# housing element and fair share plan of the

township of







BURGIS Associates, Inc.

Adopted June 16, 2025

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#### MRS-L-000176-25 06/17/2025 4:25:48 PM Pg 3 of 71 Trans ID: LCV20251785554



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### Housing Element and Fair Share Plan

Township of Rockaway Morris County, New Jersey

#### Prepared for the Township of Rockaway Planning Board

BA# 4164.13

The original document was appropriately signed and sealed on June 16, 2025 in accordance with Chapter 41 of Title 13 of the State Board of Professional Planners

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# **Executive Summary**

The following **2025 Housing Element and Fair Share Plan (HE&FSP) of the Master Plan** has been prepared for the Township of Rockaway.

This plan is designed to outline the manner in which the Township will address its affordable housing obligations. Ultimately, these obligations were derived from a variety of different sources, including: the Council on Affordable Housing (COAH); a prior settlement agreement with Fair Share Housing Center (FSHC); and most recently by calculations provided by the Department of Community Affairs (DCA) and a judgment made through the Administrative Office of the Court's (AOC's) Resolution Dispute Program.

These obligations are summarized as follows:

Table 1: Affordable Housing	Obligation Summary
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Category	Obligation
Prior Round Obligation (1987-1999)	370
Third Round Obligation (1999-2025)	567
Fourth Round Obligation (2025-2035)	301
Present Need (Rehabilitation) Obligation	20

#### Prior Round Obligation (1987-1999)

The Township was assigned a Prior Round Obligation of three hundred and seventy (370) affordable units. As detailed in the body of this HE&FSP, the Township fully addressed this obligation through the components identified in Table 2 below.

Component	Status	Affordable Units	Bonus Units	Total Units
Green Pond Village	Completed	40	0	40
Pleasant View Village	Completed	75	0	75
ARC of Morris County	Completed	4	0	4
Lakeside Housing Group	Completed	4	0	4
Pondview Estates	Under Construction	100	92	192
RCA /East Orange	Completed			55
Total		223	90	370

Table 2: 1987-1999 Prior Round Obligation Components

#### Third Round Obligation (1999-2025)

Pursuant to a Settlement Agreement signed with FSHC, the Township was assigned a Third Round Obligation of five hundred and sixty-seven (567) affordable units. The Township was eligible for a for a vacant land adjustment (VLA) which resulted in a realistic development potential (RDP) of two hundred and eighty-nine (289) affordable units. Furthermore, the Township was also eligible for a durational adjustment pursuant to NJAC 5:93-4.3 of one hundred and fifty-seven (157) of its two hundred and eighty-nine (289) unit RDP. As per NJAC 5:93-4.3(b) and (d), durationally adjusted RDP may be addressed with inclusionary overlay zones.

The Township addressed its Third Round Prospective Need RDP through the components identified in Table 3. As shown, those components comprised a total of two hundred and seventy-six (276) affordable units as well as sixty-two (62) bonus credits, for a total of three hundred and thirty-eight (338) credits to address the Township's RDP. These credits reduced the Township's total Prospective Need Obligation to two hundred and twenty-nine (229) affordable units, which constituted its Unmet Need.

To partially address this Unmet Need, the Township adopted several overlay zones which are identified in Table 4. These overlay zones are capable of producing thirty-three (33) affordable units.

		Affordable	Bonus	Total
Component	Status	Units	Credits	Credits
Rocke Point*	Completed	52	52	104
The Hills by Lennar	Completed	30	0	30
Sanders Road	Completed	2	2	4
Mine Hill Properties	Approved	2	0	2
Allegro Group Home	Completed	4	4	8
Allies, Inc.	Completed	4	4	8
Habitat for Humanity	Under Construction	2	0	2
Overlay Sites				
Rockaway Mall	Zoning Complete	100	0	100
Block 10202	Zoning Complete	41	0	41
Block 11509	Zoning Complete	39	0	39
Total		276	62	338

Table 3: 1999-2025 Third Round Obligation Components

\* Formerly Morris Commons

Table 4: 1999-2025 Third Round Obligation Components: Unmet Need

		Affordable		
Component	Status	Units	Bonus Units	Total Units
Block 11116	Zoning Complete	2	0	2
Block 11501	Zoning Complete	15	0	15
Pawnee Avenue	Zoning Complete	4	0	4
Route 46/Highlands Ave	Zoning Complete	12	0	12
20% Set-Aside Ord.	Zoning Complete		0	
Total		33	0	33

#### Fourth Round Obligation (2025-2035)

Pursuant to a judgment offered through the Resolution Dispute Program, the Township was assigned a Fourth Round Obligation of **301 affordable units**.

As detailed in Section 3.2 of this HE&FSP, the Township utilized the Highlands Build-Out tool to conduct a vacant land adjustment (VLA) which determined its realistic development potential (RDP) to be **sixteen (16) affordable units**.

The Township shall address this obligation by creating a new RMF-10 Multifamily Residential District which will encapsulate Block 22102 Lots 1 and 5.02. The district shall be designed to encourage the production of very -low, low-, and moderate -income housing units in conformance with the latest procedural and substantive rules for affordable housing, as determined by the courts or other applicable authority, by permitting an inclusionary multifamily development at a density of ten (10) dwelling units per acre.

This would permit the development of seventy-three (73) total residential units, including sixteen (16) affordable units.

Accordingly, the remainder of this 2025 HE&FSP is divided into the following sections:

✤ Section 1: Introduction

The first section of the 2025 HE&FSP provides an introduction to affordable housing. It summarizes what affordable housing is, offers an overview of the history of affordable housing in the state, and explains the role of a housing element and fair share plan.

✤ Section 2: Housing Element

Section 2 contains the Housing Element for the Township of Rockaway. It offers an overview of its community, as well as background information regarding its population, housing, and employment characteristics. It also provides a projection of the Township's housing stock and its employment projections.

✤ Section 3: Fair Share Obligation

Next, Section 3 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.

Section 4: Fair Share Plan

Finally, Section 4 details the manner in which the Township has addressed its Prior Round and Third Round Obligations as well as how it will address its Fourth Round Obligation.

## Section 1: Introduction

The following section provides an introduction to affordable housing. It summarizes what affordable housing is, offers an overview of the history of affordable housing in the state, and explains the role of 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. Rockaway is located in Region 2 which includes Essex, Morris, Union, and Warren Counties.



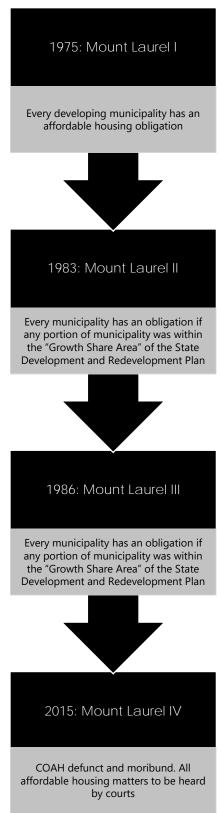
Regional income limitations are updated every year, with different categories established for varying household sizes. Table 5 identifies the 2024 regional income limits by household size for Region 2. As shown, a three-person family with a total household income of no greater than \$93,180 could qualify for affordable housing in the Township's region.

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

Income Level	2 Person	3 Person	4 Person	5 Person
Median	\$103,533	\$116,475	\$129,416	\$139,769
Moderate	\$82,826	\$93,180	\$103,533	\$111,816
Low	\$51,766	\$58,237	\$64,708	\$69,885
Very-Low	\$31,060	\$34,942	\$38,825	\$41,931

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 also 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, alternative arrangements such as supportive housing or group homes, and age restricted housing.

#### 1.2: What is the History of Affordable Housing in New Jersey?



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.

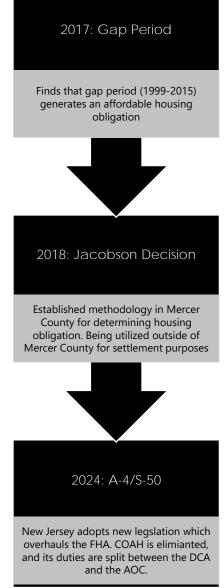
Accordingly, the Court refined this obligation to establish that every municipality had an obligation, although those within the growth area of the State Development and Redevelopment Plan (SDRP) had a greater obligation. The Court also called for the state legislature to enact legislation that would 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 "Program") within the AOC is tasked to handle any disputes regarding affordable housing obligations and plans.

#### 1.3: What is a Housing Element and Fair Share Plan?

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,

The **Municipal Land Use Law** (**MLUL**) is the enabling legislation for municipal land use and development, planning, and zoning for the State of New Jersey.

without a HE&FSP, a municipality may be susceptible to a builder's remedy lawsuit in which a developer could file suit to have a specific piece of property rezoned to permit housing at higher densities than a municipality would otherwise allow, 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:

- 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 lowand 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 lowand 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 the housing element for the Township of Rockaway. It offers a community overview of the Township, as well as background information regarding its population, housing, and employment characteristics. It also provides projections of the Township's housing stock and employment.

#### Information Regarding Data Sources

The information contained in Section 2.2 entitled "Demographic and Population Data," Section 2.3 entitled "Inventory of Housing Stock," and Section 2.4 entitled "Housing & 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 Rockaway is located in the northwestern portion of Morris County. It is bounded by nine (9) municipalities: the Township of West Milford to the north; the Borough of Kinnelon to the northeast; the Town of Boonton, the Township of Denville, and the Borough of Rockaway to the east; the Township of Randolph, the Town of Dover, and the Borough of Wharton to the south; and the Township of Jefferson to the west.

Comprising a total area of 45.55 acres, Rockaway Township is the largest municipality in Morris County. It is located entirely within the Highlands Region, with approximately sixty-one percent (61%) of its land area located in the Highlands Preservation Area and the remaining thirty-nine percent (39%) located in the Highlands Planning Area.

Regional access to Rockaway is provided by several county and state roadways. Route 15 and Route 80 provide access to the area's regional highway network. Green Pond Road, Mount Hope Road, and Mount Pleasant Avenue are major arterial roadways which provide access through the municipality.

As evidenced by Table 6, the Township is a predominantly suburban residential community with substantial areas devoted to permanent open space and federal governmental uses. There are primarily four (4) areas of concentrated development, three (3) of which consist of older lake communities. The fourth, Hibernia, is located in the southernmost side of the Township nearest Dover wherein older detached dwellings occupy smaller lots. Scattered residential developments can also be found throughout the more rural portions of Rockaway.

In addition, the Township contains an active business community. The principal areas of commercial development throughout the Township include: the Rockaway Townsquare Mall, Rockaway Town Plaza, the Market Place at Rockaway, and surrounding office and retail developments near the intersection of Route 80 and Mount Hope Road; the ShopRite Shopping Center along Route 46; and light industrial uses along the Green Pond Road corridor. Picatinny Arsenal, which is the headquarters of the US Army Combat Capabilities Development Command Armaments Center, comprises approximately 5,393.5 acres of land within the northwesterly portion of the Township.

