future development of the property as contemplated since the development will be in currently developed portion of the property. The property is served by the Parsippany-Troy Hills Sewer Service Area. The Township does not anticipate constraints with providing water and sewer to the development.
- 4) Approvability: As noted above, the site will be rezoned to allow to be developed with up to 177-unit inclusionary development with a minimum 20 percent set-aside for affordable housing. It is anticipated that a final ordinance will be perfected by the Parsippany-Troy Hills Township Council upon approval of the Housing Element and Fair Share Plan.

b. PARQ Builders, LLC (aka Lanidex)



PARQ Builders, LLC (PARQ), is the owner of property identified as Block 392, Lots 1.01, 1.02, 1.03, and 1.04 located at 100-900 Lanidex Plaza. The property encompasses approximately 31.7 acres and is currently developed with 2, 3-story office buildings on a portion of the property and new inclusionary multifamily and townhouse mixed use project under construction for a total of 600 units with a 20 percent affordable housing set aside. On September 17, 2019, the property was designated as a non-condemnation Area in Need of Redevelopment, by the Parsippany Troy Hills Council. The property is bounded by Route 80 to the north, Route 287 to the east, single family residential to the south and non-residential to the west.

A formal redevelopment plan has been established for the property and on September 23, 2025, the Township Council adopted a redevelopment plan for the Redevelopment Area. PARQ is proposing the property be further redeveloped to expand upon the inclusionary residential mixed-use development on the areas containing the remaining office buildings. While the property was previously included in the Third Round RDP to recognize the proposed overlay zoning for the property, the Township nevertheless takes the conservative position that this additional area of redevelopment a changed circumstance warranting, adding this proposal to the RDP obligation in the Fourth Round.

The Township identifies that the remaining areas of existing older office buildings on the tract can accommodate additional mixed-use

development to complement the redevelopment currently underway. In addition, in consideration of the sites additional area for redevelopment, the topographic and physical relationship to the surroundings including Route 80 to the north, this area can accommodate additional development. The Township assigns this site a Fourth Round RDP of 184 units, which is the RDP generated by adding an additional 920 units at a 20 percent affordable housing set-aside to the property.

Site suitability requirements are addressed below:

- 1) Available Site: The Township is unaware of any title or easement issues that would preclude the construction of an inclusionary development. The site is identified as available, and the property information is as follows:

Property Owners/Developer	PARQ Builders, LLC
Acreage	31.7 acres
Block/ Lot	Block 392 Lots 1.01, 1.02, 1.03, 1.04 and 1.05
Current Zoning	OVL-3
SDRP Planning Area	PA- 1
Highlands LUCZ	ECZ Existing Community Zone
Street Access	Parsippany Road

- 2) Suitable: The site is bound by complimentary uses and will incorporate buffers.
- 3) Developable: This site borders developed conditions and there are no known environmental limitations at this time. The property is served by the Parsippany-Troy Hills Sewer Service Area. The Township does not anticipate constraints with providing water and sewer to the development.
- 4) Approvability: As noted above, the sites existing OVL-3 zoning is adjusted by the Redevelopment Plan criteria to allow development with up to an additional 920-unit inclusionary development with a minimum 20 percent set-aside for affordable housing. It is anticipated that a final ordinance will be perfected by the Parsippany-Troy Hills Township Council upon approval of the Housing Element and Fair Share Plan.

c. KRE and 909-Parsippany Boulevard

909-Parsippany Boulevard LLC (909 Parsippany Boulevard), is the owner of property identified as Block 420, Lot 2. The property is the current location of the Embassy Suites Hotel. A proposal has been submitted by 909 Parsippany Boulevard and the Kushner Real Estate Group (KRE) to convert the existing hotel into a inclusionary residential building. The property encompasses approximately 8.51 acres and is currently developed with a 5-story, 274 key hotel with surface parking and related site improvements. The property is adjacent to the Parsippany Troy Hills Municipal Building to the southeast, Route 287 to the west, Waterview Boulevard to the north with an entrance to Route 287, Parsippany Boulevard to the west and adjacent office buildings and a vacant lot to the south.

While the property does not have a designation, 909-Parsippany Boulevard LLC and KRE have submitted a proposal to repurpose the building for an inclusionary residential development for up to 210 units. The Township nevertheless takes the conservative position that this will be a changed circumstance in the Fourth Round warranting an RDP

obligation. The Township assigns this site a Fourth Round RDP of 42 units, which is the RDP generated at a proposed 210 units with a 20 percent affordable housing set-aside.

Site suitability requirements are addressed below:

- 1) Available Site: The Township is unaware of any title or easement issues that would preclude the construction of an inclusionary development. The site is identified as available, and the property information is as follows:

Property Owners/Developer	909-Parsippany Boulevard LLC
Acreage	8.51 acres
Block/ Lot	Block 420 Lot 2
Current Zoning	POD
SDRP Planning Area	PA- 1
Highlands LUCZ	ECZ and LCZ
Street Access	909-Parsippany Boulevard

- 2) Suitable: The site is bound by complimentary uses.
- 3) Developable: This site has no known environmental features that represent a limitation to future development of the property as contemplated since the development will be in currently developed portion of the property. The property is served by the Parsippany-Troy Hills Sewer Service Area. The Township does not anticipate constraints with providing water and sewer to the development.
- 4) Approvability: As noted above, the site will be rezoned to allow to be developed with up to 210-unit inclusionary development with a minimum 20 percent set-aside for affordable housing. It is anticipated that a final ordinance will be perfected by the Parsippany-Troy Hills Township Council upon approval of the Housing Element and Fair Share Plan.

d. Bixmor Property Group

Bixmor Property Group (Bixmor), is the owner of property identified as Block 411, Lot 31.1 commonly known as the Morris Hills Shopping Center located at 3081 Route 46. The property encompasses approximately 18.4 acres and is currently developed with a shopping center and a separate movie theater. The movie theater is not in operation for some time and may need redevelopment. In consideration of this condition, the Township Council by Resolution R2024-207 on December 17, 2024 has formally requested the Planning Board consider if the property meets the statutory criteria for an area in need of redevelopment. The Planning Board has authorized the Board Planner on January 13, 2025 to conduct such a study. The property is bounded by Route 46 and assorted commercial development to the north, Parsippany Boulevard to the east, multifamily in the Tivoli Gardens Apartments development to the south, and the Parsippany Department of Public Works to the west.

While a formal redevelopment designation or plan has not been established for the property, Bixmor has proposed the property be redeveloped for mixed use commercial and inclusionary residential development for up to 390 units. The Township nevertheless takes the conservative position that this is a changed circumstance warranting an RDP obligation in the Fourth Round. The Township assigns this site a

Fourth Round RDP of 78 units, which is the RDP generated at the proposed 390 units at a 20 percent affordable housing set-aside.

