

Master Plan Amendment Housing Plan Element and Fair Share Plan Round 4

**Borough of Fanwood
Union County, New Jersey**

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Prepared for:
Borough of Fanwood Planning Board

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Adopted on June 25, 2025 by the Borough of Fanwood Planning Board.
Endorsed on _____ by the Fanwood Borough Council.

The original of this document has been signed and sealed in accordance with Law.

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Housing Element

The Borough of Fanwood, Union County, has prepared this Housing Element and Fair Share Plan as an amendment to the municipal master plan in accordance with the New Jersey Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the New Jersey Fair Housing Act 2 (N.J.S.A. 52:27D-301 et seq.).

The Municipal Land Use Law requires that a municipal master plan include a housing element to enable the municipality to exercise the power to zone and regulate land use. The housing element is adopted by the municipal planning board and endorsed by the municipal governing body, and is drawn to achieve the goal of meeting the municipal obligation to provide for a fair share of the regional need for affordable housing.

This Housing Element and Fair Share Plan amends the Borough's master plan to address affordable housing planning requirements for the period known as Round 4, which includes the decade between July 2025 and July 2035. It addresses the Borough's cumulative fair share obligation for the period from 1987 through 2035. The Borough last adopted a Round 3 Housing Element on November 30, 2016. This plan will replace the 2016 Round 3 plan.

Affordable Housing in New Jersey

The Mt. Laurel II doctrine requires that all municipalities provide a realistic opportunity for their fair share of low- and moderate-income housing. The Fanwood Fair Share Plan is the Borough's proposal for satisfying its share of the regional affordable housing needs under applicable affordable housing regulations.

This Plan provides the Borough's fair share obligation and details its strategies for addressing its present, prior, and prospective housing needs. The New Jersey Fair Housing Act established the New Jersey Council on Affordable Housing (COAH). COAH was responsible for developing rules and regulations on affordable housing, as well as approving municipalities' submitted affordable housing plans. The COAH approval process was known as Substantive Certification.

COAH adopted its first set of rules, known as "Round 1," for the period from 1987 through 1993. COAH "Round 2" covered the period from 1993 to 1999. These rounds are now combined and collectively referred to as the "Prior Round," which covers the period from 1987 to 1999.

COAH adopted its first Round 3 rules in 2005. The Round 3 rules included a new methodology for calculating affordable housing, known as Growth Share. These rules were challenged, and the Appellate Division invalidated the Round 3 rules in 2007.

COAH then adopted its second set of Round 3 rules in 2008; these rules also used the Growth Share methodology and were found invalid by the Appellate Division in 2010. COAH was directed to prepare new rules that used the Prior Round methodologies of establishing the statewide and regional affordable housing obligation and assigning municipalities their fair share of the regional affordable housing obligations.

COAH prepared new rules in 2014, but failed to adopt them. In response, a motion was filed with the New Jersey Supreme Court to enforce litigant's rights in response to COAH's lack of action. On March 10, 2015 the Supreme Court issued its decision to enforce litigant's rights and established a procedure for municipalities to transition their COAH applications to the Courts.

The Supreme Court established a new procedure that requires participating towns, such as Fanwood, to submit a Declaratory Judgment action. The Borough of Fanwood filed its action of Declaratory Judgment with the Court on or about July 6, 2015.

Fair Share Housing Center (FSHC), a nonprofit affordable housing advocacy group, was considered an "interested party" in all municipal Declaratory Actions. FSHC and the Borough engaged in a mediation process under the supervision of the court-appointed Special Master and reached a Settlement Agreement with on August 3, 2016.

Round 4 Affordable Housing

On March 20, 2024, Governor Murphy signed new legislation known as P.L. 2024, c.2, which amended the State's Fair Housing Act and changed the affordable housing process in New Jersey.

The Fair Housing Act (FHA) Amendment ("FHA 2" or the "Act") eliminated the Council on Affordable Housing (COAH), directed the Department of Community Affairs (DCA) to prepare nonbinding affordable housing obligations, changed certain aspects of the vacant land process, eliminated and revised available bonus credits, and imposed strict deadlines on municipalities.

Pursuant to the FHA 2, municipalities must adopt a Housing Element and Fair Share Plan by June 30, 2025. This plan conforms to the requirements established in the legislation and FHA 2 and addresses Fanwood's Prior Round, Round 3, and Round 4 affordable housing obligations.

Mandatory Contents of the Housing Element

Pursuant to the New Jersey Fair Housing Act (FHA 2), "a municipality's housing element shall be designed to achieve the goal of access to affordable housing to meet present and prospective housing needs, with particular attention to low- and moderate-income housing." The essential plan components are:

- 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;
- 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;
- An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level, and age;
- An analysis of the existing and probable future employment characteristics of the municipality;
- A determination of the municipality's present and prospective fair share for low- and moderate-income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low- and moderate-income housing, as established pursuant to section 3 of P.L.2024, c.2 (C.52:27D-304.1); and,
- A consideration of the lands that are most appropriate for construction of low- and moderate-income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to provide low- and moderate-income housing;
- An analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c.273 (C.52:27D-329.20);
- For a municipality located within the jurisdiction of the Highlands Water Protection and Planning Council, established pursuant to section 4 of P.L.2004, c.120 (C.13:20-4), an analysis of compliance of the housing element with the Highlands Regional Master Plan of lands in the Highlands Preservation Area, and lands in the Highlands Planning Area for Highlands conforming municipalities. This analysis shall include consideration of the municipality's most recent Highlands Municipal Build Out Report, consideration of opportunities for P.L. 2024, redevelopment of existing developed lands into inclusionary or 100 percent affordable housing, or both, and opportunities for 100 percent affordable housing in both the Highlands Planning Area and Highlands Preservation Area that are consistent with the Highlands regional master plan; and
- 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.

This Housing Element and Fair Share Plan Amendment addresses the above requirements.

Analysis of Demographic, Housing, and Employment Characteristics

As required by N.J.S.A. 52:27D-310, all housing elements must contain a discussion of the municipality's demographic, housing, and economic characteristics. The following subsections fulfill this requirement by providing a profile of the Borough of Fanwood information from the US Census Bureau, the New Jersey Department of Labor and Workforce Development, and the North Jersey Transportation Planning Authority.

Population Characteristics

Table 1 illustrates the population trends for the Borough of Fanwood and Union County from 1930 to 2020. As depicted, Fanwood's population grew by 6,093 residents during this time. The most significant increases occurred during the following periods: from 1950 to 1960, when the Borough's population rose by approximately 146.7 percent; from 1940 to 1950, with an increase of about 39.7 percent; and between 1930 and 1940, when the population grew by roughly 37.4 percent. The only time periods that experienced a population decrease were from 1970 to 1980, when the Borough's population fell by about 12.9 percent, and from 1980 to 1990, when the population decreased by roughly 8.4 percent.

Union County's population also grew from 1930 to 2020. In fact, the County's population increased by 270,225 residents during this time. However, compared to the Borough, the change in the County's population was never as substantial as that in the Borough. The maximum rate of change in the Borough's population was approximately 146.7 percent (between 1950 and 1960), compared to the maximum rate of change of 26.7 percent, also between 1950 and 1960. After 1960, the County's population change rate never exceeded 10.0 percent and showed slight declines between 1970 and 1980, and 1980 and 1990.

