

**HOUSING ELEMENT  
AND  
FAIR SHARE PLAN**

**Borough of Wanaque  
Passaic County, New Jersey**

**May, 2010**

Prepared for:

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New Jersey's Fair Housing Act of 1985 and the Municipal Land Use Law (MLUL) require municipalities to adopt a housing element that addresses the municipal present and prospective housing need, with particular attention to low and moderate income housing. A housing element shall contain at least the following:

1. An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics and type including the number of units affordable to low and moderate income households and substandard housing capable of being rehabilitated;
2. A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for the next six (6) years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
3. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
4. An analysis of the existing and probable future employment characteristics of the municipality;
5. A determination of the municipality's present and prospective fair share for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing; and
6. 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.

### *Analysis of Housing Stock*

In 1990, the Census counted 3,259 housing units in Wanaque. Over the decade of the 1990s, Wanaque realized a 7.4 percent increase in its housing stock, for a total of 3,500 units in 2000. During this same period Passaic County's housing stock increased by 4.6 percent. Both the County and Wanaque lagged behind the State's overall gain in housing, which was reported to be 7.6 percent throughout the 1990s.

**HOUSING UNITS - Universe: Housing units**

	Wanaque	Passaic County	New Jersey
Census 2000	3,500	170,048	3,310,275
Census 1990	3,259	162,512	3,075,310
<b>Numeric Change, 1990 - 2000</b>	241	7,536	234,965
<b>Percentage Change 1990 - 2000</b>	7.4	4.6	7.6

*U.S. Census Bureau, 1990 & 2000*

Of the Borough's 2000 Census count of housing units (3,500), 3,444 were occupied leaving 56 units vacant for a vacancy rate of 1.6 percent. The housing vacancy rate was significantly lower than the County's or the State's in that same period, 3.6 and 7.4 percent respectively.

**OCCUPANCY STATUS - Universe: Housing units**

	Wanaque	Passaic County	New Jersey
Total:	3,500	170,048	3,310,275
Occupied	3,444	163,856	3,064,645
Vacant	56	6,192	245,630
% Vacant	1.6%	3.6%	7.4%

*U.S. Census Bureau, 2000*

Of the 3,444 occupied housing units in the Borough, 2,751 (79.9 percent) were owner occupied and 693 (20.1 percent) were rentals. Wanaque's housing is less likely to be renter occupied than the County (44.4 percent renter occupied) or the State (34.4 percent renter occupied.)

**TENURE - Universe: Occupied housing units**

	Wanaque	Passaic County	New Jersey
Total:	3,444	163,856	3,064,645
Owner occupied	2,751	91,171	2,011,298
% owner occupied	79.9%	55.6%	65.6%
Renter occupied	693	72,685	1,053,347
% renter occupied	20.1%	44.4%	34.4%

*U.S. Census Bureau, 2000*

Over three-quarters of the Borough's housing stock, 77.6 percent in 2000, was single family detached housing. The next most common type of housing was 2 units/structure representing 12.4 percent of the total housing units. Wanaque is more likely to contain single family detached units than Passaic County or the State, with 43.4 percent and 54.2 percent of the housing stock in single family detached style, respectively.

**UNITS IN STRUCTURE - Universe: Housing units**

	Wanaque		Passaic County		New Jersey	
Total:	3,500		170,048		3,310,275	
1, detached	2,533	72.4%	73,746	43.4%	1,794,967	54.2%
1, attached	208	5.9%	7,467	4.4%	285,268	8.6%
2	433	12.4%	38,145	22.4%	331,393	10.0%
3 or 4	97	2.8%	16,821	9.9%	223,580	6.8%
5 to 9	110	3.1%	10,706	6.3%	160,249	4.8%
10 to 19	83	2.4%	7,253	4.3%	161,656	4.9%
20 to 49	19	0.5%	5,347	3.1%	121,452	3.7%
50 or more	17	0.5%	10,240	6.0%	197,313	6.0%
Mobile home	0	0.0%	310	0.2%	33,600	1.0%
Boat, RV, van, etc.	0	0.0%	13	0.0%	787	0.0%

*U.S. Census Bureau, 2000*

The median value of sales housing in Wanaque as of the 2000 Census was \$172,100, which is lower than the County's median (\$190,600) and just about the same as the State's median housing value (\$170,800).