Site suitability requirements are addressed below:

- 1) Available Site: The Township is unaware of any title or easement issues that would preclude the construction of an inclusionary development. The site is identified as available, and the property information is as follows:

Property Owners/Developer	Bixmor Property Group
Acreage	18.4 acres
Block/ Lot	Block 411, Lot 31.1
Current Zoning	B-1
SDRP Planning Area	PA- 1
Highlands LUCZ	ECZ and LCZ
Street Access	3081 Route 46

- 2) Suitable: The site is bound by complimentary uses with existing buffers.
- 3) Developable: This site has no known environmental features that represent a limitation to future development of the property as contemplated since the development will be in currently developed portion of the property. The property is served by the Parsippany-Troy Hills Sewer Service Area. The Township does not anticipate constraints with providing water and sewer to the development.
- 4) Approvability: As noted above, the site will be rezoned to allow to be developed with up to 390-unit inclusionary development with a minimum 20 percent set-aside for affordable housing. It is anticipated that a final ordinance will be perfected by the Parsippany-Troy Hills Township Council upon approval of the Housing Element and Fair Share Plan.

e. 400 Interpace Parkway

400 Interpace, MCC Owner, LLC ("MCC"). MCC is the contract purchaser of that certain property identified as Block 136, Lot 43.5 located at 400 Interpace Parkway. The property encompasses approximately 9.6 acres as a corner lot and is currently developed with several office buildings and parking structures and related surface parking areas. The property is bounded by Walsh Drive to the north, Interpace Parkway to the west and Upper Pond Road to the south. Surrounding properties contain office buildings to the north, east and south and warehouse buildings along the opposite side of Walsh Drive. The site connections to regional roadways of Route 46 via Walsh Drive to the north and to Route 80 to the south via Interpace Parkway.

MCC has proposed the property be redeveloped for a mixed use-office residential with inclusionary residential development. The Township nevertheless takes the conservative position that this is a changed circumstance warranting an RDP obligation in the Fourth Round. The Township assigns this site a Fourth Round RDP of 40 units, which is the RDP generated at the proposed 202 units at a 20 percent affordable housing set-aside.

Site suitability requirements are addressed below:

- 1) Available Site: The Township is unaware of any title or easement issues that would preclude the construction of an inclusionary development. The site is identified as available, and the property information is as follows:

Property Owners/Developer	MCC Owner, LLC
Acreage	9.6 acres
Block/ Lot	Block 136, Lot 43.5
Current Zoning	SED-5
SDRP Planning Area	PA- 1
Highlands LUCZ	ECZ
Street Access	400 Interpace Parkway

- 2) Suitable: The site is bound by complimentary uses with existing buffers.
- 3) Developable: This site has no known environmental features that represent a limitation to future development of the property as contemplated since the development will be in currently developed portion of the property. The property is served by the Parsippany-Troy Hills Sewer Service Area. The Township does not anticipate constraints with providing water and sewer to the development.
- 4) Approvability: As noted above, the site will be rezoned to allow it to be developed with up to 202-unit inclusionary development with a minimum 20 percent set-aside for affordable housing. It is anticipated that a final ordinance will be perfected by the Parsippany-Troy Hills Township Council upon approval of the Housing Element and Fair Share Plan.

f. 1- Upper Pond Road

Toll Brothers Inc., (Toll"). Toll is the contract purchaser of a portion of a property identified as Block 136, Lot 43.4 located at 1 Upper Pond Road. The property encompasses approximately 16 acres as a corner lot and is currently developed with two office buildings and related surface parking areas. The property is bounded by Upper Pond Road to the north, Interpace Parkway to the west and south. Surrounding properties contain office buildings to the north, east, west and south. The site connections to regional roadways of Route 46 via Interpace Parkway and Walsh Drive to the north and to Route 80 to the south via Interpace Parkway.

Toll has proposed the property be redeveloped for a mixed use-office residential with inclusionary residential development. The Township nevertheless takes the conservative position that this is a changed circumstance warranting an RDP obligation in the Fourth Round. The Township assigns this site a Fourth Round RDP of 31 units, which is the RDP generated at the proposed 152 units at a 20 percent affordable housing set-aside.

Site suitability requirements are addressed below:

- a. Available Site: The Township is unaware of any title or easement issues that would preclude the construction of an inclusionary development. The site is identified as available, and the property information is as follows:

Property Owners/Developer	Toll Brothers Inc.
Acreage	16 acres
Block/ Lot	Block 136, Lot 43.4
Current Zoning	SED-5
SDRP Planning Area	PA- 1
Highlands LUCZ	ECZ
Street Access	300 Interpace Parkway

- b. Suitable: The site is bound by complimentary uses with existing buffers.
- c. Developable: This site has a stormwater retention pond on the property with no other known environmental features that represent a limitation to future development of the property as contemplated since the development will be in currently developed portion of the property. The property is served by the Parsippany-Troy Hills Sewer Service Area. The Township does not anticipate constraints with providing water and sewer to the development.
- d. Approvability: As noted above, the site will be rezoned to allow it to be developed with up to 152-unit inclusionary development with a minimum 20 percent set-aside for affordable housing. It is anticipated that a final ordinance will be perfected by the Parsippany-Troy Hills Township Council upon approval of the Housing Element and Fair Share Plan.

g. Shree 1855 US 46, LLC-Cerbo Lumber

Shree 1855 US 46, LLC, (“Shree”). Shree is the contract purchaser of a portion of a property identified as Block 725, Lot 1 and 3 located at 1855 US Route 46. The property encompasses approximately 4.1 acres as a corner lot and is currently developed with a commercial lumber yard and related surface parking areas. The property is bounded by Route 46 eastbound to the north, and Smith Road to the west. Surrounding properties contain the Boonton reservoir to the north, Veterans Memorial Park to the east and south, and commercial properties to the west. The site connections to regional roadways of Route 46 and Smith Road to the west and to Route 80 to the south via Littleton Road.

Shree has proposed the property be redeveloped for a inclusionary multifamily residential development. The Township nevertheless takes the conservative position that this is a changed circumstance warranting an RDP obligation in the Fourth Round. The Township assigns this site a Fourth Round RDP of 25 units, which is the RDP generated at the proposed 126 units at a 20 percent affordable housing set-aside.

Site suitability requirements are addressed below:

- d. Available Site: The Township is unaware of any title or easement issues that would preclude the construction of an inclusionary development. The site is identified as available, and the property information is as follows:

Property Owners/Developer	Shree 1855 US 46, LLC
Acreage	4.1 acres
Block/ Lot	Block 725, Lot 1 and 2
Current Zoning	B-2
SDRP Planning Area	PA- 1
Highlands LUCZ	LCZ
Street Access	300 Interpace Parkway

- e. Suitable: The site is bound by complimentary uses with existing buffers.
- f. Developable: This site has no known environmental features that represent a limitation to future development of the property as contemplated since the development will be in currently developed portion of the property. The property is served by the Parsippany-Troy Hills Sewer Service Area. The Township does not anticipate constraints with providing water and sewer to the development.
- d. Approvability: As noted above, the site will be rezoned to allow it to be developed with up to 126-unit inclusionary development with a minimum 20 percent set-aside for affordable housing. It is anticipated that a final ordinance will be perfected by the Parsippany-Troy Hills Township Council upon approval of the Housing Element and Fair Share Plan.

Based on the above changed circumstances, for the purposes of calculating Fourth Round RDP, we find that Montville has a total Fourth Round RDP obligation of 496 units which coincides with the entire Fourth Round need allocation. The Township’s proposal to satisfy this obligation is set forth in the following Section 4, Fair Share Plan.

Section 4: Fair Share Plan

The following section details the manner in which the Township will address its Present Need, Prior Round, Third Round, and Prospective Need Obligations.

4.1: Overview of Obligations

The following Fair Share Plan outlines the components the Township will utilize to address its affordable housing obligations. These obligations, which are summarized below and discussed in greater detail herein, consist of four different parts: the Present Need (Rehabilitation) Obligation; the Prior Round Obligation; the Third Round Obligation; and the Fourth Round Obligation.