Table 1
POPULATION CHANGE, 1930 – 2020
Borough of Fanwood and Union County

Borough of Fanwood

| <u>Year</u> | <u>Population</u> | <u>Change</u> | |
|-------------|-------------------|---------------|----------------|
| | | <u>Number</u> | <u>Percent</u> |
| 1930 | 1,681 | ----- | ----- |
| 1940 | 2,310 | 629 | 37.4 |
| 1950 | 3,228 | 918 | 39.7 |
| 1960 | 7,963 | 4,735 | 146.7 |
| 1970 | 8,920 | 957 | 12.0 |
| 1980 | 7,767 | -1,153 | -12.9 |
| 1990 | 7,115 | -652 | -8.4 |
| 2000 | 7,174 | 59 | 0.8 |
| 2010 | 7,318 | 144 | 2.0 |
| 2020 | 7,774 | 456 | 6.2 |

Union County

| <u>Year</u> | <u>Population</u> | <u>Change</u> | |
|-------------|-------------------|---------------|----------------|
| | | <u>Number</u> | <u>Percent</u> |
| 1930 | 305,209 | ----- | ----- |
| 1940 | 328,344 | 23,135 | 7.6 |
| 1950 | 398,138 | 69,794 | 21.3 |
| 1960 | 504,255 | 106,117 | 26.7 |
| 1970 | 543,116 | 38,861 | 7.7 |
| 1980 | 504,094 | -39,022 | -7.2 |
| 1990 | 493,819 | -10,275 | -2.0 |
| 2000 | 522,541 | 28,722 | 5.8 |
| 2010 | 536,499 | 13,958 | 2.7 |
| 2020 | 575,434 | 38,935 | 7.3 |

Sources:

1930–1950: “Number of Inhabitants, New Jersey.” U.S. Census Bureau, 1950.

1940–2000: “New Jersey Population Trends 1790 to 2000.” New Jersey State Data Center, August 2001. Accessed February 4, 2025.

2010: 2010 U.S. Census (Table P3)

2020: 2020 U.S. Census (Table DP1)

Population Composition by Age

Table 2 shows population by age cohort in the Borough of Fanwood at the time of the 2010 Census and the 2020 Census. The population increased by 456 residents or 6.2 percent between 2010 and 2020. The age cohorts with the most significant percentage increases were: 15-24 which increased by 243 residents or 37.3 percent, 65-74, which increased by 164 residents or 35.4 percent; 55-64 which increased by 207 residents or 24.6 percent; and 75-84 which increased by 20 residents or 6.2 percent. The age-cohort with the most significant decrease was under 5, which decreased by 74 residents or about 12.9 percent; followed by 35-44 and 85+, which declined by 104 (8.3 percent) and 18 (7.6 percent) respectively. The change in all other age cohorts was less than ± 2.8 percent.

Table 2

POPULATION BY AGE
Borough of Fanwood

| <u>Age Group</u> | 2010 Population | | 2020 Population | | Change 2010-2020 | |
|------------------|------------------------|----------------|------------------------|----------------|-------------------------|----------------|
| | <u>Persons</u> | <u>Percent</u> | <u>Persons</u> | <u>Percent</u> | <u>Persons</u> | <u>Percent</u> |
| Under 5 | 573 | 7.8 | 499 | 6.4 | -74 | -12.9 |
| 5-14 | 1,154 | 15.8 | 1,144 | 14.7 | -10 | -0.9 |
| 15-24 | 651 | 8.9 | 894 | 11.5 | 243 | 37.3 |
| 25-34 | 617 | 8.4 | 634 | 8.2 | 17 | 2.8 |
| 35-44 | 1,251 | 17.1 | 1,147 | 14.8 | -104 | -8.3 |
| 45-54 | 1,211 | 16.5 | 1,222 | 15.7 | 11 | 0.9 |
| 55-64 | 840 | 11.5 | 1,047 | 13.5 | 207 | 24.6 |
| 65-74 | 463 | 6.3 | 627 | 8.1 | 164 | 35.4 |
| 75-84 | 322 | 4.4 | 342 | 4.4 | 20 | 6.2 |
| 85+ | 236 | 3.2 | 218 | 2.8 | -18 | -7.6 |
| TOTALS | 7,318 | 100 | 7,774 | 100 | 456 | 6.2 |

Sources:

2010: 2010 U.S. Census (Table PCT12)

2020: 2020 U.S. Census (Table DP1)

Table 2 shows considerable growth in the 15-24, 55-64, and 65-74 age cohorts. The effects of the change in the distribution of Fanwood's population among age cohorts can be summarized in the shift in the median age of the Borough's population, which increased by approximately 0.6 years, from 40.5 years to 41.1 years, from 2010 to 2020. This represents an increase of approximately 1.5 percent. By comparison, the median age of Union County's population increased by approximately 0.7 years, from 38.0 years to 38.7 years, which equates to an increase of about 1.8 percent. Table 3 summarizes the distribution of the Borough's and County's populations among age cohorts and the change in the median age of said populations.

Table 3

PERCENTAGE POPULATION DISTRIBUTION, 2010 & 2020
Borough of Fanwood and Union County

| | 2010 Percentage of Population | | 2020 Percentage of Population | |
|---------------|-------------------------------|---------------|-------------------------------|---------------|
| | <u>Borough</u> | <u>County</u> | <u>Borough</u> | <u>County</u> |
| Under 5 | 7.8 | 6.7 | 6.4 | 5.9 |
| 5-14 | 15.8 | 13.5 | 14.7 | 13.4 |
| 15-24 | 8.9 | 12.8 | 11.5 | 12.9 |
| 25-34 | 8.4 | 12.9 | 8.2 | 12.8 |
| 35-44 | 17.1 | 14.6 | 14.8 | 13.9 |
| 45-54 | 16.5 | 15.5 | 15.7 | 13.9 |
| 55-64 | 11.5 | 11.3 | 13.5 | 13.1 |
| 65+ | 14.0 | 12.6 | 15.3 | 14.3 |
| TOTALS | 100 | 100 | 100 | 100 |
| Median Age | 40.5 | 38.0 | 41.1 | 38.7 |

Sources:

2010: 2010 U.S. Census (Tables PCT12, P13)

2020: 2020 U.S. Census (Tables DP1, P13)

Existing Housing Characteristics

Type of Household

A household is a group of people who occupy a housing unit as their usual place of residence. As shown in Table 4, there were 2,725 households in the Borough of Fanwood in 2020. The majority, approximately 82.9 percent, of households consisted of two or more persons. The remaining 17.1 percent of households were single-person households. Table 4 provides additional details on the types of households in the Borough of Fanwood during 2020.

Table 4
TYPES OF HOUSEHOLDS, 2020
Borough of Fanwood

| <u>Type of Households</u> | <u>Total</u> | <u>Number in Subgroup</u> | <u>Percent of Total</u> |
|--|--------------|---------------------------|-------------------------|
| TOTAL HOUSEHOLDS | 2,725 | | |
| One Person | | 467 | 17.1 |
| Male Householder | 152 | | 5.6 |
| 65 years or older | 75 | | 2.8 |
| Female Householder | 315 | | 11.6 |
| 65 years or older | 214 | | 7.9 |
| Two or More Persons | | 2,258 | 82.9 |
| <i>Married Couple Families</i> | 1,855 | | 68.1 |
| With Own Children Under 18 | 968 | | 35.5 |
| <i>Cohabiting Couple</i> | 71 | | 2.6 |
| With Own Children Under 18 | 23 | | 0.8 |
| <i>Male Householder Not living alone</i> | 90 | | 3.3 |
| With Own Children Under 18 | 25 | | 0.9 |
| <i>Female Householder Not living alone</i> | 242 | | 8.9 |
| With Own Children Under 18 | 71 | | 2.6 |

Source:
2020 U.S. Census (Table DP1)

Household Size

Table 5 provides additional detail on household size in the Borough of Fanwood during 2020. As shown, the most frequent household size was two persons, which accounted for 26.7 percent of all households in Fanwood and 26.5 percent of all households in Union County. The average household size in Fanwood was 2.78, which is 0.03 less than the average household size of 2.81 in Union County during 2020.