**MEDIAN AND QUARTILE VALUE FOR SPECIFIED OWNER-OCCUPIED HOUSING UNITS**  
 Universe: Specified owner-occupied housing units

	Wanaque	Passaic	New Jersey
Lower value quartile	\$ 140,000	\$ 154,000	\$ 122,100
Median value	\$ 172,100	\$ 190,600	\$ 170,800
Upper value quartile	\$ 209,000	\$ 255,700	\$ 253,100

*U.S. Census Bureau, 2000*

The following table details the distribution of housing values for Wanaque and Passaic County. Just 3.5 percent of the Borough's housing stock was valued at more than \$300,000 in 2000, compared to 15.3 percent for Passaic County. However, the Borough and the County had very similar percentages of their housing stock valued at less than \$125,000; 9.4 and 9.3 percent, respectively, in 2000.

VALUE FOR SPECIFIED OWNER-OCCUPIED HOUSING UNITS

Universe: Specified owner-occupied housing units

	Wanaque			Passaic		
	Number	Percent	Cumulative %	Number	Percent	Cumulative %
Total:	2,456	(x)	(x)	69,245	(x)	(x)
Less than \$10,000	0	0.0%	0.0%	15	0.0%	0.0%
\$10,000 to \$14,999	0	0.0%	0.0%	64	0.1%	0.1%
\$15,000 to \$19,999	0	0.0%	0.0%	41	0.1%	0.2%
\$20,000 to \$24,999	0	0.0%	0.0%	52	0.1%	0.2%
\$25,000 to \$29,999	0	0.0%	0.0%	52	0.1%	0.3%
\$30,000 to \$34,999	0	0.0%	0.0%	37	0.1%	0.4%
\$35,000 to \$39,999	0	0.0%	0.0%	30	0.0%	0.4%
\$40,000 to \$49,999	0	0.0%	0.0%	110	0.2%	0.6%
\$50,000 to \$59,999	7	0.3%	0.3%	144	0.2%	0.8%
\$60,000 to \$69,999	0	0.0%	0.3%	94	0.1%	0.9%
\$70,000 to \$79,999	0	0.0%	0.3%	383	0.6%	1.5%
\$80,000 to \$89,999	5	0.2%	0.5%	601	0.9%	2.3%
\$90,000 to \$99,999	14	0.6%	1.1%	898	1.3%	3.6%
\$100,000 to \$124,999	205	8.3%	9.4%	3,926	5.7%	9.3%
\$125,000 to \$149,999	640	26.1%	35.5%	8,852	12.8%	22.1%
\$150,000 to \$174,999	404	16.4%	51.9%	12,637	18.2%	40.3%
\$175,000 to \$199,999	480	19.5%	71.5%	10,689	15.4%	55.8%
\$200,000 to \$249,999	486	19.8%	91.2%	12,446	18.0%	73.8%
\$250,000 to \$299,999	128	5.2%	96.5%	7,611	11.0%	84.7%
\$300,000 to \$399,999	87	3.5%	100.0%	7,086	10.2%	95.0%
\$400,000 to \$499,999	0	0.0%	100.0%	1,997	2.9%	97.9%
\$500,000 to \$749,999	0	0.0%	100.0%	1,126	1.6%	99.5%
\$750,000 to \$999,999	0	0.0%	100.0%	252	0.4%	99.9%
\$1,000,000 or more	0	0.0%	100.0%	102	0.1%	100.0%

US Bureau of the Census, 2000

The median rent in Wanaque was \$946 per month, which was \$199/month greater than Passaic County's median rent figure of \$747, and \$195 greater than the State's overall median rent figure of \$751 per month.