Present Need (Rehabilitation) Obligation

The DCA calculations allocated Parsippany-Troy Hills a Present Need (Rehabilitation) Obligation of 138 affordable units. However, pursuant to NJAC 5:93-5.2(a), the Township is permitted to perform a structural conditions survey which can more accurately define its Present Need Obligation. The Township has not performed said survey to date although reserves it right to conduct the survey in accordance with applicable criteria.

Prior Round Obligation

Parsippany-Troy Hills was assigned a Prior Round Obligation of 664 affordable units. As established by the Second Round regulations, there are minimum and maximum requirements regarding the development of rental and age-restricted units for the Prior Round Obligation. These requirements are noted below:

1. Age-Restricted Units. A maximum of 25% of the Township's Prior Round Obligation may be reserved as age-restricted units. Accordingly, Parsippany-Troy Hills was permitted to take credit for a maximum of 166 age-restricted affordable units in the Prior Round.
2. Rental Units. In addition, at least 25% of the Township's Prior Round Obligation must be comprised of rental units. Accordingly, Parsippany-Troy Hills was required to provide at least 86 rental affordable units in the Prior Round. Furthermore, NJAC 5:93-5.15(d)3 limits the number of rental bonuses to the minimum required rental obligation. As such, Parsippany-Troy Hills was permitted to receive a maximum of 166 rental bonuses for the Prior Round.

Third Round Obligation

The Township was assigned a Third Round Obligation of 845 established during a Court-approved Settlement Agreement in 2017. Similarly minimum and maximum unit requirements as described above apply to this obligation:

1. Age-Restricted Units. The Township was permitted to age-restrict a maximum of 25% of the total need of 845 units or 124 affordable units in the Third Round.
2. Rental Units. The Township was required to provide at least 124 rental affordable units.
3. Bonus Credits. Pursuant to NJAC 5:93-5.15(d)3, the Township was permitted to receive a maximum of 211 rental bonuses for the Third Round.

Fourth Round Obligation

In the Fourth Round the Township was initially assigned a Prospective Need Obligation of 553 affordable units by DCA. However, as noted in Section 3.1, the Township conducted an analysis and determined its prospective need to be much lower. Ultimately, the Township's Prospective Need obligation was established at 496 affordable units by a Superior Court order issued on May 13, 2025.

The following minimum and maximum unit requirements are summarized for the Fourth Round Need of 496:

1. Age-Restricted Units. A maximum of 30% of the Township's adjusted Fourth Round Obligation may be reserved as age-restricted units. Accordingly, Parsippany-Troy Hills may age-restrict a maximum of 148 affordable units.
2. Rental Units. At least 25% of the Township's adjusted Fourth Round Obligation must be comprised of rental units. Accordingly, Parsippany-Troy Hills must provide at least 124 affordable rental units. Unlike the Prior Round and Third Round Obligations, the Township may no longer receive rental bonus credits under the Fourth round.
3. Bonus Credits. No more than 25% of the Township's adjusted Fourth Round Obligation may be satisfied with bonus credits. Accordingly, Parsippany-Troy Hills may only apply a maximum of 124 bonus credits.

4.2: Present Need (Rehabilitation) Obligation

The DCA allocated the Township a Present Need (Rehabilitation) Obligation of 138 affordable units. However, pursuant to NJAC 5:93-5.2(a), the Township is permitted to perform a structural conditions survey which can more accurately define its Present Need Obligation. The Township has not performed said survey to date although reserves it right to conduct the survey in accordance with applicable criteria.

The purpose of a rehabilitation program is to rehabilitate substandard housing units occupied by very-low, low-, and moderate-income households. A deficient housing unit is defined as a unit that is over five years old and is overcrowded, lacks complete plumbing, or lacks complete kitchen facilities.

Upon rehabilitation, housing deficiencies must be corrected, and the house must be brought up to code standard. The standard for evaluating rehabilitation activity shall be the local property maintenance code or, if none is available, the Building Officials and Code Administrators (BOCA) Property Maintenance Code in effect at the time of evaluation. The rehabilitation activity shall not include luxury improvements, the purchase of appliances (except for stoves), or improvements that are strictly cosmetic. A rehabilitated unit is considered complete at the date of final inspection.

The Township's current rehabilitation program is available to low- and moderate-income homeowners in Parsippany-Troy Hills and was expanded in the Third Round to include rental units occupied by low- and moderate-income households. The rehabilitation program has and will continue to be administered by the Township's Purchasing Department. CGP&H has prepared a rehabilitation Home Improvement Program-Policies and Procedures Manual that addresses both owner- and renter-occupied units (see Appendix)

Parsippany-Troy Hills has participated in an ongoing rehabilitation program to income qualified households for the rehabilitation of health and safety improvements. The Township's current program has been funded through Community Development Block Grants ("CDBG") from the New Jersey Department of Community Affairs. This program is for Parsippany-Troy Hill's residents funded since 1977. The Township will continue to apply for CDBG grants to fund part of its program although since it has become unclear if future programs will continue to receive the same or similar funding, the Township will institute its own rehabilitation program with funding from the affordable housing trust fund as available.

COAH'S Second Round Substantive Rules outline the funding requirements for rehabilitation programs: "Municipalities shall provide sufficient dollars to fund one-third of the municipal rehabilitation component within one year of substantive certification. In each subsequent year of the substantive certification period, the municipality shall provide sufficient dollars to fund one-sixth of the municipal rehabilitation component." The Township's proposed rehabilitation program funding schedule are included in the Fair Share Plan Appendix.

The Township's rehabilitation program will adhere to COAH's regulations per N.J.A.C. 5:93-5.2. A minimum of \$10,000 will be expended for actual hard costs up to \$20,000. All rehabilitated units will comply with the definition of a substandard unit in N.J.A.C. 5:93-5.2(b), which states, "a [housing] unit with health and safety code violations that require the repair or replacement of a major system." Major systems include roofing, plumbing, heating, electricity, sanitary plumbing, and/or load bearing structural systems. Rehabilitated units shall meet the applicable construction codes as well as any other work that is reasonable and deemed necessary or is related to the necessary repairs. Additionally, rehabilitated units shall be occupied by low- or moderate-income households and upon completion of the rehabilitation, 10-year affordability controls shall be placed on the property in the form of a lien (The Township will continue to follow the COAH's Third Round regulations which require 10-year controls for this program).

See the Township's 2017 Fair Share Plan Appendix for all documentation concerning the Township's means to address its Rehabilitation Share including the rehabilitation program funding schedule, the rehabilitation program manual and an executed contract with CGP&H for the administration of the local rehabilitation program.

It is anticipated that the Township's rehabilitation program will be structured to encourage rehabilitation and continued occupancy with a depreciating lien program. If a housing unit is sold prior to the end of the controls on affordability, at least part of the

loan shall be recaptured and used to rehabilitate another housing unit. If the Township structures a loan program to recapture money, recaptured money shall be used for another very-low, low-, and/or moderate-income housing purpose or to repay a municipal bond issued to finance a very-low, low- and/or moderate-income housing activity.

4.3: Prior Round Components

As previously noted, the Township has a Prior Round Obligation of 664 affordable units. The Township satisfied the entirety of this obligation through the components summarized in the table below. As shown, these components produce 550 credits and 114 bonuses for a total of 664 credits.