Table 5
HOUSEHOLD SIZE, 2020
Borough of Fanwood & Union County

| <u>Household Size</u> | Borough of Fanwood | | Union County | |
|-------------------------------|---------------------------|----------------|---------------------|----------------|
| | <u>Number</u> | <u>Percent</u> | <u>Number</u> | <u>Percent</u> |
| 1 Person | 467 | 17.1 | 46,394 | 23.2 |
| 2 Persons | 727 | 26.7 | 53,184 | 26.5 |
| 3 Persons | 579 | 21.2 | 36,586 | 18.3 |
| 4 Persons | 597 | 21.9 | 35,561 | 17.7 |
| 5 Persons | 248 | 9.1 | 17,011 | 8.5 |
| 6+ Persons | 107 | 3.9 | 11,636 | 5.8 |
| TOTALS | 2,725 | 100.00 | 200,372 | 100.00 |
| Average Household Size | 2.78 | | 2.81 | |

Sources:

2020 U.S. Census (Table DP1)

2020 U.S. Census (Table H12)

Per Capita and Household Income

Table 6 presents the per capita income, median household income, and population poverty status of the Borough of Fanwood, Union County, and the State of New Jersey. This data is derived from the 2023 American Community Survey Five-Year Estimates and reflects estimated average conditions over the five-year period ending in 2023.

As shown in Table 6, Fanwood reported a higher per capita income of \$71,378 compared to Union County and New Jersey, where the per capita incomes were \$51,850 and \$53,118, respectively. Additionally, Fanwood had a significantly higher median household income of \$176,667 compared to Union County and New Jersey, which reported median household incomes of \$100,117 and \$101,050, respectively. Furthermore, the Borough had only 1.4 percent of its population living below the poverty line, which was significantly lower than the 8.9 percent and 9.8 percent seen in Union County and New Jersey, respectively.

Table 6

PER CAPITA AND HOUSEHOLD INCOME; POVERTY STATUS 2023
Borough of Fanwood, Union County & New Jersey

| | <u>Per Capita Income</u> | <u>Median Household Income</u> | <u>Percentage Below Poverty Status</u> |
|---------------------------|------------------------------|------------------------------------|--|
| Borough of Fanwood | \$71,378 | \$176,667 | 1.4 |
| Union County | \$51,850 | \$100,117 | 8.9 |
| New Jersey | \$53,118 | \$101,050 | 9.8 |

Source:

2023 American Community Survey 5-Year Estimates (Tables BP19301, S1701, and S1901)

Family Income Distribution

Table 7 presents family income data for the Borough and County, as shown by the 2023 American Community Survey Five-Year Estimates. A significant majority of Fanwood's families (87.7 percent) earned an annual income of \$100,000 or more. In contrast, only 57.5 percent of Union County's families earned \$100,000 or more.

Table 7
FAMILY INCOME DISTRIBUTION, 2023
Borough of Fanwood & Union County

| <u>Income Levels</u> | Borough of Fanwood | | Union County | |
|-----------------------|---------------------------|----------------|---------------------|----------------|
| | <u>Number</u> | <u>Percent</u> | <u>Number</u> | <u>Percent</u> |
| Less than \$10,000 | 15 | 0.7 | 2,685 | 1.8 |
| \$10,000 - \$14,999 | 0 | 0.0 | 1,738 | 1.2 |
| \$15,000 - \$24,999 | 0 | 0.0 | 4,526 | 3.1 |
| \$25,000 - \$34,999 | 20 | 0.9 | 5,746 | 3.9 |
| \$35,000 - \$49,999 | 73 | 3.3 | 11,792 | 8.1 |
| \$50,000 - \$74,999 | 48 | 2.1 | 18,564 | 12.7 |
| \$75,000 - \$99,999 | 118 | 5.3 | 16,984 | 11.6 |
| \$100,000 - \$149,999 | 475 | 21.1 | 26,183 | 17.9 |
| \$150,000 - \$199,999 | 338 | 15.0 | 19,394 | 13.3 |
| \$200,000 or more | 1,160 | 51.6 | 38,488 | 26.3 |
| TOTALS | 2,247 | 100.00 | 146,100 | 100.00 |

Source:

2023 American Community Survey 5-Year Estimates (Table DP03)

Housing Affordability

Table 8 outlines the maximum income limits for low, very low-, and moderate-income households in Housing Region 2, which includes all of Essex, Morris, Union, and Warren counties.

Fanwood is located in Housing Region 2. As of 2025, the median household income for a three-person household in this region was \$121,800. A three-person moderate-income household, defined as having an income exceeding 50 percent but less than 80 percent of the median income, would have an income that does not exceed \$97,440. A three-person low-income household, defined as having an income equal to or less than 50 percent but more than 30 percent of the median income, would have an income that does not exceed \$60,900. A three-person very low-income household, defined as having an income equal to 30 percent or less of the median income, would have an income that does not exceed \$36,540. Lastly, the 1.5-person, three-person, and 4.5-person columns are utilized for calculating the pricing of one-, two-, and three-bedroom affordable units.

Table 8
2025 REGIONAL INCOME LIMITS
HOUSING REGION 2

| <u>Household Size</u> | <u>Median Income</u> | <u>Moderate Income</u> | <u>Low Income</u> | <u>Very Low Income</u> |
|-----------------------|----------------------|------------------------|-------------------|------------------------|
| 1 Person | \$94,800 | \$75,840 | \$47,400 | \$28,440 |
| 1.5 Person | \$101,550 | \$81,240 | \$50,775 | \$30,465 |
| 2 Person | \$108,300 | \$86,640 | \$54,150 | \$32,490 |
| 2.5 Person | \$115,050 | \$92,040 | \$57,525 | \$34,515 |
| 3 Person | \$121,800 | \$97,440 | \$60,900 | \$36,540 |
| 4 Person | \$135,300 | \$108,240 | \$67,650 | \$40,590 |
| 4.5 Person | \$140,750 | \$112,600 | \$70,375 | \$42,225 |
| 5 Person | \$146,200 | \$116,690 | \$73,100 | \$43,860 |
| 6 Person | \$157,000 | \$125,600 | \$78,500 | \$47,100 |
| 7 Person | \$167,800 | \$134,240 | \$83,900 | \$50,340 |
| 8 Person | \$178,600 | \$142,880 | \$89,300 | \$53,580 |

Source:

2025 Affordable Housing Regional Income Limits by Household Size, prepared by Affordable Housing Professionals of New Jersey (AHPNJ) – May 16, 2025.

Housing Unit Data

In 2020, Fanwood had 2,829 housing units, 2,725 of which were occupied. By comparison, Union County had 209,908 housing units, of which 200,372 were occupied.

As shown in Table 9, the owner-occupied housing stock accounted for a significantly larger percentage of the Borough's housing stock compared to that of the County. In 2020, approximately 86.7 percent of the Borough's housing stock was owner-occupied, in contrast to 56.5 percent of the County's housing stock.