Land Use	Parcels	% Parcels	Acres	% Acres
Residential: One and Two Family	6,958	86.7%	4,304.3	15.2%
Residential: Multifamily	30	0.4%	514.2	1.8%
Residential: Age Restricted/Assisted Living	4	0.1%	185.7	0.7%
Commercial	128	1.6%	486.2	1.7%
Light Industrial	45	0.6%	1,625.6	5.7%
Farm	41	0.5%	705.2	2.5%
Public Park and Open Space	186	2.3%	12,132.8	42.7%
Public and Quasi-Public	50	0.6%	1,269.6	4.5%
Public School Property	14	0.2%	113.3	0.4%
House of Worship	27	0.3%	184.1	0.6%
Cemetery	3	0.0%	7.2	0.0%
Infrastructure	26	0.3%	53.9	0.2%
Railroad	8	0.1%	18.9	0.1%
Picatinny Arsenal	5	0.1%	5,393.5	19.0%
Waterbody	2	0.0%	150.3	0.5%
Vacant	495	6.2%	1,241.0	4.4%
Total	8,022	100.0%	28,385.8	100.0%

Table 6: Existing Land Use

Note: Acreage based off of GIS calculations

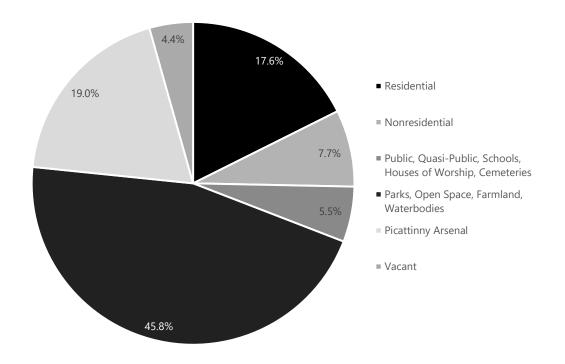
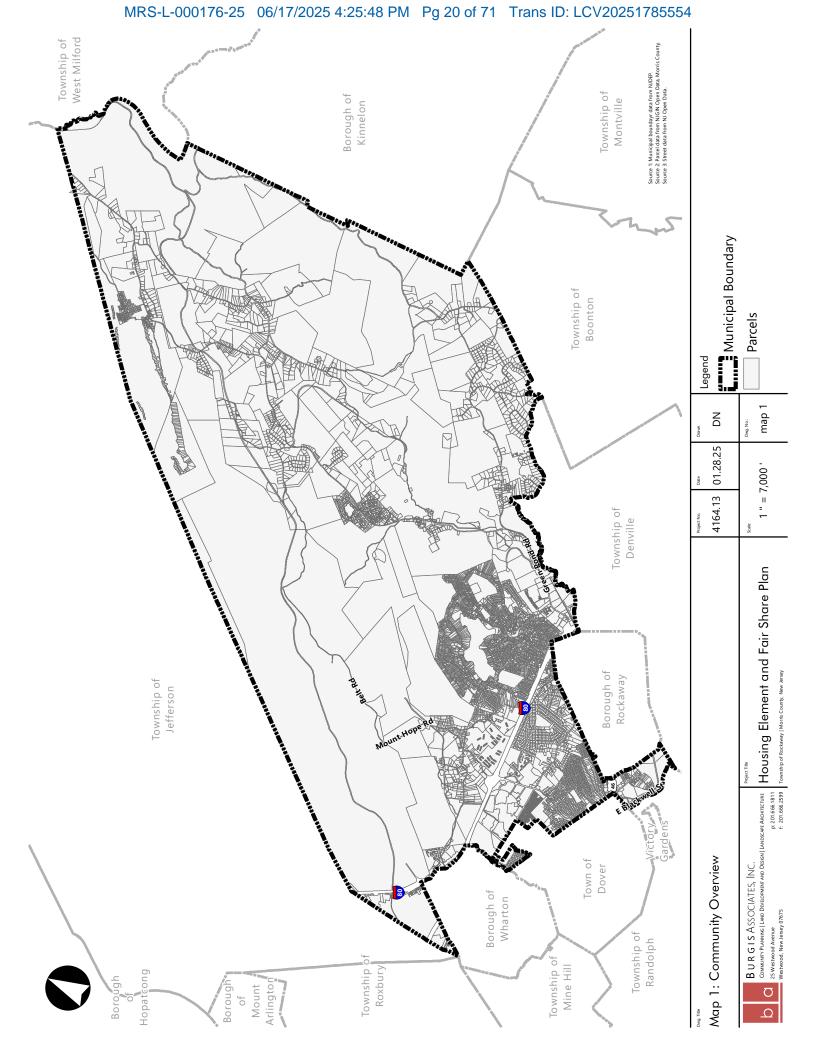
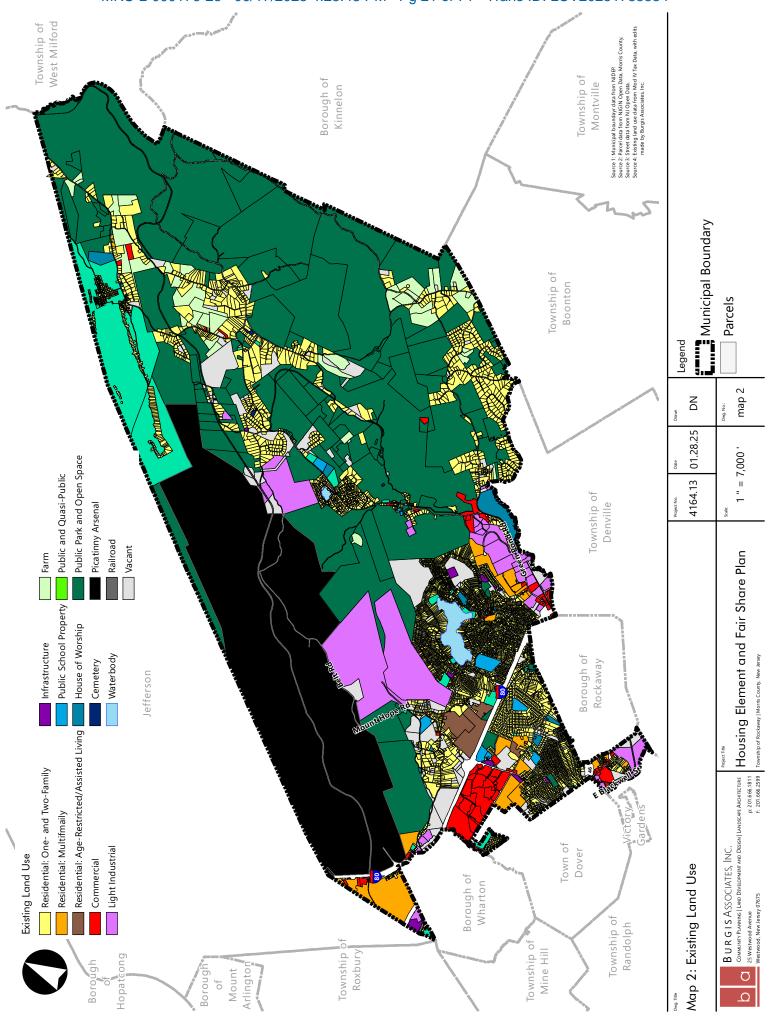


Figure 1: Summary of Existing Land Use as Percentage of Parcel Area





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#### 2.2: Demographic and Population Data

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 Rockaway over the past several decades.

#### Population Changes

The population of Rockaway has predominantly been growing steadily since 1950, when its total number of residents totaled less than 4,500 people. Throughout the 1950s and 1960s, the Township's population increased approximately 329.0%, from 4,418 people in 1950 to 18,955 in 1970. While the Township's population decreased slightly during the 1980s, it soon recovered and increased 17.2% between 1990 and 2000.

Since that time, the Township's growth rate has decreased slightly. The ACS indicates that Rockaway's estimated growth rate decreased to approximately 12.6% between 2000 and 2023. Due to the ongoing construction of the Pondview Estates multifamily development, the Township's population growth is expected to continue.

Year	Population	Population Change	Percent Change
1920	3,505		
1930	3,178	-327	-9.3%
1940	2,423	-755	-23.8%
1950	4,418	1,995	82.3%
1960	10,356	5,938	134.4%
1970	18,955	8,599	83.0%
1980	19,850	895	4.7%
1990	19,572	-278	-1.4%
2000	22,930	3,358	17.2%
2010	24,156	1,226	5.4%
2020	25,341	1,185	4.9%
2023	25,810	469	1.9%

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

#### Age Characteristics

The Township's population is estimated to have aged over the past several decades.

Overall, the Township's median age is estimated to have increased from 37.0 years in 2000 to 42.9 years in 2023. The Township's aging population is particularly evident when analyzing those residents aged 65 and over. In 2000, it was estimated that this cohort comprised approximately 9.5% of the Township's total population. By 2023, this percentage is estimated to have increased to 18.2%. The total number of residents with this age cohort is also estimated to have increased approximately 117.3% during that same time period.

Conversely, the percentage of the Township's population aged 19 years and younger decreased between 2000 and 2023. In 2000, an estimated 28.8% of the Township's population was aged 19 years or younger. By 2023, 20this percentage is estimated to have decreased to 23.2%. Overall, the number of residents within this cohort decreased 9.5% during that time period.

Age		2000		2010		2023
Group	Number	Percent	Number	Percent	Number	Percent
Under 5	1,771	7.7%	1,335	5.5%	1,451	5.6%
5-9	1,825	8.0%	1,517	6.3%	1,278	5.0%
10-14	1,719	7.5%	1,738	7.2%	1,852	7.2%
15-19	1,289	5.6%	1,627	6.7%	1,396	5.4%
20-24	868	3.8%	1,076	4.5%	1,169	4.5%
25-29	1,182	5.1%	1,106	4.6%	1,555	6.0%
30-34	1,906	8.3%	1,302	5.4%	1,517	5.9%
35-39	2,294	10.0%	1,582	6.5%	1,620	6.3%
40-44	2,156	9.4%	2,001	8.3%	1,662	6.4%
45-49	1,913	8.3%	2,213	9.2%	1,584	6.1%
50-54	1,693	7.4%	2,076	8.6%	2,210	8.6%
55-59	1,267	5.5%	1,717	7.1%	1,807	7.0%
60-64	885	3.9%	1,450	6.0%	2,011	7.8%
65-69	732	3.2%	1,006	4.2%	1,566	6.1%
70-74	597	2.6%	827	3.4%	1182	4.6%
75-79	405	1.8%	702	2.9%	830	3.2%
80-84	266	1.2%	530	2.2%	548	2.1%
85 & older	162	0.7%	351	1.4%	572	2.2%
Median Age		37.0		42.1		42.9

Table 8:	Age	Characteristics,	2000-2023
Tuble 0.	Age	churaciensiles,	2000-2020

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

#### Household Type

The majority of the Township's 9,415 households are comprised of family households. Approximately one-third of all households are "married-couple" families with no children under the age of eighteen. Non-family households, which include persons living alone or a householder who is not related to any other person sharing the home, comprise an estimated 26.7% of all households.