Table 20: Prior Round Obligation Summary: 664 Obligation

Prior Round Compliance Mechanisms	Credits	Bonus	Total	Status
Prior Cycle Credits: 100% Affordable Developments - Completed				
<u>Baldwin Oaks</u> (B 712, L 39) (Rental)-Age Restricted: 250 units	166	N/A*	166	Complete
Alternative Living Arrangements- Completed/Proposed				
<u>ARC</u> (B 202, L 9.06) (Rental) Entin Rd.	6	6	12	Complete
<u>ARC</u> (B 202, L 9.07) (Rental) Entin Rd	6	6	12	Complete
<u>Dept. of Special Ed-Roman Catholic</u> -B 208, L 5 (Rental) Littleton Rd.	5	5	10	Complete
<u>CBH to Homeless Solutions</u> (B 10, L 1.03) (Rental) Ruth Davis Drive	32	32	64	Complete
<u>JSDD of Metrowest</u> (B 446, L 10) (Rental) Pleasant Terrace	5	5	10	Complete
<u>Advancing Opportunities, Inc.</u> (B 518, L 25) (Rental) Hiawatha Blvd.	4	4	8	Complete
<u>Advancing Opportunities, Inc.</u> (B 709, L 27) (Rental) 66 N. Beverwyck Rd.	4	4	8	Complete
<u>Community Hope Inc.</u> (B 174, L 12) (Rental) 639 Tabor Road	6	6	12	Complete
<u>New Bridge & The Rose House</u> (B 168, L 119) (Rental) Moraine Road	4	4	8	Complete
<u>Special Homes NJ & Monarch Associates</u> (B 204, L 1) Littleton Rd.	4	4	8	Complete
<u>The Rose House Corp.</u> -B 497, L 10 (Rental) Knoll Rd.	4	4	8	Complete
<u>Carmela Lunt Corp. Community Hope</u> (B 756, L 5) (Rental) Deauville Dr.	4	4	8	Complete
Regional Contribution Agreement: Newark (294 committed, 269 creditable)	269	N/A	269	
Inclusionary Developments- Completed or Proposed				
Mill Run Apartment (B 15, L 5&6) (Rental)-Route 10	16	16	32	Complete

Prior Round Compliance Mechanisms	Credits	Bonus	Total	Status
Palmar Assoc. LLC. (B 450, L 14, 15, 16 & 17) (For sale)-Interval Road (2 available, 1 applied)	1	0	1	Complete
Weichert- Johnston Road- B 200, L 8 (Rental) (19 total available, 14 applied)	14	14	28	Approved
Total- (Prior Round Credit Summary and Surplus (Age Restricted) (250-166=84)	550	114	664	

Summary of Projects to Address Prior Round Obligation

Refer to the Township's Third Round Plan, dated January 27, 2020, Section III Item D for a thorough description of the projects addressing the Prior Round obligation. These projects have all been certified and approved during the Third Round Judgment of Compliance and Repose.

4.4 Third Round Components

As noted, the Township was assigned a Third Round Obligation encompassing the years 1999 through 2025. Pursuant to a Settlement Agreement between Parsippany-Troy Hills and FSHC and approved by the Court, the Township's Third Round need allocation was 1,314 units although the Township sought and was granted a vacant land adjustment resulting in a Third Round Realistic Development Potential (RDP) obligation of 845 units and a total Unmet Need of 469 units.

This RDP obligation is largely satisfied through a variety of components both existing, proposed and as modified herein to address a few programs that have not been effectuated. As shown in the table below, these components comprise a total of 634 units and 211 bonus credits applied.

Table 21: Third Round Components 845 Obligation

Plan Component	Credits	Bonus	Total	Status
Prior Cycle Surplus Credits from Prior Round				
Baldwin Oaks- B 712, L 39 (Rental)	84	N/A	84	Complete
Brookside- B 412, L 15 (Rental)	127	N/A	127	Complete
Prior Cycle Credits: Alternative Living Arrangements- Completed				
Cheshire (B 484, L 8.01) (Rental)- North Beverwyck Road	6	N/A*	6	Complete
<u>ARC</u> (B 601, L 1) (Rental)- Hiawatha Blvd.-Prior Cycle	4	N/A*	4	Complete
Applicable Units Built and/or Approved in Third Round				
700 Mountain Way- B 14, L 9, 9.1&10 (Rental)	15	15	30	Complete
Palmar Assoc. LLC. (B 450, L 14, 15, 16 & 17) (For sale)-Interval Road (2 total, 1 available from Prior Round)	1	0	1	Complete

Plan Component	Credits	Bonus	Total	Status
Special Homes of New Jersey- B 129, L 6 (Rental) Glenwood Place	4	4	8	Complete
Market to Affordable- Completed				
Habitat for Humanity. (B 528, L 1.1) (Ownership) (2002)	1	0	1	Complete
Inclusionary Developments- Zoned and Under Construction				
Stanberry Parsippany LLC. - B 200, L 1.02 (Rental)	67	34	101	Construction
Mack Cali-aka Avalon Residential B 202, L 3.12 & 3.20 (Rental)	82	82	164	Construction
PARQ aka Lanidex- Block 392 Lots 1 and 2, (Rental) 120 total AH units approved, 74 applied +12 rental bonus*	137	68	205	Zoned, Approved, under Construction
Weichert- Johnston Road- B 200, L 8 (Rental) (19 total, 5 available from Prior Round)	5	5	10	Approved
Lexica-aka SJP MC VI- Cherry Hill Road- B 136, L 44 & 76 (Rental)	65	3	68	Constructed
Proposed-Alternative Living Arrangements				
Community Options: B 741, L 58 (Rental) Normandy Drive	4	-	4	Complete
Community Options: 4 sites: (Rental) Ferncliff Rd, Maplewood Dr, Norman Ave & N Beverwyck Rd	16	-	16	Completed
Allies and Mental Health Assoc to replace planned Advancing Opportunities, Inc.: 2 sites (Rental)	8	-	8	Completed
Avidd Community Services of NJ: B 598, L 12 (Rental) Minnehaha Blvd.	4	-	4	Complete
Avidd Community Services of NJ: B 30, L 3.02 (Rental) Circle Drive.	4	-	4	Complete
Totals:	634	211	845	Required 845

*Westmont Plaza project has been moved to zoning to address Unmet Need in accordance with the mediation agreement with FSHC.

Review of Projects to Address Third Round Obligation

Section III Item D of the Township's Third Round Plan, dated January 27, 2020, provides a in depth description of the projects addressing the Third-Round obligation. These projects have all been certified and approved as compliance programs during the Third Round Judgment of Compliance and Repose. Most remain valid except for the following development adjustments from the Third Round Plan due to their respective status.

1. Kingston Road The Kingston Road development was approved by the Parsippany-Troy

Hills Zoning Board of Adjustment on September 6, 2017 and construction was pending during the Third Round Gap Period. This project was redeveloped for an alternate development than the Zoning Board approval. It therefore is being replaced in the developments to address the Third Round RDP.

2. 750 Edwards Road and 887 Edwards Road. 750 Edwards Road LLC and 880 Edwards Road LLC previously proposed to develop inclusionary residential development consisting of a total of 114 units and 24 on sites identified by municipal tax records as Block 766 Lots 6, 7, 8, and 9 as well as Block 767 Lot 36. that are presently developed with existing commercial facilities. The Township entered into a Developers Agreement with both entities to resolve their intervention in the Township's Declaratory Judgment action.

During the Third Round, the New Jersey Department of Environmental Protection adjusted the Flood Hazard rules requiring a greater elevation distance above the established flood elevation. Edwards Road in this area and some portions of these sites contain 100-year flood zones. With the increased elevation requirements, the proposed residential development would no longer be viable.