Table 9
HOUSING UNIT DATA, 2020
Borough of Fanwood & Union County

| | Borough of Fanwood | | Union County | |
|---------------------------------------|--------------------|----------------|---------------|----------------|
| | <u>Number</u> | <u>Percent</u> | <u>Number</u> | <u>Percent</u> |
| Unit Type | | | | |
| Occupied | 2,725 | 96.3 | 200,372 | 95.5 |
| Vacant, Seasonal & Migratory | 104 | 3.7 | 9,536 | 4.5 |
| Total | 2,829 | 100.0 | 209,908 | 100.0 |
| Owner vs Renter Occupied Units | | | | |
| Owner Occupied | 2,363 | 86.7 | 113,100 | 56.5 |
| Renter Occupied | 362 | 13.3 | 87,272 | 43.6 |
| TOTAL OCCUPIED UNITS | 2,725 | 100.0 | 200,372 | 100.0 |

Source:

2020 U.S. Census (Table DP1)

Year Householder Moved into Unit

Table 10 provides the year the current householders moved into Fanwood and Union County homes. As shown, 73.4 percent of the Borough's households moved into their current residences during or after 2000, compared to 77.7 percent countywide. Approximately 26.6 percent of the Borough's households and 22.3 percent of the County's households moved into their homes before 2000.

Table 10
YEAR HOUSEHOLDER
MOVED INTO UNIT, 2023
Borough of Fanwood & Union County

| <u>Year Householder Moved into Unit</u> | Borough of Fanwood | | Union County | |
|---|---------------------------|----------------|---------------------|----------------|
| | <u>Number</u> | <u>Percent</u> | <u>Number</u> | <u>Percent</u> |
| 2021 or later | 279 | 10.1 | 18,281 | 9.1 |
| 2010 - 2020 | 895 | 32.2 | 100,524 | 49.8 |
| 2000 - 2009 | 862 | 31.1 | 37,863 | 18.8 |
| 1990 - 1999 | 330 | 11.9 | 20,998 | 10.4 |
| 1989 or earlier | 410 | 14.8 | 23,997 | 11.9 |
| TOTALS | 2,776 | 100.0 | 201,663 | 100.0 |

Source:

2023 American Community Survey 5-Year Estimates (Table DP04)

Housing Unit Information

Table 11 provides various information from the American Community Survey regarding the Borough of Fanwood and Union County housing stocks, such as the date when the housing units were built, the number of units per structure, and the number of rooms and bedrooms per unit.

Approximately 84.8 percent of the Borough's housing stock consists of single-family detached structures. In contrast, single-family detached homes account for roughly 49.7 percent of the County's housing stock.

As shown in Table 11, the Borough's housing stock features more than double the number of rooms compared to the County's housing stock. In 2023, about 46.6 percent of Fanwood's housing units had eight (8) or more rooms, while the County's housing stock had 23.1 percent with the same number of rooms. The number of bedrooms per housing unit follows a similar trend, with 41.2 percent of the Borough's housing units having four (4) or more bedrooms, compared to approximately 24.2 percent of the County's housing units.

The construction dates for housing units are somewhat comparable between the Borough and the County, with approximately 83.5 percent of the Borough's housing stock and 79.5 percent of the County's housing built before 1980.

*Round 4 Housing Element and Fair Share Plan
Borough of Fanwood, New Jersey*

Table 11

HOUSING UNIT INFORMATION, 2023 Borough of Fanwood & Union County

| | Borough of Fanwood | | Union County | |
|------------------------------|---------------------------|----------------|---------------------|----------------|
| | <u>Number</u> | <u>Percent</u> | <u>Number</u> | <u>Percent</u> |
| Total Housing Units | 2,783 | 100.0 | 211,269 | 100.0 |
| <u>Units in Structure</u> | | | | |
| One (Single Family Detached) | 2,360 | 84.8 | 105,038 | 49.7 |
| One (Single Family Attached) | 124 | 4.5 | 10,522 | 5.0 |
| Two+ Units | 278 | 10.0 | 95,181 | 45.1 |
| Mobile Home, Trailer Other | 21 | 0.8 | 528 | 0.2 |
| <u>Number of Rooms</u> | | | | |
| 1 Room | 44 | 1.6 | 7,617 | 3.6 |
| 2 or 3 Rooms | 80 | 2.9 | 28,694 | 13.6 |
| 4 or 5 Rooms | 379 | 13.6 | 68,171 | 32.2 |
| 6 or 7 Rooms | 982 | 35.3 | 58,030 | 27.5 |
| 8+ Rooms | 1,298 | 46.6 | 48,757 | 23.1 |
| <u>Number of Bedrooms</u> | | | | |
| No Bedroom | 44 | 1.6 | 7,931 | 3.8 |
| 1 Bedroom | 101 | 3.6 | 29,527 | 14.0 |
| 2 or 3 Bedrooms | 1,492 | 53.6 | 122,686 | 58.1 |
| 4+ Bedrooms | 1,146 | 41.2 | 51,125 | 24.2 |
| <u>Year Structure Built</u> | | | | |
| 2020 - later | 10 | 0.4 | 1,561 | 0.7 |
| 2010 - 2019 | 206 | 7.4 | 10,611 | 5.0 |
| 2000 - 2009 | 142 | 5.1 | 11,656 | 5.5 |
| 1990 - 1999 | 56 | 2.0 | 8,749 | 4.1 |
| 1980 - 1989 | 43 | 1.5 | 10,641 | 5.0 |
| 1960 - 1979 | 368 | 13.2 | 43,532 | 20.6 |
| 1940 - 1959 | 1,220 | 43.8 | 73,579 | 34.8 |
| 1939 or earlier | 738 | 26.5 | 50,940 | 24.1 |

Source:

2023 American Community Survey 5-Year Estimates (Table DP04)

Housing Conditions

Housing conditions in Fanwood are good. As shown in Table 12, none of the Borough's housing units lack complete plumbing facilities, and only approximately 2.1 percent lack complete kitchen facilities, compared to 0.5 and 0.8 percent countywide, respectively. Additionally, none of the Borough's housing units lack telephone service, whereas 0.8 percent of the County's housing units do.

Furthermore, only about 0.7 percent of the Borough's housing stock has more than one person per room, compared to approximately 5.4 percent of the County's housing stock. Having more than one person per room is an indicator of overcrowding.

Table 12
INDICATORS OF HOUSING CONDITIONS, 2023
Borough of Fanwood & Union County

| | Borough of Fanwood | | Union County | |
|---|---------------------------|----------------|---------------------|----------------|
| | <u>Number</u> | <u>Percent</u> | <u>Number</u> | <u>Percent</u> |
| <u>Total Occupied Units</u> | 2,776 | | 201,663 | |
| Units Lacking Complete Plumbing | 0 | 0.0 | 977 | 0.5 |
| Units Lacking Kitchen Facilities | 57 | 2.1 | 1,670 | 0.8 |
| No telephone service | 0 | 0.0 | 1,599 | 0.8 |
| <u>Persons per Room, Occupied Units</u> | | | | |
| 1.00 or less | 2,756 | 99.3 | 190,706 | 94.6 |
| 1.01 to 1.50 | 20 | 0.7 | 7,055 | 3.5 |
| 1.51 or more | 0 | 0.0 | 3,902 | 1.9 |
| TOTALS | 2,776 | 100.0 | 201,663 | 100.0 |

Source:

2023 American Community Survey 5-Year Estimates (Table DP04)

Housing Values

Table 13 shows 2023 housing values for the Borough of Fanwood and Union County. As indicated, approximately 97.1 percent of the Borough's owner-occupied housing units are valued at over \$300,000, and 74.1 percent exceed \$500,000. These percentages are significantly higher than those in the County, where only about 84.5 percent of the owner-occupied housing units are valued at over \$300,000, and merely 47.8 percent are valued at \$500,000 or more. This higher percentage of units is reflected by the lower median value of owner-occupied units in Union County than in the Borough, at \$488,800 compared to \$610,600.