Table	9:	Household	Type.	2023
Table	· ·	ricoschola	·, po,	2020

Туре	Number	Percent
Family Households	6,899	73.3%
Married-Couple Family	5,746	61.0%
w/no children under 18	3,362	35.7%
Non-Family Households	2,516	26.7%
Total	9,415	100.0%

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

#### Average Household Size

Average household sizes throughout the Township have generally decreased over the past few decades. In 1990, the average household size was 2.83 persons per unit. By 2023, the average household size is estimated to be 2.74 persons per unit.

Similarly, the average household size of owner-occupied units decreased consistently over this same time period, between 2.96 persons in 1990 and 2.85 persons in 2023. Conversely, the average household size of renter-occupied units experienced a slight increase during that same time period, from 2.21 persons in 1990 to 2.23 persons in 2023.

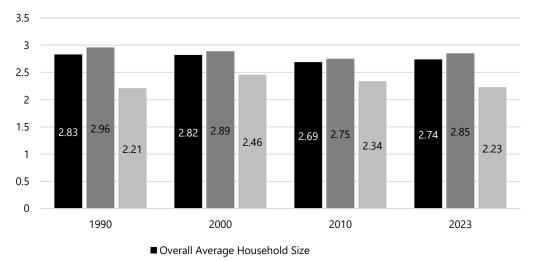


Figure 2: Average Household Size

Average Household Size of Owner-Occupied Units

Average Houshold Size of Renter-Occupied Units

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

#### Household Income

Household incomes have generally continued to increase throughout the Township since 2000. This is particularly evident in upper-tier incomes. In 2000, an estimated 13.7% of the Township's total households reported an income of \$150,000 or more. By 2023, this percentage increased to approximately 45.0% of all households.

Overall, the Township's median income has increased approximately 71.6% over the past few decades, from \$81,206 in 2000 to \$139,383 in 2023. This represents a lower percentage increase than the County's (74.2%) and the State's (80.9%) percentage increases over that same time period.

Pursuant to the ACS, an estimated 3.7% of the Township's residents reported an income below the federal poverty in 2023. This is below the County's estimated poverty rate (4.6%) as well as the State's estimated poverty rate (9.7%).

	2000		2010			2023
Income Level	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000	172	2.1%	153	1.7%	128	1.4%
\$10,000 to \$14,999	186	2.3%	172	1.9%	60	0.6%
\$15,000 to \$24,999	366	4.5%	334	3.8%	365	3.9%
\$25,000 to \$34,999	438	5.4%	391	4.4%	313	3.3%
\$35,000 to \$49,999	818	10.1%	845	9.6%	466	4.9%
\$50,000 to \$74,999	1,685	20.8%	1,450	16.4%	868	9.2%
\$75,000 to \$99,999	1,488	18.4%	1,306	14.8%	903	9.6%
\$100,000 to \$149,999	1,846	22.8%	2,029	22.9%	2,074	22.0%
\$150,000 to \$199,999	1,109	13.7%	1,159	13.1%	1,610	17.1%
\$200,000 or more			1,009	11.4%	2,628	27.9%
Total	8,108	100.0%	8,848	100.0%	9,415	100.0%
Median Income		\$81,206		\$95,530		\$139,383
Morris County		\$77,236		\$96,747		\$134,579
New Jersey		\$55,146		\$69,811		\$99,781

Table 10: Household Incomes, 2000-2023

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

#### 2.3: Inventory of Housing Stock

The following section provides an inventory of the Township's housing stock. It inventories several housing characteristics such as age, condition, purchase/rental value, and occupancy.

#### Number of Dwelling Units

Between 1970 and 2023, the number of dwelling units in the Township is estimated to have increased approximately 70.4%, from 5,841 units in 1970 to 9,954 units in 2023. The largest percentage increase took place between 1970 and 1980, wherein the number of units increased by approximately 16.3%.

The 2023 ACS estimates that this growth rate has decreased slightly since that time. However, growth is expected to continue over the next few years as the construction of Pondview continues. When fully constructed, this multifamily development will comprise 1,050 residential units.

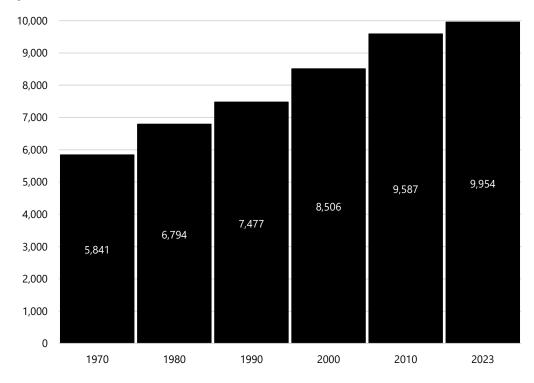


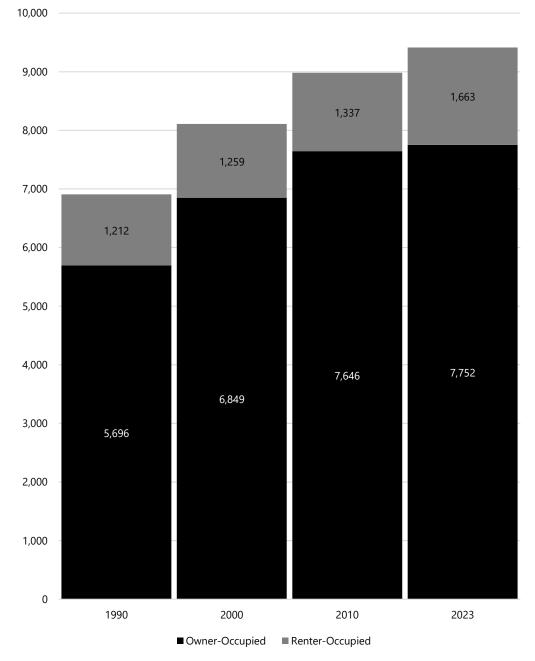
Figure 3: Units, 1970-2023

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

#### Housing Tenure and Occupancy

Over the past several decades, both the number of owner-occupied and renter-occupied units have generally increased. Between 1990 and 2023, the number of owner-occupied units increased by approximately 36.1%, while the number of rental units increased by approximately 37.2%. As of 2023, approximately 82.3% of the Township's housing units were owner-occupied, while the remaining 17.7% were renter-occupied.





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

#### Units in Structure for Occupied Units

Information regarding the number of dwelling units in different types of housing structures provides insights into the types of housing which exists throughout the Township. Thus, the following table summarizes the unit-composition of the Township's structures since 2000.

While the number of single-family detached dwellings has increased approximately 1.2% between 2000 and 2023, the overall percentage of which single-family households comprise the Township's total housing stock is estimated to have decreased from 80.4% in 2000 to 69.5% in 2023. The number of structures containing twenty (20) or more units is estimated to have increased 398.3% over that same time period. This is largely due to the completed and on-going construction of several multifamily developments throughout the Township.

		2000		2010		2023
Units in Structure	Number	Percent	Number	Percent	Number	Percent
Single Family, Detached	6,835	80.4%	6,804	73.5%	6,915	69.5%
Single Family, Attached	503	5.9%	672	7.3%	726	7.3%
2 Units	113	1.3%	167	1.8%	72	0.7%
3 to 4 Units	302	3.6%	163	1.8%	248	2.5%
5 to 9 Units	215	2.5%	332	3.6%	421	4.2%
10 to 19 Units	212	2.5%	214	2.3%	322	3.2%
20 or More	241	2.8%	842	9.1%	1,201	12.1%
Other	85	1.0%	55	0.6%	49	0.5%
Total	8,506	100.0%	9,249	100.0%	9,954	100.0%

Table	11:	Units	in	Structure,	2000-2023
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Source: US Census Bureau; 2010 and 2023 American Community Survey Five-Year Estimates.

#### Bedrooms in Structure

The following table summarizes the typical number of bedrooms found in the Township's housing structures. It suggests that there has been a slight increase in the size of housing units over the past few decades. In 2000, approximately 32.4% of households reported having four or more bedrooms. By 2023, the ACS estimates that this percentage increased slightly to 33.1%.

Table 12: Bedroor	ms in Structure		
		2000	
Bedrooms	Number	Percent	Nu

		2000		2010		2023
Bedrooms	Number	Percent	Number	Percent	Number	Percent
Zero	0	0.0%	26	0.3%	137	1.5%
One	682	9.1%	716	8.4%	1,043	11.3%
Тwo	1,311	17.5%	1,434	16.9%	1,755	19.0%
Three	3,066	41.0%	3,494	41.1%	3,250	35.1%
Four	2,159	28.9%	2,442	28.7%	2,662	28.8%
Five or More	259	3.5%	394	4.6%	402	4.3%
Total	7,477	100.0%	8,506	100.0%	*9,249	100.0%

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

#### Housing Age

The following figure details the ages of the Township's housing stock. As shown, approximately one-quarter (20.7%) of the Township's housing stock has been built since 2000. Over one-half (57.0%) of the Township's housing stock was constructed prior to 1980, while over one-quarter (29.7%) was constructed prior to 1960. This is reflective of the older, established residential communities located throughout the Township.

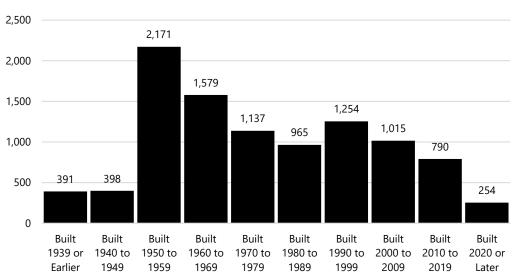


Table 13: Age of Housing Stock

Source: 2023 American Community Survey 5-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 14 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 15 further identifies housing units with complete plumbing and kitchen facilities. As shown, all occupied units in the Township were identified as having complete plumbing facilities, while nearly all occupied units were identifying as having complete kitchen facilities.

Occupants per Room	Owner-Occupied	Renter-Occupied
0.50 or Fewer	5,975	1,019
0.51 to 1.00	1,681	617
1.01 to 1.50	96	27
1.51 to 2.00	0	0
2.01 or More	0	0
Total	7,752	1,663

Table 14: Occupants Per Room (2023)

Source: 2023 American Community Survey Five-Year Estimates.

Table 15: Plumbing and Kitchen Facilities (2023)

	Units with Complete Facilities	Units without Complete Facilities
Plumbing	9,415	00
Kitchen	9,400	15

Source: 2023 American Community Survey Five-Year Estimates.

#### Purchase and Rental Values

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

As shown in Table 16, the overall median value of the Township's owner-occupied housing increased approximately 95.2% between 2000 and 2010, from \$206,200 to \$402,600. Since that time, however, values have increased at a significantly lower pace. Between 2010 and 2023, the median value of the Township's owner-occupied housing increased approximately 10.2% to \$443,700. This represents a slower percentage increase than those experienced by Morris County and the State of New Jersey. The Township's estimated 2023 median housing values are also less than those of the County and the State.

Conversely, Table 17 identifies that the Township's median gross monthly rents increased at a faster rate between 2010 and 2023 (54.4%) than between 2000 and 2010 (48.6%). Historically, the Township's median rental values have been higher than the County's and the State's. As of 2023, an estimated 83.9% of units had a monthly rent of \$1,500 or higher.