3. Westmount Plaza. Westmount Plaza site located at Block 698, Lot 15.2 is currently zoned in the AHD-MU Zone for a mixed-use development that was anticipated to create a total of 313 units of which 63 were to be affordable in addressing the Township's RDP. While zoning was implemented by the Township, the development did not proceed in the Third Round. Due to the uncertainty of when this development may occur, while also considering the benefits of the location along Route 46 and proximity to transit provided by the adjacent park and ride facility, the Township has chosen to move the zoning of this parcel to the Unmet Need category of this housing plan.
4. Accessory Apartment Program. The Township implemented a program to provide funding for up to 10 accessory apartments through its Affordable Housing Trust Fund and create and adopt an Accessory Apartment Program, including adopting modifications to the Township's zoning regulations to permit accessory apartments in the R-1 zone district.

To date of the Fourth-Round cycle, while the zoning exists and the program was created and duly advertised, there have been no units developed. The Township therefore removes this program from the Third Round and instead proposes to maintain this program in the Fourth-Round with zoning in the R-1 in existence and funding available similar to the Third-Round.

5. Market to Affordable Program. The township prepared a manual and allocated funding for the market to Affordable Program although the program was not implemented during the Third Round despite efforts to establish the program. Therefore, the proposed 35 units anticipated are replaced in the Third-Round plan noted above.

To allocate for the reduced units from the developments and programs noted above, the adjusted Third Round plan moves units from the PARQ (aka Lanidex), development which was zoned as an overlay zone unmet need mechanism and has received site plan approval and is under construction. As noted, the development was approved to include a total of 120 affordable units and 74 units are being reallocated to the plan and the remaining 46 remain as unmet need units.

Review of Projects to Unmet Need Obligation

The difference between the Township's combined Prior Round and Third Round need number and its combined Prior Round and Third Round RDP obligations is what is known as Unmet Need. Whereas the RDP obligations must be affirmatively addressed by the Township (as outlined above), addressing Unmet Need involves a lower standard, as the entire Unmet Need obligation does not have to be fully satisfied. Judge Padavano explained the standard applicable to the unmet need in the Judgement of Repose he entered in the Saddle River case as follows:

The court notes that while COAH's Second Round and Third Round rules require all municipalities to satisfy their RDP, the rules do not require municipalities to "satisfy" their unmet need - the rules only require municipalities to "address" the unmet need through the use of certain mechanisms specified in the rules. See N.J.A.C. 5:93-4.2(-f) (COAH's Second Round rule); N.J.A.C. 5:97-5.3(b) (COAH's Third Round rule). Significantly, none of the mechanisms specified in the rules require zoning exclusively for affordable housing (overlay zoning which offers an option for affordable housing is one of the mechanisms). Additionally, no rule requires a municipally sponsored affordable housing development, let alone a 100% affordable municipally sponsored development, which will result in the guarantee of construction of affordable units. N.J.S.A. 52:27D-3 l Id provides: "Nothing in ... C.52:27D-301 et al. [the FHA] shall require a municipality to raise or expend municipal revenues in order to provide low and moderate-income housing." As set forth above, the court finds the fact that the amended settlement will produce the actual construction of 42% of the Borough's unmet need quite compelling and leads the court to find that the amended settlement agreement will result in construction of a substantial number of affordable units.

Pursuant to the Township's Settlement Agreement with FSHC, Parsippany-Troy Hills has an Unmet Need in the Third Round of 469. The Court approved the following mechanisms to address the unmet need in Third-Round HE&FSP plan when it entered a Judgment of Compliance and Repose:

1. Existing Units. The Township addressed a portion of its Unmet Need, with existing credits summarized as follows:
 - a. Brookside (B 412, L 15) - 64 of the 191 units in the age-restricted rental development are credited to the municipality's Third Round unmet need.
 - b. Vail Manor Senior (B 455, L 2&3) - All 35 units of the age-restricted rental development are credited to the municipality's Third Round unmet need.

2. Overlay Zoning. The Township implemented several Overlay Zones, as required which, together, created what was determined as a realistic opportunity for an additional 184 affordable housing units in the Township, the credits for which units will be applied toward the Township's overall Unmet Need of 469. The overlay zones are described in the Third Round Plan and noted in the table below.

The prior Third-Round plan to address the Third Round RDP has been modified in this plan to account for certain programs that have not been developed as planned due to various factors as identified in Section 4.4 above. In addition, the plan to address unmet need is also slightly changed by this plan to the overlay zones which as described below:

- a. Overlay Zone OVL-1. This zone is located along North Beverwyck Road consisting of one tax parcel, identified as Block 607 Lot 1. While the lot was zoned with an overlay for mixed use it has not been developed, therefore was identified during review with the AHDRP as non-productive and is being removed from the plan and replaced with other zoning adjustments as outlined herein.
- b. Overlay Zone OVL-2. This zone is also located along North Beverwyck Road consisting of comprised of two tax parcels, identified as Block 497 Lots 6 & 7. While these lots were zoned with an overlay for mixed use they have not been developed, therefore was identified during review with the AHDRP as non-productive and is being removed and replaced with other zoning adjustments as outlined herein.
- c. Overlay zone OVL-3. As identified herein the OVL-3 zone, which is also known as the PARQ development, was formerly just an overlay zone to address Unmet Need. Since this project has progressed through approvals and is under construction, in the Third Round, the Township had proposed in the prior HEFSP to reallocate units to the need in the Third Round RDP. Although during the review of HEFSP with the AHDRP, the development identified as Westmount Plaza, located at B 698, L 15.2 while zoned as required by the Third-Round agreement, has not progressed during the Third-Round cycle. Subsequently, in this plan the Township is further reallocating units from the 120 affordable units approved and under construction and some of the increase in zoning from the adopted

Redevelopment Plan in the Fourth Round applying a new total of 137 affordable units to Third Round RDP. Further the increase in zoning at the PARQ properties and the Westmount Plaza zoning is being reallocated to the Unmet Need category of the Third Round Plan. To make up for this reallocation of the PARQ zoning, the Township increased the number of units permitted formally through the recently adopted Redevelopment Plan for the subject properties.

- d. Proposed Overlay Zone OVL-8A. During the review of the AHDRP and to further address the Township's Third Round Unmet Need, the Township is rezoning a site at 7 Century Drive. The Township received an objection and a proposal from KF Schoolhouse, LLC of the Kushner Real Estate Group, Inc (KRE) to be included in the Fourth Round Plan. KRE is the contract purchaser of Block 202, Lot 1.5 and located at 7 Century Drive. The rezoning will convert the existing office building to a 70-unit inclusionary townhouse and stacked townhouse development featuring 14 affordable housing units.

The table below provides an overview of these adjustments, and the mechanisms address the Township's Unmet Need from the Third Round.

Table 22: Third Round Unmet Need Components

Plan Component	Number of Credits
Excess Credits - Earlier Rounds:	
Third Round Surplus-Vail Manor	35
Prior Round Surplus-Brookside Senior Housing (Age Restricted) (191 total-127applied =64 available)	64
Overlay Zones:	
Overlay Zone-1: OVL-1 Zone	0**
Overlay Zone-2: OVL-2 Zone	0**
Overlay Zone-3: OVL-3 Zone- PARQ aka Lanidex- Block 392 Lots 1 and 2, (Rental)	57
Overlay Zone-4: OVL-4 Zone	47*
Overlay Zone-5: OVL-5 Zone	63*
Overlay Zone-6: OVL-6 Zone	62*
AHD-MU-Westmount Plaza-Reassigned to Unmet Need	63*
New Overlay Zone-8A: OVL-8A Zone 7-Century Drive	14*
Mandatory Set-Aside Ordinance (MSO)	
MSO: 240 Littleton Road, B 412, L 8 & 9, 20 units, 4 AH, ZBA Approved	4
Development Fee Ordinance	Ongoing

* Estimated credits from zoning if developed.