Table 13

OWNER-OCCUPIED HOUSING VALUES, 2023
Borough of Fanwood & Union County

| <u>Housing Value</u> | Borough of Fanwood | | Union County | |
|-----------------------|---------------------------|----------------|---------------------|----------------|
| | <u>Number</u> | <u>Percent</u> | <u>Number</u> | <u>Percent</u> |
| Less than \$50,000 | 21 | 0.9 | 2,057 | 1.8 |
| \$50,000 - \$99,999 | 21 | 0.9 | 602 | 0.5 |
| \$100,000 - \$149,999 | 0 | 0.0 | 916 | 0.8 |
| \$150,000 - \$199,999 | 0 | 0.0 | 1,978 | 1.7 |
| \$200,000 - \$299,999 | 28 | 1.2 | 12,384 | 10.7 |
| \$300,000 - \$499,999 | 552 | 23.0 | 42,690 | 36.7 |
| \$500,000 - \$999,999 | 1,684 | 70.2 | 45,444 | 39.1 |
| \$1,000,000 or more | 94 | 3.9 | 10,117 | 8.7 |
| TOTALS | 2,400 | 100.0 | 116,188 | 100.0 |
| Median Value | \$ 610,600 | | \$ 488,800 | |

Source:

2023 American Community Survey 5-Year Estimates (Table DP04)

Contract Rents

Table 14 details the gross rents for renter-occupied units in Fanwood and Union County. As shown, the median monthly rent in Fanwood was \$2,368, which was higher than the median rent of \$1,664 in Union County. In Fanwood, roughly 94.6 percent of all cash rents exceeded \$1,500, which is significantly higher than the County's figure of 60.0 percent.

Table 14
GROSS RENTS, 2023
OCCUPIED UNITS PAYING RENT
Borough of Fanwood & Union County

| <u>Contract Rents</u> | Borough of Fanwood | | Union County | |
|-----------------------|---------------------------|----------------|---------------------|----------------|
| | <u>Number</u> | <u>Percent</u> | <u>Number</u> | <u>Percent</u> |
| Less than \$500 | 0 | 0.0 | 3,64 | 4.4 |
| \$500 - \$999 | 20 | 5.4 | 6,023 | 7.2 |
| \$1,000 - \$1,499 | 0 | 0.0 | 23,722 | 28.4 |
| \$1,500 - \$1,999 | 73 | 19.9 | 25,304 | 30.3 |
| \$2,000 - \$2,499 | 123 | 33.5 | 15,339 | 18.4 |
| \$2,500 - \$2,999 | 12 | 3.3 | 5,424 | 6.5 |
| \$3,000 or more | 139 | 37.9 | 3,945 | 4.7 |
| TOTALS | 367 | 100.0 | 83,422 | 100.0 |
| Median Rent | \$ 2,368 | | \$ 1,664 | |

Source:

2023 American Community Survey 5-Year Estimates (Table DP04)

Employment Data

Data from the New Jersey Department of Labor indicates that there was an average of 1,448 private sector jobs located in Fanwood during 2023. This figure represents jobs located in Fanwood, not the occupational characteristics of its residents.

Table 15 details the occupational characteristics of Fanwood residents based on the 2023 American Community Survey Five-Year Estimates. As shown, the largest occupational group among Fanwood residents aged 16 years and older engaged in the civilian labor force is "Management, Business Science & Arts," comprising about 69.2 percent of the labor force. This was also the largest occupational group in Union County, making up roughly 40.8 percent of its labor force (aged 16 years and older). The second largest occupational group was "Sales & Office Occupations," accounting for 16.8 percent and 19.8 percent of the Borough and County residents aged 16 years and over engaged in the civilian labor force, respectively. The third largest occupational group was "Service Occupations," which accounted for 5.8 percent of the Borough's residents and 15.6 percent of the County's residents engaged in the civilian labor force (aged 16 and older). These three occupational groups represented 91.8 percent of the Borough residents and 76.2 percent of the County residents engaged in the civilian labor force (aged 16 and older).

Regarding the industry of employment, the top three industries among Borough residents engaged in the civilian labor force (aged 16 and older) were "Professional, Scientific, Management" at 23.4 percent; "Educational Services, Health Care/Social Assistance" at 20.6 percent; and "Finance, Insurance, Real Estate" at 13.4 percent. Among County residents, the top three industries were "Educational Services, Health Care/Social Assist." at 22.0 percent; "Professional, Scientific, Management" at 12.9 percent; and "Transportation and Warehousing" at 10.4 percent.

*Round 4 Housing Element and Fair Share Plan
Borough of Fanwood, New Jersey*

Table 15
OCCUPATIONAL CHARACTERISTICS, 2023
Borough of Fanwood & Union County

| <u>Occupation Group</u> | Borough of Fanwood | | Union County | |
|--|---------------------------|----------------|---------------------|----------------|
| | <u>Number</u> | <u>Percent</u> | <u>Number</u> | <u>Percent</u> |
| Management, Business, Science & Arts | 2,880 | 69.2% | 119,654 | 40.8 |
| Service Occupations | 241 | 5.8% | 45,626 | 15.6 |
| Sales & Office Occupations | 698 | 16.8% | 57,935 | 19.8 |
| Natural Resources, Construction & Maintenance | 118 | 2.8% | 24,118 | 8.2 |
| Production, Transportation & Material | 226 | 5.4% | 45,850 | 8.6 |
| TOTALS | 4,163 | 100.0 | 293,183 | 100.0 |
| <u>Industry</u> | | | | |
| Agriculture, Forestry, Fishing | 0 | 0.0 | 591 | 0.2 |
| Construction | 339 | 8.1 | 20,355 | 6.9 |
| Manufacturing | 295 | 7.1 | 25,093 | 8.6 |
| Wholesale Trade | 51 | 1.2 | 9,339 | 3.2 |
| Retail Trade | 392 | 9.4 | 27,952 | 9.5 |
| Transportation and Warehousing | 165 | 4.0 | 30,574 | 10.4 |
| Information | 142 | 3.4 | 6,403 | 2.2 |
| Finance, Insurance, Real Estate | 558 | 13.4 | 25,161 | 8.6 |
| Professional, Scientific, Management | 973 | 23.4 | 37,928 | 12.9 |
| Educational Services, Health Care/Social Assist. | 857 | 20.6 | 64,534 | 22.0 |
| Arts, Entertainment, Recreation, Food Services | 214 | 5.1 | 19,112 | 6.5 |
| Other Services, Except Public Administration | 146 | 3.5 | 13,924 | 4.7 |
| Public Administration | 31 | 0.7 | 12,217 | 4.2 |
| TOTALS | 4,163 | 100.0 | 293,183 | 100.0 |

Source:

2023 American Community Survey 5-Year Estimates (Tables S2401, S2405)

Table 16 presents data on the employment sectors of the 1,448 private sector jobs located in the Borough of Fanwood. Of these jobs, 625, making up 43.2 percent, were classified as "Health/Social." An additional 128 jobs, or 8.8 percent, were classified as "Retail Trade"; 119 jobs, or 8.2 percent, were classified as "Other Services"; and 98 jobs, or 6.8 percent, were classified as "Admin/Waste Remediation." These four employment sectors account for approximately 67.0 percent of all jobs in the Borough of Fanwood.