GROSS RENT - Universe: Specified renter-occupied housing units

	Wanaque	Passaic County	New Jersey
Total:			
With cash rent:	693	72,536	1,015,329
Less than \$200	20	2,853	49,700
\$200 to \$299	14	2,089	33,558
\$300 to \$499	43	6,765	89,707
\$500 to \$749	84	24,046	333,465
\$750 to \$999	230	24,271	314,000
\$1,000 or more	283	10,698	194,899
No cash rent	14	1,814	33,798
Median gross rent	\$ 946	\$ 747	\$ 751

U.S. Census Bureau, 2000

## **Units Affordable to Low and Moderate Income Households**

Low income households are defined as earning less than or equal to 50 percent of a regional median income. Moderate income households earn more than 50 percent of median but less than 80 percent.

COAH has developed a sliding scale defining the income of eligible low and moderate income households. For example, the median income of a household of one (1) is less than for a household of two (2). COAH has determined separate median incomes for households of one up to households of eight.

Similarly, housing units are to be priced to be affordable to households who could reasonably be expected to live within the housing units. For example, the current COAH rules require that an efficiency unit be affordable to a household of one (1). The average one (1) bedroom unit must be affordable to a one (1) and a half person household. Similarly, the average two and three bedroom units must be affordable to households of 3.0 and 4.5 respectively. The following table displays COAH's 2000 income limits by household size. The income of a 1.5 person and 4.5 person household must be determined by interpolation.

### **Income Limits, 2000:**

#### **Region 1, Bergen, Hudson, Passaic and Sussex Counties**

<i>Region 1</i>	<i>1 Person</i>	<i>1.5 Person</i>	<i>2 Person</i>	<i>3 Person</i>	<i>4 Person</i>	<i>4.5 Person</i>	<i>5 Person</i>	<i>6 Person</i>	<i>7 Person</i>	<i>8 Person</i>
Median	\$46,782	\$50,123	\$53,465	\$60,148	\$66,831	\$69,504	\$72,177	\$77,524	\$82,870	\$88,217
Moderate	\$37,426	\$40,098	\$42,772	\$48,118	\$53,465	\$55,603	\$57,742	\$62,019	\$66,296	\$70,574
Low	\$23,391	\$25,062	\$26,733	\$30,074	\$33,416	\$34,752	\$36,089	\$38,762	\$41,435	\$44,109

*Source: COAH*

To be affordable, a home owner should not be paying more than 28 percent of its gross income on principal, interest, taxes, and insurance, subsequent to a five percent down payment. A rental unit is affordable if the household is paying no more than 30 percent of its income on rent and utilities. To illustrate, the average three-bedroom rental should be affordable to a household of 4.5 people. Assuming that a 4.5 person moderate income

household earned \$55,603 in 2000; the monthly rent and utilities for an affordable three bedroom unit could not exceed \$1,390.

It is difficult, and probably not terribly productive to try and determine how many for sale units were affordable to low and moderate income households when the census was taken. To make this calculation properly would require an analysis of 2000 income limits, interest rates and tax rates. However, assuming that the greatest percentage of owner occupied housing in Wanaque are three bedroom units (35.8 percent), an owner occupied unit would have been considered affordable if it could be purchased by a moderate income household of 4.5 people.

BEDROOMS - Universe: Housing units		
	Wanaque	
Total:	3,500	(x)
No bedroom	24	0.7%
1 bedroom	177	5.1%
2 bedrooms	1,041	29.7%
3 bedrooms	1,254	35.8%
4 bedrooms	898	25.7%
5 or more bedrooms	106	3.0%

*U.S. Census Bureau, 2000*

Assuming a household could afford a home priced at 3.0 times the household income, a 3-bedroom (4.5 person) household earning the moderate income limit in 2000, \$55,603 could afford a \$166,809 house. About half of the Borough's housing stock was affordable to the upper level moderate income population as of the 2000 Census.