#### Table 16: Value of Owner-Occupied Units, 2000-2023

		2000		2010		2023
Value Range	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000	0	0.0%	19	0.2%	129	1.7%
\$50,000 to \$99,999	132	2.1%	98	1.3%	50	0.6%
\$100,000 to \$149,999	658	10.2%	28	0.4%	16	0.2%
\$150,000 to \$199,999	2,186	34.0%	108	1.4%	126	1.6%
\$200,000 to \$299,999	2,541	39.5%	956	12.3%	742	9.6%
\$300,000 to \$499,999	686	10.7%	4,391	56.8%	4,101	52.9%
\$500,000 to \$999,999	219	3.4%	1,925	24.9%	2,452	31.6%
\$1,000,000 or More	7	0.1%	213	2.7%	136	1.8%
Total	6,429	100.0%	7,738	100.0%	7,752	100.0%
Township Median Value		\$206,200		\$402,600		\$443,700
Morris County Median Value		\$257,400		\$490,400		\$577,700
New Jersey Median Value		\$170,800		\$357,000		\$461,000

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

#### Table 17: Contract Rents, 2000-2023

		2000		2010		2023
Value Range	Number	Percent	Number	Percent	Number	Percent
Less than \$200	20	1.8%	30	2.7%	11	0.7%
\$200 to \$299	45	4.0%	0	0.0%	22	1.4%
\$300 to \$499	54	4.8%	16	1.5%	12	0.8%
\$500 to \$749	150	13.4%	39	3.6%	43	2.8%
\$750 to \$999	577	51.4%	101	9.3%	3	0.2%
\$1,000 to \$1,499	207	18.4%	540	49.5%	157	10.2%
\$1,500 to \$1,999	70	6.2%	251	23.0%	380	24.6%
\$2,000 or more	0	0.0%	113	10.4%	914	59.3%
Total	1,123	100.0%	1,090	100.0%	1,542	100.0%
Township Median Rent		\$948		\$1,409		\$2,175
Morris County Median Rent		\$883		\$1,221		\$1,836
New Jersey Median Rent		\$751		\$1,092		\$1,498

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

#### 2.4: Housing and Employment Projections

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

#### Recent Residential Development Activity

One means 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 Borough has annually issued an average of 169.2 building permits and 3.6 demolition permits. This results in an average positive net of 165.5 permits annually. This is reflective of the recently completed and ongoing construction of the Township's multifamily developments.

Year	1 & 2 Family	Multifamily	Mixed Use	Total	Demos	Net
2013	8	0	0	8	10	-2
2014	5	123	0	128	0	128
2015	1	100	0	101	2	99
2016	13	199	0	212	0	212
2017	5	95	0	100	0	100
2018	21	318	0	339	3	336
2019	24	98	0	122	8	114
2020	7	157	0	164	2	162
2021	22	396	0	418	2	416
2022	9	96	0	105	4	101
2023	21	143	0	164	9	155
Total	136	1,725	0	1,861	40	1,821

Table 18: Certificates of Occupancy and Demolition Permits, 2013-2023

Source: Department of Community Affairs

#### Covered Employment

Figure 5 and Figure 6 provide data on the Township's covered employment trends between 2004 and 2022, 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 5 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. Between 2007 and 2010, the Township lost approximately forty-four (44) employment units, which represents a decrease of approximately 10.2%. This loss could likely be attributed to the Great Recession. Nevertheless, the Township recovered its losses by 2011 in which it gained seventy-six (76) employment units.

Since that time, however, the Township has continually lost employment units. The number of covered employment units is estimated to have decreased by one hundred and ninety-one (191) units, which represents a loss of approximately 41.1% As of 2023, the Department of Labor and Workforce Development estimates that the Township had two hundred and seventy-four (274) employment units.

Similarly, employment levels have typically decreased since 2012, albeit not at an equivalent pace. Between 2012 and 2020, the Township experienced a decrease in employment of approximately 27.3%. Since that time, however, employment levels have stabilized. As of 2023, the Department of Labor and Workforce Development estimates that the Township's reported covered employment was 9,436 individuals.

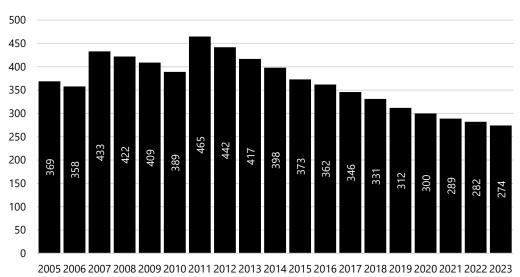
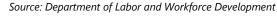
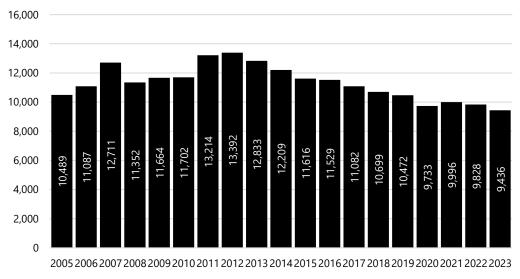


Figure 5: Covered Employment Units, 2003-2023







Source: Department of Labor and Workforce Development

# Section 3: Fair Share Obligation

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

#### 3.1: Summary of 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 was 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 as the entity responsible for calculating 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. Meanwhile, the AOC was tasked to establish the Affordable Housing Dispute Resolution Program (the "Program") which was responsible for handling any disputes regarding affordable housing numbers or plans.

On January 21, 2025, the Township adopted Resolution R-25-32 which established its affordable housing obligations for the Fourth Round. A copy of this resolution is located in Appendix A.

This resolution accepted the DCA's **Present Need Obligation calculation of twenty (20) units**. However, while the Township accepted the methodology utilized by the DCA its Prospective Need Obligation, it noted errors in the data utilized to calculate its land capacity factor. These errors included: undeveloped segments of otherwise developed properties that were identified as developable, the most notable of which being Picatinny Arsenal; and preserved open spaces or otherwise encumbered lots that are not available for development including common open space elements on condominiums and multifamily developments that are not available for additional development. Accounting for these errors adjusted the Township's land capacity factor from 2.24% to 0.29%. When averaged with the equalized nonresidential valuation factor and median household income factor, the Township determined that its Fourth Round Obligation should be adjusted from four hundred and thirty-five (435) affordable units to three hundred and one (301) affordable units. Resolution R-25-32 also noted that the Township reserves the right to conduct a vacant land adjustment (VLA) to determine its realistic development potential (RDP) at a later date. This is discussed in greater detail in the next subsection.

Subsequently, the Township received one objection regarding its calculated Prospective Need obligation from the Builder's Association. Following a settlement conference conducted by the Program, the Township was ultimately assigned a **Prospective Need Obligation of three hundred and one (301) affordable units**. A copy of this judgement can be found in Appendix B.

#### 3.2: Realistic Development Potential (RDP)

Due to the nature of its existing development pattern as well as its conformance with the Highlands RMP, limited public water and public sewer infrastructure, significant environmental constraints, federally owned lands, and extensive swaths of preserved open space, the Township has little capacity for future growth and is therefore entitled to adjust its obligation in accordance with a procedure set forth in the FHA and by the Highland Council. In regard to the former, NJSA 52:27D-310.1 permits municipalities perform a realistic development potential (RDP) analysis by seeking a vacant land adjustment (VLA).

A RDP analysis is intended to determine which sites in a municipality are most likely to develop for low- and moderate-income housing. Municipalities may present documentation that eliminates a site or part of a site from its inventory of vacant land. Such eliminating factors include: 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.

In addition to the above, 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 worked collaboratively with municipalities to apply 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. For those properties that could only be serviced by on-site septic systems, the dataset provided maximum residential unit septic densities. For a full explanation of the Highlands Build-Out process, see Appendix C.

On February 25, 2025, the Township completed its Highlands Build-Out. This analysis generated a **RDP of sixteen (16) affordable units**. The sites which contributed to the Township's RDP are identified in the table below. As shown, these properties have a combined developable acreage of 12.65 acres. Applying a presumptive density of six (6) units per acre and a set-aside of twenty percent (20) results in an RDP of sixteen (16) units per acre.

Block	Lot	Address	Combined Septic Density
22102	5.02	15 Green Pond Road	2.82
21201	46	Erie Avenue	9.83
Total			12.65

Table 19: Highlands Buildout Contributing Properties

# Section 4: Fair Share Plan

The following Fair Share Plan outlines the components and mechanisms the Township has utilized and will utilize to address its affordable housing obligations. These obligations are summarized as follows:

Table 20: Affordable Housing Obligation Summary

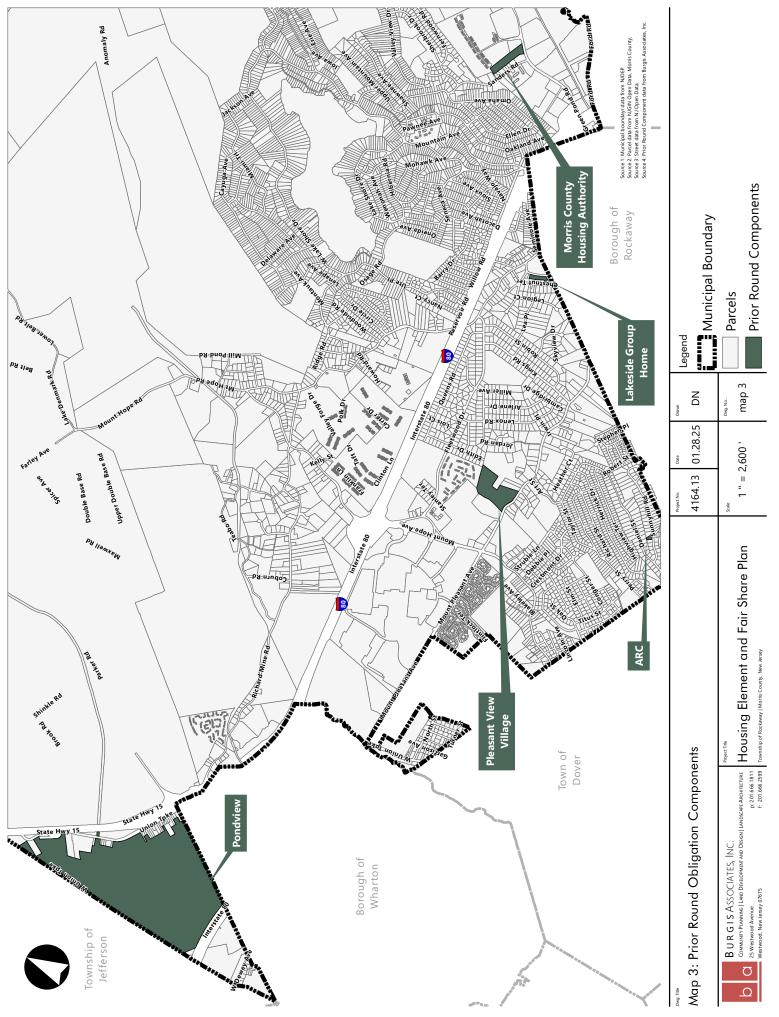
Category	Obligation
Prior Round Obligation (1987-1999)	370
Third Round Obligation (1999-2025)	567
Fourth Round Obligation (2025-2035)	301
Present Need (Rehabilitation) Obligation	20

## 4.1: Prior Round Obligation

The Township was assigned a Prior Round Obligation of three hundred and seventy (370) affordable units. The Township fully addressed this obligation through the components identified in Table 21 below. The location of these developments are also identified in Map 3.