Table 16
EMPLOYMENT BY SECTOR, 2023
Borough of Fanwood

| <u>Employee Sector</u> | Borough of Fanwood | |
|----------------------------|---------------------------|----------------|
| | <u>Number</u> | <u>Percent</u> |
| Utilities | Undisclosed | Undisclosed |
| Construction | 90 | 6.2 |
| Manufacturing | 5 | 0.3 |
| Wholesale Trade | 7 | 0.5 |
| Retail Trade | 128 | 8.8 |
| Transportation/Warehousing | Undisclosed | Undisclosed |
| Information | Undisclosed | Undisclosed |
| Finance/Insurance | 31 | 2.1 |
| Real Estate | 17 | 1.2 |
| Professional/Technical | 65 | 4.5 |
| Management | Undisclosed | Undisclosed |
| Admin/Waste Remediation | 98 | 6.8 |
| Education | Undisclosed | Undisclosed |
| Health/Social | 625 | 43.2 |
| Arts/Entertainment | 30 | 2.1 |
| Accommodations/Food | 94 | 6.5 |
| Other Services | 119 | 8.2 |
| Unclassified | 9 | 0.6 |
| TOTAL | 1,448 | 100.0 |

Source:

2023 American Community Survey 5-Year Estimates (Tables S2401, S2405)

While the New Jersey Department of Labor and Workforce Development has provided information on the sector of employment for 91.0 percent of the private jobs located within the Borough of Fanwood, it has not disclosed sector of employment for 9.0 percent of the 1,448 private jobs located within the Borough. Typical reasons why the New Jersey Department of Labor and Workforce Development would not provide the number of jobs in a particular sector include the presence of only one or very few employers in a particular sector, or the presence of a very limited number of jobs in a sector. In such cases, the New Jersey Department of Labor and Workforce Development withholds information so as to not release what could be perceived as confidential information.

Residential Construction

Table 17 presents data on dwelling units authorized by building permits and those demolished with demolition permits in the Borough of Fanwood from 2012 to 2023. This data has been sourced from the New Jersey Department of Community Affairs.

During the reported period, a total of 223 new units were created, and 27 units were demolished, leading to a net increase of 196 units. The average annual net change during this period was an increase of roughly 16.3 units.

Table 17
NEW DWELLING UNITS AUTHORIZED BY
BUILDING PERMIT & HOUSING UNITS DEMOLISHED
2012 - 2023
Borough of Fanwood

| <u>Year</u> | <u>New Units</u> | <u>Demolitions</u> | <u>Net Increase</u> |
|---------------|------------------|--------------------|---------------------|
| 2012 | 2 | 2 | 0 |
| 2013 | 43 | 3 | 40 |
| 2014 | 15 | 4 | 11 |
| 2015 | 19 | 2 | 17 |
| 2016 | 1 | 2 | -1 |
| 2017 | 41 | 1 | 40 |
| 2018 | 0 | 2 | -2 |
| 2019 | 4 | 1 | 3 |
| 2020 | 1 | 1 | 0 |
| 2021 | 5 | 2 | 3 |
| 2022 | 31 | 1 | 30 |
| 2023 | 61 | 6 | 55 |
| TOTALS | 223 | 27 | 196 |

Source:

“Development Trends Viewer.” State of New Jersey Department of Community Affairs, September 16, 2024. (www.nj.gov/dca/codes/reporter/Development_Trend_Viewer.xlsb)

Population and Household Projection

As previously noted, the Borough of Fanwood's population was 7,774 at the time of the 2020 United States Census.

The North Jersey Transportation Planning Authority has released 2050 population and household projections for its constituent municipalities. The 2050 population projection for Fanwood is 8,319, which represents an increase of 545 over the 2020 United States Census population of 7,774 residents. The 2050 household projection for Fanwood is 2,949, which represents an increase of 224 over the 2020 United States Census count of 2,725 households.

N.J.S.A. 52:27D-310.b require that Housing Elements and Fair Share Plans include a household projection for the next ten years. When the 2050 projections of the North Jersey Transportation Planning Authority are linearly adjusted to represent 2035 values, projections of 8,047 residents and 2,837 households result. This is summarized in Table 18.

Table 18

POPULATION AND HOUSEHOLD PROJECTION, 2015 - 2050
Borough of Fanwood

| <u>2020 Census Population</u> | <u>2035 Population Projection (Adjusted from 2050)</u> | <u>2050 Population Projection</u> |
|-------------------------------|--|-----------------------------------|
| 7,774 | 8,047 | 8,319 |
| <u>2020 Census Households</u> | <u>2035 Household Projection (Adjusted from 2050)</u> | <u>2050 Household Projection</u> |
| 2,725 | 2,837 | 2,949 |

Sources:

2020: United States Census;

2035: Calculated by T&M based on 2050 values; and,

2050: North Jersey Transportation Planning Authority.

The foregoing information has been provided for informational purposes only and in response to N.J.S.A. 52:27D-310.b.

Employment Projection

The North Jersey Transportation Planning Authority (NJTPA) has released a 2050 employment projection of 1,390 for the Borough of Fanwood. This represents an increase of 270 jobs or about 24.1 percent over the projection's 2015 base of 1,120 jobs.

When the NJTPA's projection is linearly adjusted to represent 2035 values, a projected total of 1,274 jobs results. This is about 13.8 percent more than the projection's 2015 base.

However, the 2023 average number of private sector jobs located in Fanwood was 1,448 or about 13.7 percent higher than the 2035 adjusted NJTPA projection. This may suggest that job growth in Fanwood has occurred at a faster rate than projected by the NJTPA.

Through at least 2035, it is anticipated that the number of jobs will be relatively stable and primarily be driven by low commercial vacancy rates and new non-residential space resulting from redevelopment and infill development within the Borough's Commercial Corridor (CC) zone districts.

The foregoing information has been provided for informational purposes only and in response to N.J.S.A. 52:27D-310.d.

Fair Share Plan

Affordable Housing Obligation

A municipality's affordable housing obligation is made up of both a present need (rehabilitation obligation) and a prospective need obligation. Obligations are calculated in time periods known as "rounds."

Previous Round obligations have either been determined by the New Jersey Council on Affordable Housing (COAH), or by Court decisions. However, pursuant to FHA 2, for Round 4 and subsequent rounds, the Department of Community Affairs (DCA) was directed to provide a non-binding calculation of regional need and municipal present and prospective need obligations in accordance with the formula contained in the Act.

DCA calculated a Round 4 present need obligation of zero (0) units and a prospective need obligation of 109 units for the Borough of Fanwood. The Borough analyzed the data that resulted in the obligation and adopted a binding resolution stipulating its Round 4 affordable housing obligations as calculated by the DCA.

Fanwood's affordable housing obligations are as follows:

- Prior Round (Rounds 1 & 2, from 1987-1999) Obligation: 45 units
- Round 3 (from 1999-2025) Prospective Need Obligation: 218 Units
- Round 4 (from 2025-2035) Present Need (Rehabilitation Obligation): 0 units
- Round 4 (from 2025-2035) Prospective Need Obligation: 109 Units

The Borough's affordable housing obligation and the manner in which it has met and intends to meet it, is described in the following subsections.

Prior Round Obligation

The Borough's prior round obligation is 45 units. As specified in the Borough's Round 3 Housing Element and Fair Share Plan, the Borough applied a Vacant Land Adjustment (VLA) to the prior round obligation. The prior round VLA, which was approved by COAH as part of the Borough's Round 1 and Round 2 Housing Element and Fair Share Plan, identified a Realistic Development Potential of eight (8) units, thereby leaving an unmet need of 37 units.

Prior Round RDP Compliance

Fanwood satisfied the prior round RDP of eight (8) units with existing units, including four (4) units created through a Regional Contribution Agreement (RCA) with the City of Elizabeth; and four (4) units resulting from extension of affordability controls on

what is known as the Cottage Way/Terrill Road site (Block 26.01, Lots 2.01, 2.02, 14.01 and 14.02). The Borough's Prior Round RDP compliance is summarized in Table 19.