** Removed by mediation agreement due to inactivity.

4.5 Fourth Round Components

The Fourth Round Obligation encompasses the years 2025 through 2035. Governor Murphy signed the A-40/S-50 Bill into law on March 20, 2024 after the Senate and Assembly adopted it. This legislation (FHA-2) amended the Fair Housing Act (FHA or the Act) by abolishing COAH and created a new process that involved the creation of a new entity known as the Affordable Housing Dispute Resolution Program (the AHDRP), as well as the DCA and the Administrative Office of the Courts (AOC).

FHA-2 directed the DCA to calculate the Present Need (also referred to as the Rehabilitation obligation) and the Prospective Need (also known as the new construction obligation) for Round Four based upon the standards set forth in the Act. The DCA issued its report on October 18, 2024, and, in accordance with the Act, made clear that the obligations generated by the report were advisory only and non-binding. For Parsippany Troy Hills, the DCA Report identified a Present Need of 138 and a Prospective Round Four Need of 553.

Since the DCA report is non-binding, each municipality had the opportunity to study and define why its obligations should be different based on the standards in the Act. The Township conducted such an analysis and determined that the DCA had made oversights in the Land Capacity Factor calculation, which is part of the formula that determines fair share obligations. The Township adopted a binding resolution on January 11, 2025 which committed to the 138-unit Present Need obligation identified by DCA, but identified a reduced Prospective Need obligation of 496 units due to the Township's assessment of errors in DCA's report pertaining to Parsippany Troy Hills Land Capacity Factor.

Ultimately, the Township's Prospective Need obligation was established at 496 affordable units by a Superior Court order issued on May 13, 2025. Since the township was approached by numerous interested development applications to address its Fourth Round Need, the calculation of suitable properties to address this need coincided with the total Fourth Round RDP of 496.

Furthermore, FHA II provides as follows:

Any municipality that receives an adjustment of its prospective need obligations for the fourth round or subsequent rounds based on a lack of vacant land shall as part of the process of adopting and implementing its housing element and fair share plan identify sufficient parcels likely to redevelop during the current round of obligations to address at least 25 percent of the prospective need obligation that has been adjusted, and adopt realistic zoning that allows for such adjusted obligation, or demonstrate why the municipality is unable to do so.

[N.J.S.A. 52:27D-310.1]

For the Fourth Round, Parsippany Troy Hills "prospective need obligation that has been adjusted" (i.e., its RDP obligation) is the entirety of its Fourth Round Need of 496. The developments to address this need are identified in the Table below. As such, the

Township's efforts and work towards the redevelopment of all of the projects noted above addresses this effort and vastly exceeds this 25 percent standard. In fact the proposed projects are 100 percent repurposed or redeveloping projects of formerly developed properties.

Table 23: Fourth Round Components

Project Description	Credits	Bonus (25% Max)	Total
Inclusionary Developments - Proposed			
<u>4 Gatehall -Toll Brothers</u> : B 175, L52; 13.66 ac <ul style="list-style-type: none"> Conventional and stacked townhouses 	36	18	54
<u>Parq-Lanidex</u> : B 392, L 1.01, 1.02, 1.03, 1.04; 31.7 ac <ul style="list-style-type: none"> AIN-Mixed Use multifamily development. 	120	60	180
<u>3081 Route 46 Bixmor Redevelopment Mixed Use</u> : B 411 , L 31.1; 18.4 ac <ul style="list-style-type: none"> AIN Mixed Use-multifamily residential development 	78	39	117
<u>909-Parsippany Boulevard-Embassy Suites KRE</u> : B 420, L2 <ul style="list-style-type: none"> Adaptive Re-Use-Multifamily residential development 	42	7 (cap)	49
<u>400 Interpace- P3 Properties</u> : B 136, L43.5; 27.3 ac <ul style="list-style-type: none"> Mixed Use-Office-Multifamily residential development 	40	-	40
<u>1 Upper Pond Road</u> : B 136, L 43.4; 16 ac <ul style="list-style-type: none"> Stacked and conventional townhouses 	31	-	31
<u>1855 US 46- Cerbo Lumber Property 1855 US 46, LLC-Shree</u> <ul style="list-style-type: none"> Multifamily residential development 	25	-	25
Total	372	124	496
Remaining Fourth-Round Prospective Need			0

Market to Affordable Program

The Township will continue to propose to implement a Market-to-Affordable program to create 10 affordable family units to be deed restricted for at least 30 years in the Fourth Round. The Market-to-Affordable program is proposed to be funded through the Township's Affordable Housing Trust Fund and operated by CGP&H, the Township affordable housing administrator. CGP&H will implement the program in accordance with COAH's regulations.

COAH's Third Round rules at N.J.A.C. 5:97-6.9 expanded and revised the permitted application of this mechanism, which was renamed as a Market-to-Affordable program. The Market-to-Affordable program under COAH 's Third Round rules included both for-sale and rental units but was limited to for-sale units and 10 rental units or 10% of a municipality's fair share obligation, whichever was greater, until such time as the municipality demonstrated a successful Market-to-Affordable program.

CGP&H, the designated program administrator, has prepared an operating manual for the Township's proposed Market-to-Affordable program. The manual outlines program procedures and administration in accordance with UHAC. Affirmative marketing will be done in accordance with UHAC and the Township's affirmative marketing plan.

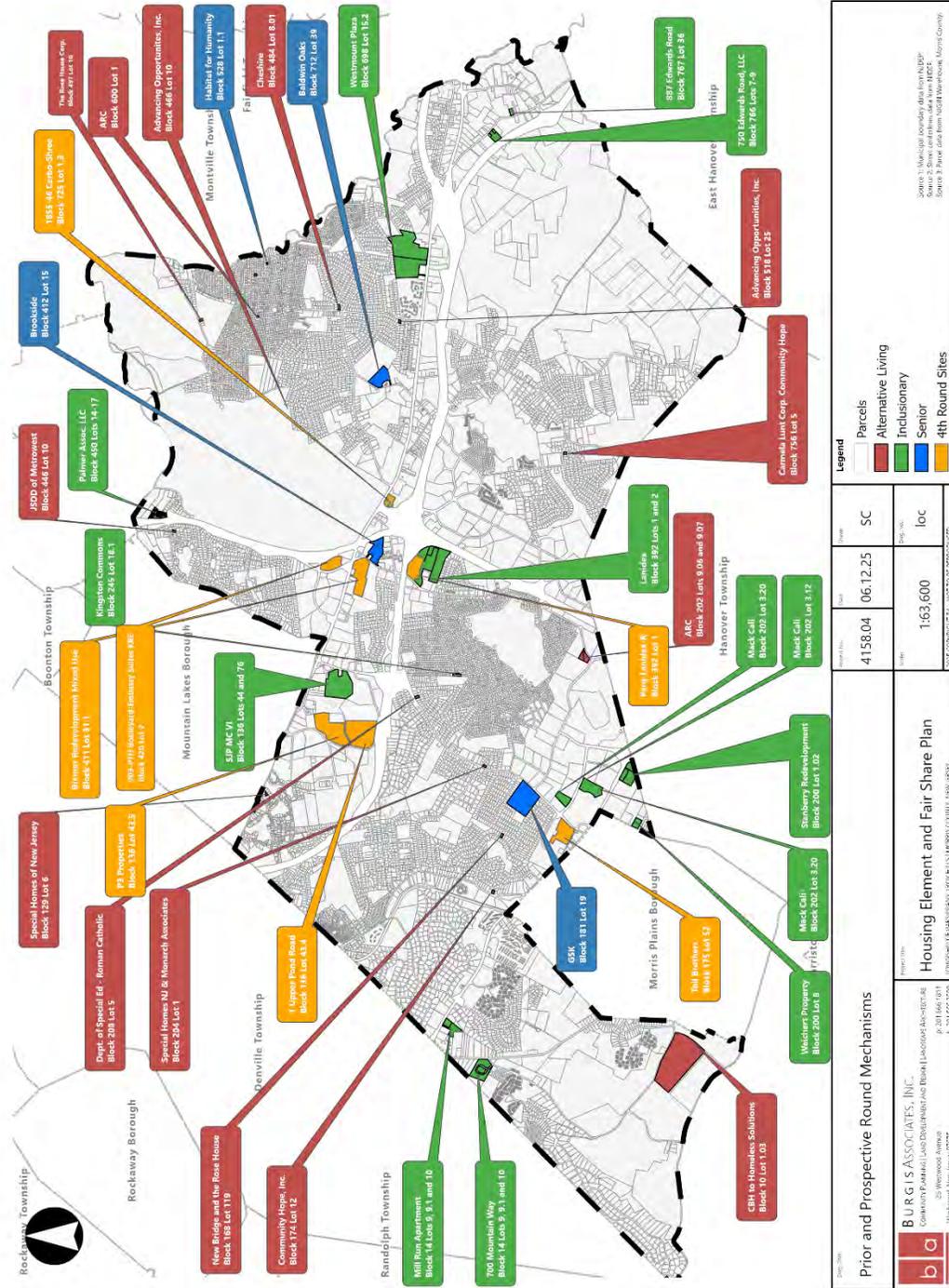
See Fair Share Plan Appendix for the Market-to-Affordable program manual.