Table 21: 1987-1999 Prior Round Obligation Components

Component	Status	Affordable Units	Bonus Units	Total Units
Green Pond Village	Completed	40	0	40
Pleasant View Village	Completed	75	0	75
ARC of Morris County	Completed	4	0	4
Lakeside Housing Group	Completed	4	0	4
Pondview Estates	Under Construction	100	92	192
RCA /East Orange	Completed			55
Total		223	90	370



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## 4.2: Third Round Obligation

Pursuant to a Settlement Agreement signed with FSHC, the Township was assigned a Third Round Prospective Need Obligation of five hundred and sixty-seven (567) affordable units. The Township was eligible for a for a VLA which resulted in a RDP of two hundred and eight-nine (289) affordable units. Furthermore, the Township was also eligible for a durational adjustment pursuant to NJAC 5:93-4.3 of one hundred and fiftyseven (157) of its two hundred and eighty-nine unit RDP. As per NJAC 5:93-4.3(b) and (d), durationally adjusted RDP may be addressed with inclusionary overlay zones.

The Township addressed its Third Round Prospective Need RDP through the components identified in Table 22. As shown, those components comprised a total of two hundred and seventy-six (276) affordable units as well as sixty-two (62) bonus credits, for a total of three hundred and thirty-eight (338) credits to address the Township's RDP. These credits reduced the Township's total Prospective Need Obligation to two hundred and twenty-nine (229) affordable units, which constituted its Unmet Need.

To partially address this unmet need, the Township adopted several overlay zones which are identified in Table 23. These overlay zones are capable of producing thirty-three (33) affordable units.

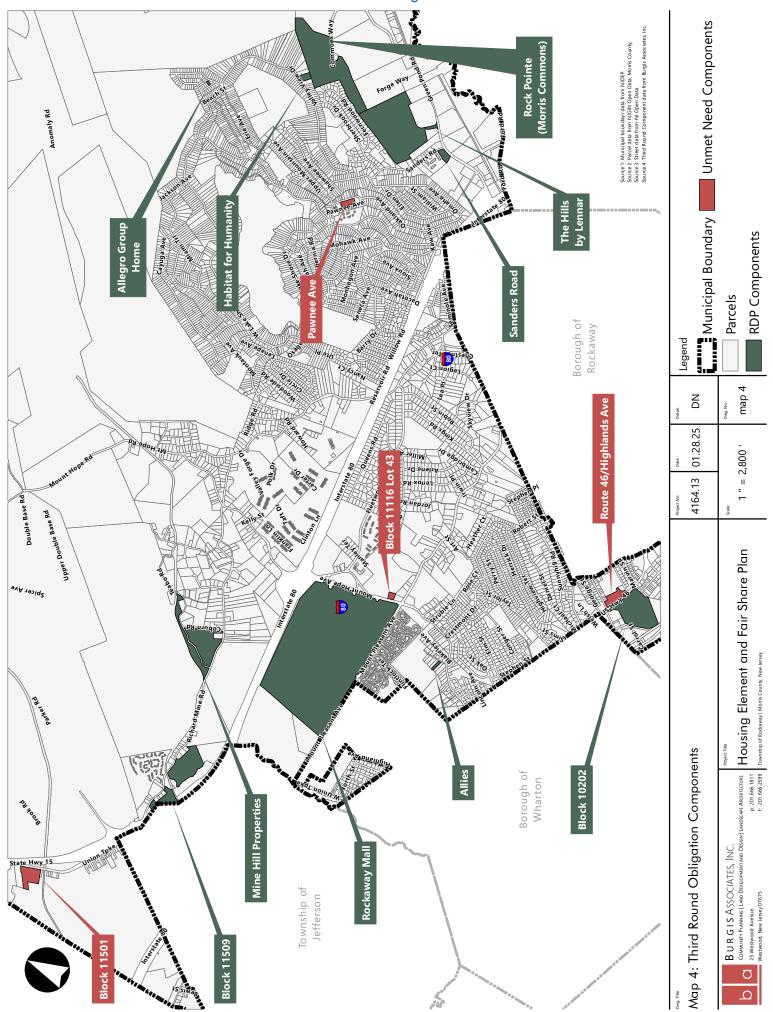
		Affordable	Bonus	Total
Component	Status	Units	Credits	Credits
Rocke Point*	Completed	52	52	104
The Hills by Lennar	Completed	30	0	30
Sanders Road	Completed	2	2	4
Mine Hill Properties	Approved	2	0	2
Allegro Group Home	Completed	4	4	8
Allies, Inc.	Completed	4	4	8
Habitat for Humanity	Under Construction	2	0	2
Overlay Sites				
Rockaway Mall	Zoning Complete	100	0	100
Block 10202	Zoning Complete	41	0	41
Block 11509	Zoning Complete	39	0	39
Total		276	62	338

Table 22: 1999-2025 Third Round Obligation Components

\* Formerly Morris Commons

Table 23: 1999-2025 Third Round Obligation Components: Unmet Need

Component	Status	Affordable Units	Bonus Units	Total Units
Block 11116	Zoning Complete	2	0	2
Block 11501	Zoning Complete	15	0	15
Pawnee Avenue	Zoning Complete	4	0	4
Route 46/Highlands Ave	Zoning Complete	12	0	12
20% Set-Aside Ord.	Zoning Complete		0	
Total		33	0	33



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The legislation requires that in addressing prior round RDP obligations, the municipality shall "demonstrate how any sites that were not built in the prior rounds continue to present a realistic opportunity, which may include proposing changes to the zoning on the site to make its development more likely, and which may also include the dedication of municipal affordable housing trust fund dollars or other monetary or in-kind resources."

Accordingly, the following unbuilt RDP components from the Third Round Obligation are discussed.



Rockaway Mall Site

Map 5: Rockaway Mall Component (scale: 1" = 1,250')

The Rockaway Mall Area is located in the southerly portion of the Township, to the south of Interstate Route 80. The site has a total area of approximately two hundred and twenty-two (222) acres and consists of Block 11001 Lots 1, 2, 3, 4, 5, 6.01, 6.02, 7, 8, 8.01, 9, 10, 11.01, 11.02, 11.03, and 11.04.

The Township adopted the R-B MFO Regional Business Multifamily Overlay District which encapsulates the site. See Appendix D for a copy of this ordinance. As noted therein, the purpose of this district is to encourage the development of a mixed-use environment consisting of residential, retail, office, and commercial uses designed as a distinctive walkable center with a sense of place. Accordingly, the district permits those uses permitted in the R-B District as well as multifamily uses located on an upper story. A maximum permitted density of 2.2 units per acre is permitted, provided that the district shall permit no more than five hundred (500) total units. An affordable housing set-aside of twenty percent (20%) is also established, which can produce one hundred (100) affordable units.

The long-term viability of malls and shopping centers has been a topic of concern within the planning industry for several years. Since 1956, approximately 1,500 enclosed malls have been constructed across the United States.<sup>1</sup> Of these, approximately 1,000 are still being actively utilized for their original purpose, while 500 have closed or changed to a different use.<sup>1</sup> A 2017 article by CNN Business estimated that "between 20% and 25% of American malls will close within five years," as per a report from Credit Suisse.<sup>2</sup> This has reportedly been driven by an overall oversaturation of retail malls within the market, as well as the increasing proliferation of online sales.

The COVID-19 pandemic further exacerbated the potential for future mall closures. As reported by Bloomberg, "as many as 25,000 US stores could close permanently this year after the coronavirus pandemic devasted an industry where many mall-based retailers were already struggling."<sup>3</sup> As further noted by that article and based upon a report from Coresight Research, "most of the closures are expected to occur in malls, with department stores and clothing shops predicated to be among the hardest hit."<sup>3</sup>

Post-pandemic, concerns regarding the viability of malls and shopping centers remain. According to a Business Insider article, analysts at UBS projected that 40,000 to 50,000 American retail stores would shut down by 2027, with traditional shopping malls "at particularly high risk because shoppers now prefer to make quick trips to close-by stores."<sup>4</sup> Nick Egelanian, president of retail consulting firm SiteWorks, predicts that there will be approximately 150 malls left in the US by 2032.<sup>4</sup>

Accordingly, there have been active planning efforts to re-think malls and other shopping centers in order to encourage a more vibrant, mixed-use environment with residential units incorporated. For example, in 2018 the Borough of Eatontown approved the Heights at Monmouth which is intended to redevelop the Monmouth Mall with seven hundred (700) new apartments, as well as "new shops, dining and entertainment and a 115,000 square foot medical facility."<sup>5</sup>

Furthermore, the former Echelon Mall in the Township of Vorhees is also slated for redevelopment. As reported by NJ.com, a plan was prepared to redevelop this site with "180 townhomes, 120 age-restricted senior apartments and 70 market-rate apartments."<sup>6</sup> The Vorhees Town Center Redevelopment Plan – Phase II was ultimately adopted by the Township on December 28, 2018.<sup>7</sup> Westfield Garden State Plaza in Paramus, which is the largest mall in New Jersey, has also developed a multi-year plan to redevelop into a mixed-use center consisting of "apartments, offices, public parks, additional shopping and dining and a transit center."<sup>8</sup>

<sup>&</sup>lt;sup>1</sup> The Congress for New Urbanism: <u>Malls to Mixed-Use Centers and Other Opportunities</u>

<sup>&</sup>lt;sup>2</sup> CNN Business: Malls are doomed: 25% will be gone in 5 years

<sup>&</sup>lt;sup>3</sup> Bloomberg: <u>As Many as 25,000 U.S. Stores May Close in 2020, Mostly in Malls</u>

<sup>&</sup>lt;sup>4</sup> Business Insider: <u>The decline of the American mall</u>

<sup>&</sup>lt;sup>5</sup> NJ.com: <u>These 8 N.J. malls are all upping their game. See the new plans.</u>

<sup>&</sup>lt;sup>6</sup> NJ.com: <u>Plan to resurrect dying mall features a 'beer court' and drive-in movies</u>

<sup>&</sup>lt;sup>7</sup> The Vorhees Town Center Redevelopment Plan – Phase II

<sup>&</sup>lt;sup>8</sup> NJ.com: Garden State Plaza, N.J's biggest mall, is getting a massive makeover

In addition to supplementing these areas with an additional consumer-base, incorporating residential units within malls and shopping centers is also consistent with Smart Growth principles. These principles include:

- 1. Promote mixed land uses
- 2. Take advantage of compact building design
- 3. Create a range of housing opportunities and choices
- 4. Create walkable neighborhoods
- 5. Foster distinctive, attractive communities with a strong sense of place
- 6. Preserve open space, farmland, natural beauty and critical environmental areas
- 7. Strengthen and direct development towards existing communities
- 8. Provide a variety of transportation choices
- 9. Make development decisions predictable, fair and cost effective
- 10. Encourage community and stakeholder collaboration in development decisions

The Rockaway Townsquare Mall features extensive areas of pavement and parking lots. These areas are appropriate for infill development efforts which could not only allow for additional commercial and residential development, but allow the main mall building to continue operating while under construction.