Table 19
PRIOR ROUND RDP COMPLIANCE
Borough of Fanwood

| <u>Mechanism</u> | <u>Unit Type</u> | <u>Credits</u> |
|---------------------------------|------------------|----------------|
| Cottage Way/Terrill Road | Family Sale | 4 |
| Fanwood RCA/169-173 Reid Street | RCA Units | 4 |
| Total | — | 8 |

As demonstrated above, the Borough fully satisfied its prior round RDP of eight (8) units.

Prior Round Unmet Need Compliance

The Borough's Round 3 Housing Element and Fair Share Plan addressed prior round unmet need with the Round 3 unmet need. Details on prior round unmet need compliance are included with the description of Round 3 unmet need compliance in the following section.

Round 3 Prospective Need

The Borough's Round 3 prospective need obligation was 218 units. As specified in the Borough's Round 3 Housing Element and Fair Share Plan, the Borough applied a VLA to the Round 3 prospective need. Said VLA, which was approved by the Court as part of the Borough's Round 3 Housing Element and Fair Share Plan, identified a RDP of 36 units, thereby leaving a Round 3 unmet need of 182 units.

Round 3 RDP Compliance

Fanwood's Round 3 RDP compliance strategy relied upon a variety of units resulting from inclusionary zoning and supportive and special needs units. These projects included 36 units of credit and nine (9) rental bonus credits and are summarized in Table 20.

Table 20
ROUND 3 RDP COMPLIANCE
Borough of Fanwood

| <u>Mechanism</u> | <u>Unit Type</u> | <u>Credits</u> |
|----------------------------|--------------------------|----------------|
| Fanwood Crossing 2 and 3 | Family Rental | 4 |
| Community Access Unlimited | Supportive/Special Needs | 6 |
| Theodora House | Supportive/Special Needs | 5 |
| Madison Group Home | Supportive/Special Needs | 3 |
| North Avenue Group Home | Supportive/Special Needs | 6 |
| Paterson Group Home | Supportive/Special Needs | 3 |
| Station Square | Family Rental | 7 |
| Fanwood Crossing 1 | Family Rental | 1 |
| Rental Bonus Credits | — | 9 |
| Total | — | 44 |

As demonstrated above, the Borough not only fully satisfied its prior round RDP, but also generated a surplus of eight(8) units to be applied to its unmet need.

It is noted that as of the adoption and endorsement of the Borough's Round 3 Housing Element and Fair Share Plan, 27 of the units identified in Table 20 were already in existence. These included: four (4) units on the Fanwood Crossing 2 and 3 site (Block 64 Downtown Redevelopment Area); six (6) units at the Community Access Unlimited site (193 Terrill Road); five (5) units at the Theodora House site (204 Terrill Road); three (3) units at the Madison Group Home site (56 Madison Avenue); six (6) units at the North Avenue Group Home site (60 North Avenue); and three (3) units at the Paterson Group Home site (11 Paterson Road).

Subsequent to the adoption and endorsement of the Borough's Round 3 Housing Element and Fair Share Plan, the remaining nine (9) units have been completed. Station Square (Downtown Redevelopment Area), which resulted in 7 family rental units, was completed in June 2019. A payment-in-lieu from Fanwood Crossing 1 (Block 64 Downtown Redevelopment Area) was used to create a very low-income rental unit within Fanwood Crossing 2 and 3.

Round 3 Unmet Need

The Borough's Round 3 unmet need was 182 units. When added to the prior round unmet need of 37 units, a total combined unmet need of 219 results.

To address the total combined unmet need of 219 units, the Borough applied the aforementioned surplus of eight (8) units resulting from its Round 3 prospective need compliance. In addition, the Borough created an affordable housing overlay zone over the Commercial Corridor (CC) zone with the adoption of Ordinance No. 16-17-R on December 5, 2016.

Additionally, the Borough adopted a mandatory affordable housing requirement for new multi-family residential development covering the rest of the Borough, which required a 15 percent set-aside for rental development and a 20 percent set-aside for sale development in excess of five (5) units where the Borough approves a higher density than currently allowed or rezones the site to permit multi-family residential housing. In the event that a project developed under the overlay zone or mandatory set-aside ordinance results in the creation of only one (1) affordable unit, that unit must be a low-income unit. These requirements were created with the adoption of Ordinance No. 16-18-R on December 5, 2016.

Round 4 Present Need

The present need is a measure of overcrowded and deficient housing that is occupied by low- and moderate-income households. The present need has previously been called "rehabilitation share." Fanwood's present need obligation is zero (0) units.

While Fanwood does not have a Round 4 present need obligation, Borough residents are eligible to participate in the Union County Home Improvement Program.

Round 4 Prospective Need

Fanwood's Round 4 prospective need obligation is 109 units. As in Round 3, the Borough does not have sufficient vacant land to zone for or build for its full Round 4 obligation.

Round 4 Vacant Land Adjustment

Because the Borough does not have sufficient vacant land to zone for or build for its full Round 4 obligation, it is entitled to a Vacant Land Adjustment (VLA) for Round 4. The Round 4 VLA table and associated mapping is included in Appendix A. The VLA was prepared pursuant to COAH Round 2 rules contained in N.J.A.C. 5:93-4.2 and the FHA 2.

In its preparation of the Round 4 VLA, the Borough relied upon all analyses and conclusions from its approved Round 3 VLA. The Round 4 VLA analyzed vacant lots with a tax assessment land use classification code of 1 (vacant land) and 15C (public

property). Full lots, or portions thereof, that contain environmental constraints were excluded from the analysis. Properties that are listed on the Borough's Recreation and Open Space Inventory (ROSI) were also excluded, in addition to properties that are a Round 3 compliance mechanism or were identified as not buildable in Round 3. A six-unit per acre density was applied to the remaining lots or portions thereof.

The resulting RDP was zero (0) units.

Round 4 Unmet Need

The difference between a municipality's obligation and its RDP is the unmet need. With an obligation of 109 units and a zero-unit RDP, the Borough has a 109-unit unmet need. Fanwood proposes the following mechanisms to address unmet need:

- Continuation of the Borough's mandatory set-aside requirement pursuant to Section 184-124.1 of the Code of the Borough of Fanwood;
- Continuation of collection of development fees pursuant to Section 184-43 of the Code of the Borough of Fanwood; and
- Revisions to the existing Commercial Corridor (CC) Zone as described below.

FHA 2, at N.J.S.A. 52:27D-310.1, contains the following new requirement:

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

The Borough's unmet need obligation is 109 units. Thus, 25 percent of the 109-unit unmet need obligation is 28 affordable units.

The Borough of Fanwood is a fully built-out municipality that is approximately 1.3 square miles in size. Having engaged in sound planning for many years, Fanwood has guided new development to its downtown area. This area, collectively referred to as the Commercial Corridor (CC) Zone, is generally within walking distance of the Fanwood train station, which provides service from Fanwood to Newark Penn Station and New York Penn Station along New Jersey Transit's Raritan Valley Line. Such transit-oriented development in the commercial core is in concert with current planning practices and with affordable housing rules and regulations, which encourage affordable units to have access to transportation, services and employment opportunities.

However, the entire Commercial Corridor (CC) Zone, which is allocated into three subdistricts (CC-Central, CC-East and CC-West), is a Round 3 unmet need compliance mechanism. All of the residential and mixed-use development that has occurred within the Commercial Corridor (CC) Zone includes an affordable component to help address Fanwood's Round 3 obligation.

Aside from the Commercial Corridor (CC) Zone, there is no other opportunity in the Borough to address its Round 4 unmet need obligation. Fanwood does not have industrial properties located outside of the Commercial Corridor (CC) Zone or dedicated industrial zones that could be the subject of an overlay zone to address Round 4 unmet need.