Accessory Apartment Program

The Township has instituted a program in 2022 providing funding for up to 10 accessory apartments through its Affordable Housing Trust Fund. The Accessory Apartment Program has been instituted in the Township's zoning regulations to permit accessory apartments in the R-1 zone district. The Township proposes to commit on average \$47,500 per accessory apartment deed restricted for income qualified families, including up to \$55,000 per accessory apartment restricted for low-income families, and up to \$40,000 per accessory apartment restricted for moderate income families.

The R-1 zone wherein this accessory use is to be permitted, encompasses over 1,700 acres in the Township and is developed with single family homes with a minimum lot size of 40,000 square feet with many exceeding this minimum lot size. The minimum lot size provides for adequate area for the creation of an accessory apartment on a lot as either an attached or incorporated unit or as a unit in accessory structures. The prevalence of existing homes of a size including numerous split or bi-level or walkout basement structures can be retrofitted to accommodate an accessory apartment. Additionally, the vast majority of the R-1 zone in the Township is served by public water and sewer service providing appropriate infrastructure to serve this program. Therefore, the accessory apartment program of 10 units in total on lot sizes of minimally 40,000 square feet, with available public infrastructure, provides a realistic opportunity for the development of these units.

Map 4: Prior and Third Round Components



4.6: Other Provisions

The following additional requirements are noted:

1. *Fourth Round Bonuses*. Fourth Round bonuses will be applied in accordance with NJAC 52:27d-311.k.
2. *Very-Low Income and Low-Income Units*. At least fifty percent (50%) of the units addressing the Fourth Round Prospective Need shall be affordable to low-income and very-low income and households with the remainder affordable to moderate-income households. A minimum of thirteen percent (13%) of the affordable units will be made available to very low income households, defined as households earning thirty percent (30%) or less of the regional median income by household size.
3. *Rental Component*. At least twenty-five percent (25%) of the Fourth Round Obligation shall be met through rental units, including at least half in rental units available to families.
4. *Families*. At least half of the units addressing the Third Round RDP and unmet need in total must be available to families.
5. *Age-Restricted Cap*. The Township shall comply with the age-restricted cap of thirty percent (30%) and does not request a waiver of this requirement. This shall be understood to mean that in no circumstances may the municipality claim credit towards its fair share obligation for age-restricted units that exceed thirty percent (30%) of all units developed or planned to meet its cumulative Prior Round, Third Round, and Fourth fair share obligations.
6. *Adaptable Units*. All new construction units shall be adaptable in conformance with P.L.2005, c.350/N.J.S.A. 52:27D-311(a) and (b), and all other applicable law.
7. *UHAC Requirements*. All of the affordable units shall fully comply with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1, et seq. ("UHAC"), including but not limited to the required bedroom and income distribution, length of affordability controls, and phasing of affordable units.
 - a. The applicability of the updated form of UHAC versus the prior form of UHAC shall be as set forth in the statute and most current form of UHAC adopted by HMFA. Any terms of a prior agreement, judgment, or grant of substantive certification as to prior round of obligations modifying UHAC as to affordability controls longer than the now current regulations or as to very low-income units shall remain in effect as to those prior rounds of obligations.
 - b. The Township agrees that in order to meet the low-income and very low-income requirement of the Fair Housing Act, it shall adopt an ordinance requiring for all affordable housing developments in its HEFSP that 50 percent of the affordable units within each bedroom distribution shall be required to be for low-income households earning 50 percent or less of

the regional median income, including 13 percent of the affordable units within each bedroom distribution shall be required to be for very low-income households earning 30 percent or less of the regional median income.

8. *Development Fees*. The Township will continue to impose development fees as permitted by COAH's prior round rules. The funds generated by the collection of development fees will be applied directly towards any activity approved by State regulations for addressing the municipal fair share.

4.7: Consistency with State Initiatives

As noted in Section 1, an HE&FSP must also include:

- ❖ 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, and;
- ❖ For a municipality located within the jurisdiction of the Highlands Water Protection and Planning Council, 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; and
- ❖ An analysis of consistency with the State Development and Redevelopment Plan, including water, wastewater, stormwater, and multi-modal transportation based on guidance and technical assistance from the State Planning Commission.

Accordingly, the following subsection analyzes the consistency of this HE&FSP to the above referenced state planning initiatives.

Multigenerational Family Housing Continuity Commission

The Multigenerational Family Housing Continuity Commission was established by the State of New Jersey in 2021. As noted in NJSA 52:27D-329.20, one of the primary duties of the Commission is to "prepare and adopt recommendations on how State government, local government, community organizations, private entities, and community members may most effectively advance the goal of enabling senior citizens to reside at the homes of their extended families, thereby preserving and enhancing multigenerational family continuity, through the modification of State and local laws and policies in the areas of housing, land use planning, parking and streetscape planning, and other relevant areas."

As of the date of this HE&FSP, the Multigenerational Family Housing Continuity Commission has not yet adopted any recommendations.

Highlands Regional Master Plan

The Township of Parsippany Troy Hills is located entirely within the Planning Area of the Highlands Region. The Township submitted a Petition for Plan Conformance for the Highlands Master Plan on December 8, 2018.

The Highlands Regional Master Plan (RMP) establishes that one of the overarching goals of the Planning Area is to protect and enhance the region's natural resources while also allowing for appropriate, sustainable development. This goal defines policies and programs, including those focused on water resource protection, environmentally sensitive lands, agricultural resources, and recreation opportunities.

The Highlands Regional Master Plan in the Planning Area balances the need for environmental protection with the desire for sustainable economic development, aiming to preserve the region's natural resources while allowing for appropriate growth and development. This HE&FSP is consistent and compatible with the Highlands RMP's goals for the Planning Area.