Therefore, while this component has not yet been constructed, the site continues to present a realistic opportunity for the production of affordable housing. Specifically, the site remains:

- 1. <u>Approvable</u>. The Township has already approved a mixed-use overlay district establishing a 20% set-aside.
- 2. <u>Available</u>. There are no known title issues which would prohibit the development of this site.
- 3. *Developable*. The site is located in a water and sewer service area.
- 4. <u>Suitable</u>. Adding a residential component to malls and shopping centers is consistent with greater planning trends and smart growth principles. The site is also located in close proximity to the Route 80 corridor and presently has access to public transportation.

#### Block 10202 Lots 27 and 28



Map 6: Block 10202 Lots 27 and 28 Component (scale: 1" = 900')

Block 10202 Lots 27 and 28 are located within the southern-most tip of the Township, along the southerly side of Route 46. The site has a combined area of approximately 21.26 acres. Lot 27 is presently developed with two large strip commercial buildings and associated parking areas, while Lot 28 is developed with a smaller strip commercial building and an associated parking area.

The Township adopted the B-2 MFO Highway Business Multifamily Residential Overlay District which encapsulates this site. See Appendix E for a copy of this ordinance. Similar to the R-B MFO District, the purpose of this district is to encourage the development of a mixed-use environment consisting of residential, retail, office, and commercial uses designed as a distinctive walkable center with a sense of place. Accordingly, the district permits commercial uses as well as multifamily uses located on an upper story. A density of 9.5 dwelling units per acre is permitted. An affordable housing set-aside of twenty percent (20%) is also established. This permits the development of two hundred and one (201) total units, including forty-one (41) affordable units.

While this component has not yet been constructed, the site continues to present a realistic opportunity for the production of affordable housing. Specifically, the site remains:

- 1. <u>*Approvable*</u>. The Township has already approved a mixed-use overlay district establishing a 20% set-aside.
- 2. <u>Available</u>. There are no known title issues which would prohibit the development of this site.
- 3. <u>Developable</u>. The site is located in a water and sewer service area
- 4. <u>Suitable</u>. Adding a residential component to malls and shopping centers is consistent with greater planning trends and smart growth principles. The site is also located in close proximity to the US Route 46 corridor

#### Block 11509 Lots 2, 11, and 12



Map 7: Block 11509 Lots 2, 11, and 12 Component (scale: 1" = 900')

Block 11501 Lots 2, 11, and 12 are located in the southwesterly portion of the Township, near the intersection of Route 15 and Richard Mine Road. The lots are presently developed with industrial buildings and associated parking and loading areas.

The Township adopted the RMFO-10 Multifamily Residential Overlay District which encapsulates the site. See Appendix F for a copy of this ordinance. As noted therein, the purpose of this district is to encourage the production of very-low, low-, and moderateincome housing by permitting inclusionary multifamily residential uses. A density of 10 units per acre is permitted. An affordable housing set-aside of twenty percent (20%) is also established. This permits the development of one hundred and ninety-two (192) total units, including thirty-nine (39) affordable units.

While this component has not yet been constructed, the site continues to present a realistic opportunity for the production of affordable housing. Specifically, the site remains:

- 1. <u>*Approvable*</u>. The Township has already approved a residential overlay district establishing a 20% set-aside.
- 2. <u>Available</u>. There are no known title issues which would prohibit the development of this site.
- 3. <u>Developable</u>. The site is located in a water and sewer service area
- 4. <u>Suitable</u>. The site is located within close proximity to Mountain View Manor, which is another multifamily development. It is also located in close proximity to the NJ Route 15 corridor, which in turn has close access to the Rockaway Townsquare Mall.

## 4.3: Fourth Round Obligation

Pursuant to a judgment offered through the Resolution Dispute Program, the Township was assigned a Fourth Round Obligation of **301 affordable units**.

As detailed in Section 3.2 of this HE&FSP, the Township utilized the Highlands Build-Out tool to conduct a vacant land adjustment (VLA) which determined its realistic development potential (RDP) to be **sixteen (16) affordable units**.

The Township shall address this obligation by creating a new RMF-10 Multifamily Residential District which will encapsulate Block 22102 Lots 1 and 5.02. The district shall be designed to encourage the production of very -low, low-, and moderate-income housing units in conformance with the latest procedural and substantive rules for affordable housing, as determined by the courts or other applicable authority, by permitting an inclusionary multifamily development at a density of ten (10) dwelling units per acre. This would permit the development of seventy-three (73) total residential units, including sixteen (16) affordable units.

This site represents an appropriate location for affordable housing and meets the Four-Prong Test as follows:

1. <u>Approvable Site</u>

The Township has already prepared a draft zoning ordinance to rezone the site. This ordinance creates a new zoning district which would permit an inclusionary housing development. The Township will adopt the ordinance after the HE&FSP is adopted. A copy of this ordinance can be found in Appendix G.

2. Available Site

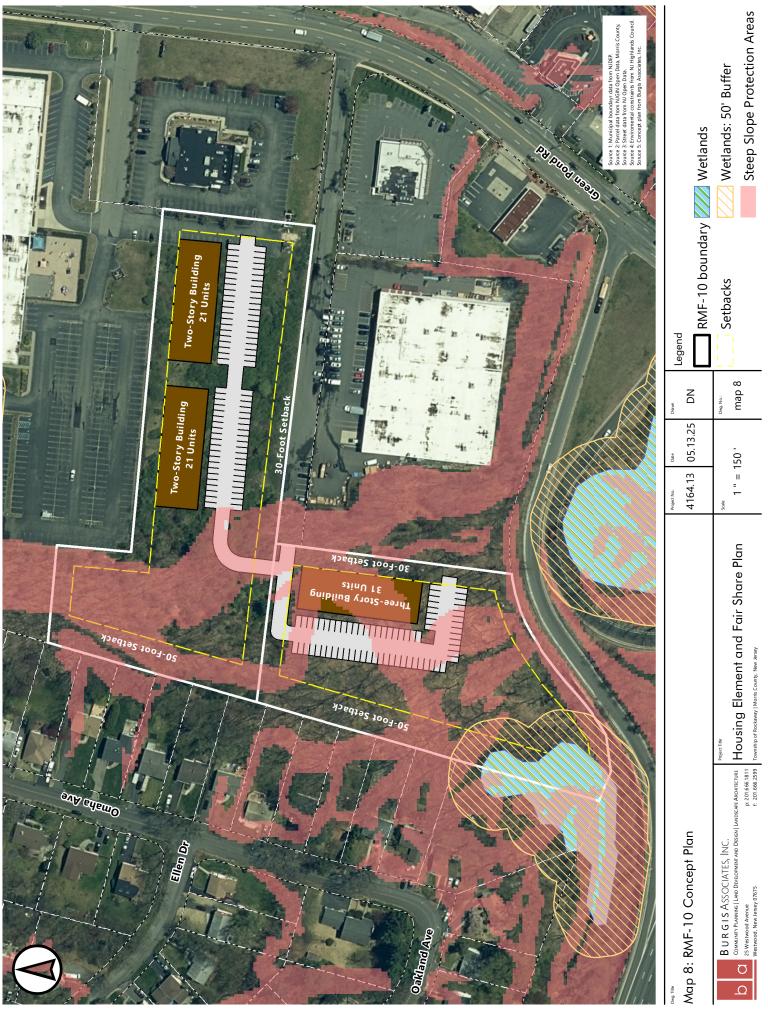
The Township is unaware of any title or easement issues on the site.

3. <u>Developable Site</u>

The site is located within the Highlands Planning Area. Furthermore, Block 22102 Lot 5.02 is located in the Existing Community Zone while Block 22102 Lot 1 is located in the Existing Community – Environmentally Constrained Subzone. Moreover, both properties have access to water and sewer utilities.

4. <u>Suitable Site</u>

The site is located in close proximity to other multifamily developments as well as commercial uses along the Green Pond Road corridor. It also has immediate access to Route 80 which provides immediate access to the surrounding region.



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## 4.4: Present Need Obligation

The Township has a Present Need Obligation of twenty (20) affordable units.

The purpose of a rehabilitation program is to rehabilitate substandard housing units occupied by very-low, low-, and moderate-income households. A substandard housing unit is defined as a unit with health and safety code violations that require the repair or replacement of a major system. A major system includes weatherization, a roof, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), and/or a load bearing structural system. 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 (with the exception of stoves), or improvements that are strictly cosmetic. A rehabilitated unit is considered complete at the date of final inspection.

To address its rehabilitation obligation, the Township will continue its participation in the Morris County Rehabilitation Program. If it becomes necessary to supplement the Morris County program, the Township will establish a housing rehabilitation program in order to make funds available for the rehabilitation of rental units. This determination is to be made by the Township's Special Adjudicator.

### 4.5: 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.
- <u>Very-Low Income and Low-Income Units</u>. At least fifty percent (50%) of the units addressing the Fourth Round Prospective Need shall be affordable to very-low income and low-income households with the remainder affordable to moderateincome 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. <u>Rental Component</u>. 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 Fourth Round RDP and unmet need in total must be available to families.
- 5. <u>Age-Restricted Cap</u>. The Township shall comply with the age-restricted cap of thirty percent (30%) and will 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. <u>Development Fees</u>. 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. See Appendix H for a copy of the Township's development fee ordinance.
- 7. <u>Spending Plan</u>. As noted in the Spending Plan attached in Appendix I, the Township shall reserve monies for emergent opportunities. An emergent opportunity is defined as "a circumstance that has arisen whereby affordable housing will be able to produced through a delivery mechanism not originally contemplated by or included in a fair share plan that has been the subject of compliance certification."
- 8. <u>Mandatory Set-Aside Ordinance</u>. The Township adopted a mandatory set-aside ordinance for all new multifamily residential developments of five (5) or more units that become permissible through either a use variance, a density variance increasing the permissible density at the site, a rezoning permitting multi-family residential housing where not previously permitted, or a new redevelopment plan. This ordinance requires a twenty percent (20%) set-aside regardless of tenure status. A copy of the ordinance can be found in Appendix J.

## 4.6: Consistency with State Planning Initiatives

As noted in Section 1, a 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;
- 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.

#### 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 per the SDRP's Policy Map, the Township is split between the Highlands Planning Area and the Highlands Preservation Area. All of the components to address the Township's Prior Round, Third Round, and Fourth Round affordable housing obligations are located in the Highlands Planning Area which is described in more detail in the following subsection. This HE&FSP conforms to the overarching goals of the SDRP.

#### Highlands Regional Master Plan

The Highlands Regional Master Plan (RMP) broadly separates the Highlands Region into two general areas: the Preservation Area and the Planning Area. Within the Planning Area, the Highlands RMP supports appropriate patterns of compatible residential, commercial, and industrial development, redevelopment, and economic growth in or near areas already utilized for such purposes.