Based on the above, Fanwood has no alternative but to consider a revision to its Commercial Corridor (CC) Zone to address the requirement of N.J.S.A. 52:27D-310.1 and offer realistic zoning for 28 units. Presently, the Commercial Corridor (CC) Zone's set-aside requirements are 15 percent for rental units and 20 percent for sale units. The Borough finds that the majority of the approved and built units are rental units. The most realistic option that would result in additional affordable units within the Commercial Corridor (CC) Zone (i.e., above and beyond what the current zoning permits) is to increase the required affordable set-aside for rental units. Increasing the affordable set-aside from 15 percent to 17 percent would result in the potential to satisfy the requirement to offer realistic zoning for the 28 units required to address the requirement of N.J.S.A. 52:27D-310.1 to address 25 percent of the Borough's unmet need. A sample ordinance increasing the required set-aside for rental units in the Commercial Corridor (CC) Zone is included in Appendix D.

Consideration of Lands Appropriate for Affordable Housing

Fanwood is a developed community with no vacant land. The Borough anticipates that future development and growth will predominantly be limited to the Commercial Corridor (CC) Zone. This is the location of the overlay zone mechanism from Round 3 and, by means of an increased set-aside requirement, Round 4.

The area of the Commercial Corridor (CC) Zone was determined to be available, approvable, suitable and developable in Round 3 and continues to be so during Round 4.

Representatives of the following properties came forward to express a commitment to provide affordable housing in Round 4. It is noted that, in both instances, information was relayed to Borough officials verbally. Neither representative submitted a written request for consideration for inclusion in the Borough's Round 4 plan.

- **Community Access Unlimited.** Community Access Unlimited approached a Borough representative and expressed an interest in partnering with

Fanwood for the provision of special needs housing. Such a partnership would require a land donation by the Borough. Community Access Unlimited was advised that there was not any property available for such a donation, and that a formal request should be made to the Borough.

- **2 South Avenue (Block 56, Lot 1).** A representative of the owner of this 1.77-acre property has approached the town regarding the Round 4 plan. It is noted that this property is situated in the Commercial Corridor (CC) Zone, which is a Round 3 unmet need mechanism. Therefore, this site will have the same opportunity for inclusionary development as other properties within the within the Borough's approved Round 3 plan. It is, however, noted that the property contains a deed restriction against residential use on the site. Therefore, the property is not available per affordable housing rules. In addition, the property representative has not provided a plan that demonstrates conformance to the requirements of the Commercial Corridor (CC) Zone, and specifically those of the CC-West subdistrict; respect of the surrounding built environment; or sound planning.

Consistency with the State Development and Redevelopment Plan

The 2001 New Jersey State Development and Redevelopment Plan (SDRP) contains a series of smart growth goals and policies, and mapping that reflects desired growth patterns within a series of state planning areas.

As provided in the SDRP, the entirety of Fanwood is located within Planning Area 1, which is also known as the Metropolitan Planning Area.

In the Metropolitan Planning Area, the SDRP's intention is to:

- Provide for much of the State's future redevelopment;
- Revitalize cities and towns;
- Promote growth in compact forms;
- Stabilize older suburbs;
- Redesign areas of sprawl; and
- Protect the character of existing stable communities.

Additionally, it is noted that the 2001 SDRP outlines several policy objectives for the Metropolitan Planning Area, including:

- Land Use: Promote redevelopment and development in cores and neighborhoods of centers and in nodes that have been identified through cooperative regional planning efforts. Promote diversification of land uses, including housing where appropriate, in single-use developments and enhance their linkages to the rest of the community. Ensure efficient and

beneficial utilization of scarce land resources throughout the Planning Area to strengthen its existing diversified and compact nature.

- Housing: Provide a full range of housing choices through redevelopment, new construction, rehabilitation, adaptive reuse of nonresidential buildings, and the introduction of new housing into appropriate nonresidential settings. Preserve the existing housing stock through maintenance, rehabilitation and flexible regulation.

Execution of this Housing Element and Fair Share Plan and, therewith, promotion of affordable housing development in the Metropolitan Planning Area would be consistent with the intent and aforementioned policy objectives of said planning area.

SDRP Update

It is noted that as of the preparation of this Housing Element and Fair Share Plan, the State of New Jersey was in the process of updating the SDRP. While a draft of an updated SDRP was released for public review and comment in December 2024, its finalization and adoption are not anticipated to occur before late 2025 or early 2026. Thus, the 2001 SDRP remained in effect as of the preparation and adoption of this Housing Element and Fair Share Plan.

Notwithstanding the above, it is noted that the draft SDRP incorporates the same planning areas as the 2001 SDRP and associated mapping indicates that the Borough would remain in the Metropolitan Planning Area.

In addition to the above, it is noted that the draft SDRP includes several “State Planning Goals.” One of these goals relates to housing and includes the following core objectives:

- Increase the Construction of Diverse Housing Types and the Amount of Affordable Housing: Promote varied housing options for all income levels, including rentals, starter homes, senior housing, and market-rate units in transit-rich and mixed-income communities.
- Focus on Retaining Residents and Increasing Sustainability: Support inclusionary zoning, green building standards, and Transit-Oriented Development, while reinforcing fair housing practices and preventing the displacement of residents.
- Address Housing Needs of Diverse Demographics: Facilitate multi-generational households, senior housing, and adaptable options to ensure all residents can age in place and access affordable housing.
- Promote Regional Housing Balance: Encourage diverse housing development in areas with strong job markets, educational opportunities, and other amenities which support socio-economic mobility and integrate communities.

Based on its continuation of the same planning areas as outlined in the 2001 SDRP and its promotion of affordable housing, it is concluded that this Housing Element and Fair Share Plan is generally consistent the draft SDRP.

Multigenerational Housing Continuity

In 2021, the New Jersey Senate and General Assembly of the State of New Jersey enacted P.L. 2021, c.273, which established the Multigenerational Family Housing Continuity Commission.

The commission's responsibilities include preparing and adopting recommendations on how to best 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." The commission members and associated staff shall conduct research, obtaining public input, and adopt recommendations on how to most effectively advance the goal of enhancing multigenerational family housing continuity.

We note that this Housing Element and Fair Share Plan encourages development of affordable housing in the Commercial Corridor (CC) Zone. This location is walkable and proximate to commercial services, transit, Fanwood Memorial Library and other municipal facilities. Finally, the Borough's Housing Element and Fair Share Plan provides for the development of a variety of housing options. It is, therefore, concluded that the Borough's Housing Element and Fair Share Plan is consistent with the goal of preserving multifamily generational continuity.

Conclusion

Fanwood will provide for its fair share of affordable housing despite having a vacant land deficiency. As shown, the Borough has satisfied its Rounds 1, 2 and 3 obligations, and has developed a viable plan to meet its Round 4 unmet need by increasing the required set-aside of the Commercial Corridor (CC) Zone.

Appendices

This report contains the following appendices.

Appendix A: Vacant Land Adjustment Documentation.

Appendix B: Affordable Housing Ordinance, Mandatory Set-Aside Ordinance & Affirmative Marketing Plan. The Borough's existing ordinances are included. Modifications will be made as needed to comply with any future Round 4 requirements.

Appendix C: Development Fee Ordinance. The Borough's existing ordinance is included. Modifications will be made as needed to comply with any future Round 4 requirements.

Appendix D: Resolution Appointing the Municipal Housing Liaison.

Appendix E: Draft Ordinance to Increase Set-Aside of Commercial Corridor (CC) Zone and Existing Zoning Map.

Appendix F: Spending Plan.

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