VALUE FOR SPECIFIED OWNER-OCCUPIED HOUSING UNITS

Universe: Specified owner-occupied housing units

	Wanaque		
	Number	Percent	Cumulative %
<b>Total:</b>	<b>2,456</b>	<b>(x)</b>	<b>(x)</b>
Less than \$10,000	0	0.0%	0.0%
\$10,000 to \$14,999	0	0.0%	0.0%
\$15,000 to \$19,999	0	0.0%	0.0%
\$20,000 to \$24,999	0	0.0%	0.0%
\$25,000 to \$29,999	0	0.0%	0.0%
\$30,000 to \$34,999	0	0.0%	0.0%
\$35,000 to \$39,999	0	0.0%	0.0%
\$40,000 to \$49,999	0	0.0%	0.0%
\$50,000 to \$59,999	7	0.3%	0.3%
\$60,000 to \$69,999	0	0.0%	0.3%
\$70,000 to \$79,999	0	0.0%	0.3%
\$80,000 to \$89,999	5	0.2%	0.5%
\$90,000 to \$99,999	14	0.6%	1.1%
\$100,000 to \$124,999	205	8.3%	9.4%
\$125,000 to \$149,999	640	26.1%	35.5%
\$150,000 to \$174,999*	404	16.4%	51.9%
\$175,000 to \$199,999	480	19.5%	71.5%
\$200,000 to \$249,999	486	19.8%	91.2%
\$250,000 to \$299,999	128	5.2%	96.5%
\$300,000 to \$399,999	87	3.5%	100.0%
\$400,000 to \$499,999	0	0.0%	100.0%
\$500,000 to \$749,999	0	0.0%	100.0%
\$750,000 to \$999,999	0	0.0%	100.0%
\$1,000,000 or more	0	0.0%	100.0%

US Bureau of the Census, 2000

\*Interval containing \$166,809

With regard to rentals, it is assumed that an efficiency unit should be affordable to a one person household. A one-bedroom unit should be affordable to a 1.5 person household. A two-bedroom unit should be affordable to a three person household; and a three bedroom unit should be affordable to a 4.5 person household. Given these standards, rent plus utilities on an affordable (moderate income) efficiency, one, two and three bedroom unit could not exceed \$935, \$1,002, \$1,202, and \$1,390 respectively in 2000.

For purposes of calculating affordability, Wanaque assumes that utilities (in 2000) cost: \$60 per month for efficiency; \$75 for a one (1) bedroom unit; \$95 for a two (2) bedroom unit; and \$110 for a three (3) bedroom unit. Thus, an affordable moderate income rent, by COAH standards, may be estimated to be: \$875 for an efficiency unit; \$927 for a one

(1) bedroom-unit; \$1,107-for a two-(2) bedroom-unit; and \$1,280-for a three-(3) bedroom-unit.

By applying these standards to the array of rents displayed below, one can determine that all of Borough' 24 efficiency units, roughly 78 of the 135 one bedroom units, 200 of the 346 two bedroom units and 32 of the 174 three bedroom units paying cash rent were affordable to low and moderate income households. It must be noted, however, that the Census groupings of rent do not distinguish between rents within intervals or over \$1,000. In 2000, an affordable rent for a two bedroom unit was \$1,107. There were 146 units renting for more than \$1,000/month; it is unknown which of these 146 units were affordable. Similarly, the affordable rent for a three-bedroom unit was calculated to be \$1,280. One-hundred and forty-two (142) of the three-bedroom units reported rents over \$1,000 per month in Wanaque, therefore it is unknown which of these units, if any, were actually affordable. To be conservative, this analysis has not included these units in the estimate of affordable rental units thereby underestimating the availability of affordable rental units in Wanaque.