Instead of piecemeal, scattered, or inappropriate development, the Planning Area envisions local and regional growth and economic development to be conducted in an orderly way which protects the Highlands environment from individual and cumulative adverse impacts. The Planning Area also promotes the continuation and expansion of agricultural, horticultural, recreational and cultural uses and opportunities as well as a sound, balanced transportation system.

As previously noted, all of the Township's components addressing its Prior Round, Third Round, and Fourth Round affordable housing obligations are located in the Highlands Planning Area. Thus, this HE&FSP is consistent with the overall intent of the Highlands RMP.

#### 4.7: Denied Request

As noted in Section 1, a HE&FSP must take into consideration properties that are most appropriate for the production of low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to provide low- and moderate-income housing.

The Township received one letter of interest from Makor, Inc. (Garden Homes) which owns property identified by municipal tax records as Block 11116 Lot 42. The subject site is located in the south-central portion of the Township, to the immediate east of the Rockaway Townsquare Mall. Pursuant to municipal tax records, the site has an area of approximately 34.35 acres. In its letter, Makor, Inc. expressed interest in developing the site with an inclusionary development with an affordable housing set-aside of twenty percent (20%).

Township professionals and Makor, Inc. held a preliminary meeting to discuss the potential inclusion of the site as a component in Rockaway's HE&FSP. At that meeting, it was determined that a discussion with the Highlands Council was warranted due to the environmental and regulatory constraints of the site. While it is located in the Highlands Planning Area, the site contains bands of steep slope protection areas, wetlands, and riparian areas. Thus, it was recommended by the Township that a discussion be held with the Highlands Council to determine what impact these constraints could have on a potential inclusionary multifamily development.

However, the Township and Makor, Inc. were unable to coordinate a time to schedule such a meeting with the Highlands Council prior to the June 30<sup>th</sup> deadline established by the adopted legislation to determine the feasibility of this project. Therefore, it has not been included in the Township's HE&FSP.

Appendices

Appendix A: January Resolution

#### TOWNSHIP OF ROCKAWAY COUNTY OF MORRIS, STATE OF NEW JERSEY RESOLUTION # R-25-32

## RESOLUTION OF THE TOWNSHIP OF ROCKAWAY, COUNTY OF MORRIS, STATE OF NEW JERSEY COMMITTING TO ROUND 4 PRESENT AND PROSPECTIVE NEED AFFORDABLE HOUSING OBLIGATIONS

WHEREAS, the Township of Rockaway, County of Morris, State of New Jersey, (hereinafter, "Rockaway") has a demonstrated history of voluntary compliance with its constitutional affordable housing obligations; and

WHEREAS, on March 20, 2024, Governor Phil Murphy signed into law P.L. 2024, c.2, an Amendment to the 1985 Fair Housing Act (hereinafter "Amended FHA" or "Act"); and

WHEREAS, the Amended FHA requires the Department of Community Affairs ("DCA") to provide an estimate of the fair share affordable housing obligations of all municipalities on or before October 20, 2024 based upon the criteria on the Amended FHA; and

WHEREAS, the DCA issued a report on October 18, 2024 ("DCA Report") wherein it reported its estimate of the fair share affordable housing obligation for all municipalities based upon its interpretation of the standards in the Act; and

WHEREAS, the DCA Report calculates Rockaway's Round 4 (2025-2035) fair share affordable housing obligations as follows: a Present Need (Rehabilitation) Obligation of 20 and a Prospective Need (New Construction) Obligation of 435; and

**WHEREAS**, the Amended FHA provides that the DCA Report is non-binding, thereby inviting municipalities to demonstrate that the Amended FHA would support revised calculations of Round 4 fair share affordable housing obligations; and

WHEREAS, the Amended FHA gives municipalities the opportunity to propose a different fair share affordable housing obligation from those reported by the DCA on October 18, 2024 based upon the standards in Sections 6 and 7 of the Act; and

WHEREAS, the Amended FHA further provides that "[a]ll parties shall be entitled to rely upon regulations on municipal credits, adjustments, and compliance mechanisms adopted by the Council on Affordable Housing ("COAH") unless those regulations are contradicted by statute, including the Act, or binding court decisions" (N.J.S.A 52:27D-311 (m)); and

WHEREAS, COAH regulations empower municipalities to secure vacant land adjustments, durational adjustments and other adjustments; and

WHEREAS, Rockaway has accepted the Present Need (Rehabilitation) Obligation of 20 as reported by the DCA in its October 18, 2024 Report, subject to the right to undertake a Structural Conditions Survey (hereinafter, "Windshield Survey") as part of the adoption of the Housing Element and Fair Share Plan (hereinafter "HEFSP"); and

WHEREAS, Rockaway has exercised its right to demonstrate that the data, when correctly applied, supports a lower Round 4 Prospective Need obligation than that reported by the DCA on October 18, 2024; and

WHEREAS, more specifically, Rockaway maintains that its Round 4 prospective need number is301 based upon its examination of the data used to calculate each of the three (3) allocation factors; and

WHEREAS, as to the Equalized Nonresidential Allocation Factor, Rockaway has examined the data the DCA used to establish this factor and concluded that DCA has accurately calculated this Factor; and

WHEREAS, as to the Income Capacity Allocation Factor, Rockaway has examined the data the DCA used to establish this factor and concluded that DCA has accurately calculated this Factor; and

WHEREAS, as to the Land Capacity Allocation Factor, Rockaway notes that the DCA belatedly provided the data it used to establish this factor, i.e., on or about November 27, 2024 instead of by October 20, 2024; and

**WHEREAS**, Rockaway further notes that the link to the DCA GIS data that the DCA belatedly made available to municipalities includes the following language:

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

WHEREAS, Rockaway maintains that the areas the DCA identified as developable are indeed overinclusive and, consequently, its Professional Planner has prepared a report, attached hereto as Exhibit A,, showing the lands that Rockaway contends should be removed from the inventory of sites used to fashion the Land Capacity Allocation Factor; and

WHEREAS, it is therefore important that Rockaway not commit to an incorrect obligation; and

WHEREAS, correcting the allocation factors results in Rockaway's Round 4 Prospective Need Obligation being 301rather than the obligation established by DCA; and

**WHEREAS**, the Amended FHA provides that: "the municipality's determination of its fair share obligation shall have a presumption of validity, if established in accordance with sections 6 and 7" of the Act; and

**WHEREAS**, Rockaway's calculation of need is entitled to a "presumption of validity" because it complies with Sections 6 and 7 of the Act; and

WHEREAS, in addition to setting forth its Round 4 fair share affordable housing obligations for the reasons summarized above, substantial activity has occurred and is ongoing that warrants the reservation of certain rights to avoid any claim that it has waived them; and

WHEREAS, for example, the New Jersey Institute of Local Government Attorneys (NJILGA) has expressed its support for proposed legislation (hereinafter "NJILGA Legislation") would reduce Rockaway's Round 4 Prospective Need to 75 and would give Rockaway "90 days from receipt of revised fair share obligations from the [DCA] to provide amended HEFSP addressing the new number); and

WHEREAS, Rockaway supports the NJILGA Legislation and would have the right to reduce its Round 4 obligation in the event that the Legislature enacts the NJILGA Legislation; and

WHEREAS, similarly, a number of municipalities, led by the Borough of Montvale, have filed suit (MER-L-1778-24) (hereinafter "Montvale Litigation") challenging the validity of the Act and other aspects deriving from the Act, including, without limitation, Directive 14-24, issued by the Acting Director of the Administrative Office of the Courts (hereinafter, respectively, "Director" and "AOC"), as further referenced below; and

**WHEREAS,** the process established by the Amended FHA creates an opportunity to object by interested parties opposing the obligations to which a municipality commits, thereby creating the potential for litigation over the obligations of the municipality; and

WHEREAS the court approved a vacant land adjustment (hereinafter, "VLA") and a realistic development potential (hereinafter, "RDP") for Rockaway in Round 3; and

WHEREAS, because there has been no material change in vacant land in Rockaway since the approval of its VLA and RDP, and because Rockaway provided a realistic opportunity for the satisfaction of its RDP approved by the Court in Round 3, Rockaway is entitled to a VLA in Round 4 and a minimal RDP in Round 4 that will be fully addressed and included in the HEFSP it submits by the June 30, 2025 deadline; and

**WHEREAS**, the Amended FHA requires municipalities to adopt a binding resolution no later than January 31, 2025 as to its obligations; and

WHEREAS, in light of the above, Rockaway finds that it is in its best interest to declare its obligations in accordance with this binding resolution in accordance with the Act; and

WHEREAS, in addition to the above, the Director issued Directive #14-24, dated December 13, 2024, and made the Directive available later in the week that followed; and

WHEREAS, pursuant to Directive #14-24, a municipality seeking compliance certification with the Act shall file an action in the form of a declaratory judgment complaint within 48 hours after adoption of the municipal resolution of fair share obligations, or by February 3, 2025, whichever is sooner; and

WHEREAS, Rockaway seeks a compliance certification with the Act and, therefore, directs its Affordable Housing Counsel to file a declaratory relief action within 48 hours of the adoption of this resolution.

**NOW, THEREFORE, BE IT RESOLVED** on this 21st day of January, 2025 by the Governing Body of the Township of Rockaway, County of Morris, State of New Jersey, as follows:

1. The preamble of this resolution is incorporated into the operative clauses of this resolution as if set forth in full.

2. For the reasons set forth in this resolution and its attachments, Rockaway commits to a Round 4 Present Need (Rehabilitation) Obligation of 20 (, subject to the right to undertake a Windshield Survey as part of the adoption of the HEFSP), and a Round 4 Prospective Need (New Construction) obligation of \_301, as set forth in the Exhibit to this Resolution, subject to all reservations of all rights, which specifically include, without limitation, the following:

a) The right to a vacant land adjustment, durational adjustments, and all other applicable adjustments permitted in accordance with the Act and COAH regulations;

b) The right to comply with the NJILGA Legislation if enacted, including the right to adjust its fair share obligations;

c) The right to adjust its fair share obligation in the event of any future legislation that adjusts the fair share obligations that the DCA reported on October 18, 2024;

d) The right to adjust its fair share obligations based upon any ruling in the Montvale Litigation or other litigation;

e) The right to adjust its fair share obligations in the event of a third party challenge to the fair share obligations and Rockaway's response thereto; and

f) The right to undertake a Windshield Survey as part of the adoption of the HEFSP.

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3. Rockaway hereby directs its Affordable Housing Counsel to file a declaratory judgment complaint in the appropriate venue within 48 hours after adoption of this resolution attaching this resolution.

4. Rockaway hereby authorizes its Affordable Housing Counsel to file this resolution with the Program or any other such entity as may be determined to be appropriate.

5. This resolution shall take effect immediately, according to law.

#### **CERTIFICATION**

I, Adele Wadleigh, Acting Municipal Clerk for the Township of Rockaway, County of Morris, State of New Jersey, hereby certifies the foregoing to be a true copy of a Resolution adopted by the Governing Body of the Township of Rockaway on January 21, 2025.