In addition, this plan is consistent with the Highlands RMP language regarding affordable housing, which reads as follows:

In accordance with the Fair Housing Act, all newly constructed residential development within the Highlands Region are required to reserve for occupancy by low- or moderate-income households at least 20 percent of the residential units constructed. As the 20 percent reservation requirement is found in the Fair Housing Act and not the Highlands Act, all municipalities located in the Highlands Region are responsible for the 20 percent reservation requirement, irrespective of plan conformance status. This includes development exempt from the Highlands Act.

It is noteworthy that the Township's regulations pertaining to the Township-wide Mandatory Set-Aside Ordinance is already consistent with a minimum 20 percent affordable housing set-aside for all qualifying developments, regardless of tenure.

State Development and Redevelopment Plan

As established by NJSA 52:18A-200(f), the purpose of the State Development and Redevelopment Plan (SDRP) is to "coordinate planning activities and establish Statewide planning objectives in the following areas: land use, housing, economic development, transportation, natural resource conservation, agriculture and farmland retention, recreation, urban and suburban redevelopment, historic preservation, public facilities and services, and intergovernmental coordination."

As such, the SDRP establishes a number of goals and strategies related to a number of different topics, including economic redevelopment. One such goal is to revitalize existing urban centers by directing growth and development to those areas. Specifically, the SDRP seeks to revitalize the State's cities and towns by protecting, preserving, and developing the valuable human and economic assets in cities, town, and other urban areas.

As indicated by the SDRP's Policy Map, the Fourth Round Obligation components identified herein are located in the PA-2 Suburban Planning Area, wherein development and redevelopment is intended to be directed. The intent of this Planning Area is to:

- ❖ Provide for much of the state's future redevelopment;
- ❖ Promote growth in Centers and other compact forms;
- ❖ Protect the character of existing stable communities;
- ❖ Protect natural resources;
- ❖ Redesign areas of sprawl;
- ❖ Reverse the current trend toward further sprawl; and
- ❖ Revitalize cities and towns.

Accordingly, this HE&FSP is consistent with the intents of the PA-2. Specifically, it is designed to encourage redevelopment and growth in a compact form, while also protecting the character of the existing community.

4.8: Requests Not Included

Several developers and landowners previously sent letters to Parsippany-Troy Hills requesting a rezoning of their respective properties to be rezoned to permit inclusionary development. These sites were subsequently prioritized by the Township to determine if they were appropriate for inclusion. Out of the over twenty inquiries or letters of interest sent to the Township regarding specific lands, seven were selected and included in this plan. The following requests were denied.

299 Smith Road-Hyatt Extended Stay

The Township received a proposal from a developer named Blue Ocean. Blue Ocean was not identified as a contract purchaser of the property. They proposed repurpose the existing Hyatt Extended Stay facility at Block 735.02, Lot 1 and located at 299 Smith Road. The Proposal for the conversion of the existing hotel to a 140-unit inclusionary community featuring 28 affordable housing units.

The Township did not select this property at this time to address its Fourth Round Need. The property did not represent the most advantageous or desirable location or the best land use planning option for the Township at this location. The proposal was not able to accommodate the proper UHAC required bedroom distribution in the repurposing of the building. Accordingly, this site was given a lower priority than the other sites included in this HE&FSP and was not included because it was not necessary to satisfy the fair share obligation.

1-Jefferson-SIG One Jefferson LLC

The Township received a proposal from SIG One Jefferson, LLC ("SIG"). SIG is the owner of that certain property identified as Block 735.02, Lot 4 at 1 Jefferson Road. The Proposal is to convert the current structure to allow for the development of 80 apartments with a fifteen (15) percent affordable set aside. SIG further proposes to construct 33 new town

homes on the Property with 8 of those new town homes designated for affordable housing.

The Township did not select this property at this time to address its Fourth Round Need. The property did not represent the most advantageous or desirable location or the best land use planning option for the Township. The proposal did not identify adequate parking or site plan arrangement for proper site circulation. The plan did not identify the parking demand would be met or the residential amenities for such a density for the future residents. Accordingly, this site was given a lower priority than the other sites included in this HE&FSP and was not included because it was not necessary to satisfy the fair share obligation.

100 Kimball Drive- SIG Kimball LLC

The Township received a proposal from SIG Kimball, LLC ("SIG"). SIG is the owner of IG is the owner of that certain property identified as Block 735, Lot 6 at 100 Kimball Drive. The proposal is to convert the current structure currently located on the property to allow for the development of 140 apartments with a 15 percent affordable set aside. SIG further proposes to construct 60 new town homes on the Property with 12 of those new town homes designated for affordable housing.

The Township did not select this property at this time to address its Fourth Round Need. The property did not represent the most advantageous or desirable location or the best land use planning option for the Township. The plan did not identify the parking demand would be met or the residential amenities for such a density for the future residents. Accordingly, this site was given a lower priority than the other sites included in this HE&FSP and was not included because it was not necessary to satisfy the fair share obligation.

1599 Littleton Road -Toll Brothers, Inc.

The Township received a proposal from Toll Brothers, Inc (Toll). Toll is the contract purchaser of Block 202, Lot 4 and located at 1599 Littleton Road. The proposal is for Toll to redevelop this Property into 144-unit inclusionary residences with twenty-eight (28) affordable housing units.

The Township did not select this property at this time to address its Fourth Round Need. The property did not represent the most advantageous or desirable location or the best land use planning option for the Township at this location. The proposed arrangement of residential structures in close proximity to adjacent non-residential uses shared access drives with such uses and is burdened by a non-residential parking area which use not identified but seemed to be needed to address an adjacent office use. No apparent residential amenities proposed for the development and setbacks or buffers were too small. Accordingly, this site was given a lower priority than the other sites included in this HE&FSP and was not included because it was not necessary to satisfy the fair share obligation.

739 Mountain Way- Kasparian/Trelia

The Township received a proposal from a developer identified as Trelia. The developer Trelia is a contract purchaser of a property at Block 15, Lot 50 at 739 Mountain Way. The proposal is for the redevelopment of the single-family residential property to a 14 townhouse and 30 multifamily project. It was unclear what the set aside for affordable housing would be and where such units would be to determine compliance with the applicable affordable housing regulations.

The Township did not select this property at this time to address its Fourth Round Need. The property did not represent the most advantageous or desirable location or the best land use planning option for the Township at this location. The proposal seemingly grouped all affordable units in one building non-compliant with applicable regulations. The property which is mostly undeveloped contained significant environmental restrictions of wetlands and bands of steep slopes which did not present the best location for such development intensity requiring significant grading and retaining walls. The setbacks were too small to adjacent properties. Accordingly, this site was given a lower priority than the other sites included in this HE&FSP and was not included because it was not necessary to satisfy the fair share obligation.

6 Upper Pond Road- AMS Acquisitions LLC

The Township received a proposal from AMS Acquisitions LLC ("AMS"). AMS is the owner of that certain property identified as Block 136, Lot 43.7 at 6 Upper Pond Road. The proposal is to remove the existing office building currently located on the property to allow for the development of 208 total unit inclusionary residential community.

The Township did not select this property at this time to address its Fourth Round Need. The property did not represent the most advantageous or desirable location or the best land use planning option for the Township. The plan did not identify setbacks to adjacent properties on balance with the proposed density per acre. Accordingly, this site was given a lower priority than the other sites included in this HE&FSP and was not included because it was not necessary to satisfy the fair share obligation.