Adele Wadleigh, Acting Municipal Clerk

Approved:

(

Howard Morrison, Council President

Appendix B: Program Decision Determining Fourth Round Obligation

#### **PREPARED BY THE COURT:**

IN THE MATTER OF THE DECLARATORY JUDGMENT ACTION OF THE TOWNSHIP OF ROCKAWAY, MORRIS COUNTY PURSUANT TO P.L. 2024, CHAPTER 2 (<u>N.J.S.A.</u> 52:27D-304.1, et seq.),

Petitioner.

SUPERIOR COURT OF NEW JERSEY LAW DIVISION – CIVIL PART MORRIS COUNTY DOCKET NO. MRS-L-000176-25 MAY 1 3 2025

Janine M. Allen, J.S.C.

Mt. Laurel Program

**Civil Action** 

DECISION AND ORDER FIXING MUNICIPAL OBLIGATIONS FOR "PRESENT NEED" AND "PROSPECTIVE NEED" FOR THE FOURTH ROUND HOUSING CYCLE

THIS MATTER, having come before the Court on referral from and recommendation issued by the Affordable Housing Dispute Resolution Program ("<u>Program</u>"), pursuant to the Complaint for Declaratory Judgment filed on January 22, 2025 ("<u>DJ Complaint</u>") by the Petitioner, **TOWNSHIP OF ROCKAWAY** ("<u>Petitioner</u>" or "<u>Municipality</u>"), pursuant to <u>N.J.S.A.</u> 52:27D-304.2, -304.3, and -304.1(f)(1)(c) of the New Jersey Fair Housing Act, <u>N.J.S.A.</u> 52:27D-301, *et seq.* (collectively, the "<u>FHA</u>"), and in accordance with Section II.A of Administrative Directive #14-24 ("<u>Directive #14-24</u>") of the "Program", seeking a certification of compliance with the FHA;

AND IT APPEARING that, the Municipality timely adopted Resolution #R-25-32 on January 21, 2025, agreeing to DCA's calculation of 20 affordable housing units of "present need" but seeking a downward deviation from "prospective need" calculations allocated to it by the New Jersey Department of Community Affairs ("DCA") in its report dated October 18, 2024 entitled *Affordable Housing Obligations for 2025-2035 (Fourth Round)* (the "DCA's Fourth Round Report") – specifically, a "prospective need" obligation of 435 affordable housing units, which calculations have been deemed "presumptively valid" - and based on the Municipality planners'

recommendation for 301 units for a "prospective need" affordable housing obligation for the Fourth Round housing cycle based on their planner's report asserting that DCA had included many acres of property in its land capacity analysis that should have been excluded from consideration;

AND IT APPEARING that, a challenge to the Municipality's calculations ("<u>Challenge</u>") was timely and properly filed by the New Jersey Builders Association ("<u>NJBA</u>" or "<u>Challenger</u>"), by and through its counsel, wherein the Challenger disputed the Municipality's proposed obligation for prospective need and supported DCA's prospective need obligations, with the Municipality's position and the NJBA Challenge supported by their own expert reports;

AND IT APPEARING that, pursuant to the Program, the Administrative Office of the Courts ("<u>AOC</u>") appointed and assigned the case to Program Member, the Hon. Stephan C. Hansbury, J.S.C. (Ret.) ("<u>Program Member</u>") to manage the proceedings, host settlement conferences, and make recommendations to the Court in accordance with the FHA and the AOC's Directive #14-24 ("<u>Directive #14-24</u>"), and that the Program Member appointed James Kyle, PP, an independent affordable housing expert, as special adjudicator ("<u>Special Adjudicator</u>") in this case to work with closely with the Program Member, make recommendations to, and assist the Program;

AND IT APPEARING that, on March 26, 2025 a settlement conference was conducted followed by a session on that same date, on notice to all parties with the participation of local officials, attorneys for the Municipality and NJBA, and the Special Adjudicator, with the session following the settlement conference when efforts at resolution through mediation failed;

AND IT APPEARING that, the Program Member heard argument at the session of March 26, 2025 from counsel for the Municipality and for the NJBA in support of their respective positions, and determined to reserve decision to allow for further consideration;

AND IT APPEARING that, after reviewing the arguments of all parties, the Program Member issued his Recommendation on April 3, 2025, wherein he found that the NJBA's challenge fails to state with particularity how the Municipal calculation fails to comply with Sections 6 and 7 of N.J.S.A. 52:27D-301, et al. and further failed to include the Challenger's own calculation of fair share obligations in compliance with Sections 6 and 7 of N.J.S.A. 52:27D-301, et al. and, consequently, recommended to the Court that the Municipality's calculation be endorsed and effectuated, thereby establishing the prospective need for Rockaway at 301 units, and for the reasons set forth in the Program's Member's statement of Reasons accompanying the Recommendation;

AND THE COURT, having received the Program Member's Recommendation dated April 3, 2025, the findings, terms and recommendations of which are incorporated by reference as though more fully set forth herein (the "Report");

AND THE COURT, having reviewed and considered the Program Member's Recommendations, having been satisfied with the recommendation to fix the present need obligation of the Municipality for 20 affordable units for the Fourth Round housing cycle, and to accept a modification such that the prospective need obligation be fixed at 301 affordable units for the Fourth Round cycle in the place and stead of the DCA's calculated number of 435 units, without revoking immunity, and that an Order fixing those obligations at those numbers will be fair and equitable as well as in the best interests of the protected class of low- and moderate-income households in the Municipality, and for good and sufficient cause having otherwise been shown:

IT IS, THEREFORE, on and effective as of the 13<sup>th</sup> of May 2025 ADJUDGED AND ORDERED, that the Program Member's Report and Recommendations, be, and the same

hereby ACCEPTED and ADOPTED in their entirety; and to that end, more specifically, it is further

**ORDERED**, as follows:

That the "present need" obligation of the Municipality, be, and hereby is fixed as
twenty (20) affordable units for the Fourth Round housing cycle.

2. That the "prospective need" obligation of the Municipality, be, and hereby is fixed as **three hundred one (301)** affordable units for the Fourth Round housing cycle.

3. That the Petitioner is hereby authorized to proceed to the compliance phase with preparation and adoption of its proposed Housing Element and Fair Share Plan for the Fourth Round, incorporating therein the "present need" and "prospective need" allocations aforesaid (and which plan shall include the elements set forth in the "Addendum" attached to Directive #14-24), by or before June 30, 2025, as provided for and in accordance with Section III.A of Directive #14-24, with immunity, and without further delay; and

4. That any and all "challenges" to the Petitioner's Housing Element and Fair Share Plan as adopted by Paragraph 3 above must be filed by August 31, 2025, by way of Answer/Objection filed in the eCourts case jacket for this matter, and as provided for and in accordance with Section III.B of AOC Directive #14-24. IT IS FURTHER ORDERED, that a copy of this Order shall be deemed served on the Petitioner, Petitioner's counsel, and Challenger NJBA's counsel upon its posting by the Court to the eCourts case jacket for this matter pursuant to <u>R.</u> 1:5-1(a) and <u>R.</u> 1:32-2A.

SO ORDERED: HON. JANINE M. ALLEN, J.S.C.

Designated Mt. Laurel Judge – Morris/Sussex Vicinage

(X) Challenged.

Pursuant to <u>R.</u> 1:7-4(a), the Court's Statement of Reasons is attached hereto and made a part hereof.

#### STATEMENT OF REASONS

[R. 1:7-4(a)]

Having reviewed and considered the Program Recommendation prepared by the Affordable Housing Dispute Resolution Program in this matter and for the reasons that follow, the Court hereby adopts the Program Member's recommendation in full and thus fixes the "present need" obligation of 20 units and a "prospective need" obligation of 301 units for the Petitioner, for the Fourth Round housing cycle.

#### I. Discussion and Analysis.

The Fair Housing Act, <u>N.J.S.A.</u> 52:27D-302 to 313.3 (the "Act"), mandates municipalities to determine their fair share of affordable housing obligations. The Act's Fourth Round covers the period from 2025 to 2035, with specific calculations conducted and completed by the New Jersey Department of Community Affairs (DCA) in accordance with the Act Specifically, in October 2024, DCA published its Affordable Housing Obligations for the 2025-2035 (Fourth Round) Methodology and Background Report (DCA Report), which assigned numerical obligations to all non-exempt municipalities. Municipalities were then required to file binding resolutions establishing their fair share obligations by January 31, 2025, and could challenge these calculations by providing alternative ones in compliance with the Act. The Affordable Housing Dispute Resolution Program, established by the Legislature, provides a mechanism for resolving such disputes.

The case at hand involves the determination of affordable housing obligations for the Municipality as part of the Fourth Round process established by the Legislature. More specifically at issue is Rockaway's "prospective need" obligation for the Fourth Round. "Prospective Need"

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represents the projection of housing needs for low and moderate-income households based on expected development and growth over the next decade. The Municipality contested DCA's calculation of 435 affordable units, proposing a reduced number of 301 units, citing alleged lack of land capacity as the principal basis for its downward deviation and calculation, and which had the effect of reducing the Municipality's projected prospective need by 134 units.

Program Member Judge Hansbury found that the NJBA's challenge lacked particular calculations as to why Rockaway's proposed recalculation was inadequate. In so doing, Program Member Judge Hansbury relied on the language in the Act which states at <u>N.J.S.A.</u> 52:27D-304.2 and 304.3 "any challenge must create with particularity how the municipal calculation fails to comply with section 6 and 7 of its provisions." He further found that the challenge must also include the challenger's own calculations of the Fair Share obligation in compliance with <u>N.J.S.A.</u> 52:27D-304.2 and 304.3. Here, NJBA filed a generic challenge to Rockaway's calculations without particularity and therefore Program Member Judge Hansbury recommends that the challenge be summarily dismissed.

The Court agrees.

Having reviewed the record, expert analyses presented, and arguments of counsel for the Petitioner and Challenger, the Court endorses Judge Hansbury's recommendation.

#### II. Conclusion & Decision.

For the foregoing reasons, the Court concurs in the Program Member's findings, and will implement the Program Member's recommendation to dismiss the NJBA's challenge.

Accordingly, the Court hereby adopts the Recommendations of the Program Member and will enter an Order fixing a "present need" obligation of 20 affordable units, and a modified

"prospective need" obligation of 301 affordable units for the Petitioner, Township of Rockaway, for the Fourth Round housing cycle.

The Petitioner will be authorized to proceed to the compliance phase with preparation and adoption of its proposed Housing Element and Fair Share Plan for the Fourth Round, incorporating therein the "present need" and "prospective need" allocations aforesaid (and which plan shall include the elements set forth in the "Addendum" attached to Directive #14-24), by or before June 30, 2025, as provided for and in accordance with Section III.A of Directive #14-24, with immunity, and without further delay.

An appropriate form of Order implementing the Court's decision above accompanies this Statement of Reasons.

#### SO ORDERED.

Appendix C: Highlands Build-Out Instructions

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## Highlands Municipal Build-Out Update

Prepared by the Highlands Water Protection and Planning Council in support of the Highlands Regional Master Plan November 1, 2024

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