**BEDROOMS BY GROSS RENT:**

-Universe: Specified renter-occupied housing units

<b>Wanaque</b>	
<b>Total:</b>	<b>693</b>
No bedroom:	24
With cash rent:	24
Less than \$200	0
\$200 to \$299	0
\$300 to \$499	11
\$500 to \$749	13
\$750 to \$999	0
\$1,000 or more	0
No cash rent	0
1 bedroom:	135
With cash rent:	135
Less than \$200	10
\$200 to \$299	0
\$300 to \$499	16
\$500 to \$749	52
\$750 to \$999	57
\$1,000 or more	0
No cash rent	0
2 bedrooms:	346
With cash rent:	346
Less than \$200	10
\$200 to \$299	14
\$300 to \$499	16
\$500 to \$749	19
\$750 to \$999	141
\$1,000 or more	146
No cash rent	0
3 or more bedrooms:	188
With cash rent:	174
Less than \$200	0
\$200 to \$299	0
\$300 to \$499	0
\$500 to \$749	0
\$750 to \$999	32
\$1,000 or more	142
No cash rent	14

U.S. Census Bureau, 2000

### Characteristics of Housing Stock

Detailed characteristics of housing, as they existed at the time of the 2000 Census, are shown below. The data demonstrate that much of Wanaque's housing stock is older. Of the 3,500 dwellings reported by the 2000 Census, 565 (16.1 percent) were constructed prior to 1940, 52.8 percent prior to 1960. Just over 85 percent (85.1 percent) of the dwellings reported by the Census were constructed prior to 1980. Studies have shown that the condition of the housing stock is inversely related to its age.

YEAR STRUCTURE BUILT - Universe: Housing units	
	Wanaque
Total:	3,500
Built 1999 to March 2000	92 2.6%
Built 1995 to 1998	97 2.8%
Built 1990 to 1994	37 1.1%
Built 1980 to 1989	297 8.5%
Built 1970 to 1979	638 18.2%
Built 1960 to 1969	491 14.0%
Built 1950 to 1959	830 23.7%
Built 1940 to 1949	453 12.9%
Built 1939 or earlier	565 16.1%

*U.S. Census Bureau, 2000*

The data show that most of the owner occupied housing consist of at least three (3) bedrooms, while most of the rental units are designed for smaller households.

TENURE BY BEDROOMS -

Universe: Occupied housing units

Wanaque		
Total:	3,444	(x)
Owner occupied:	2,751	(x)
No bedroom	0	0.0%
1 bedroom	42	1.5%
2 bedrooms	667	24.2%
3 bedrooms	1,119	40.7%
4 bedrooms	857	31.2%
5 or more bedrooms	66	2.4%
Renter occupied:	693	(x)
No bedroom	24	3.5%
1 bedroom	135	19.5%
2 bedrooms	346	49.9%
3 bedrooms	107	15.4%
4 bedrooms	41	5.9%
5 or more bedrooms	40	5.8%

U.S. Census Bureau, 2000

Nearly 82 percent of all homes in Wanaque are heated with utility gas.

HOUSE HEATING FUEL

- Universe: Occupied housing units

Wanaque		
Total:	3,444	
Utility gas	2,819	81.9%
Bottled, tank, or LP gas	90	2.6%
Electricity	100	2.9%
Fuel oil, kerosene, etc.	420	12.2%
Coal or coke	0	0.0%
Wood	15	0.4%
Solar energy	0	0.0%
Other fuel	0	0.0%
No fuel used	0	0.0%

U.S. Census Bureau, 2000

The vast majority of homes have complete plumbing and kitchen facilities, and telephone service.

**PLUMBING & KITCHEN FACILITIES, TELEPHONE SERVICE**

Universe: Housing Units\*

	Wanaque	
Total:	3,500	(x)
Plumbing:		
Complete plumbing facilities	3,461	98.9%
Lacking complete plumbing facilities	39	1.1%
Kitchen:		
Complete kitchen facilities	3,471	99.2%
Lacking complete kitchen facilities	29	0.8%
Telephone*:		
Telephone Service	3,444	100.0%
No Telephone Service	0	0.0%

\*Telephone service percentages computed on occupied housing units.

U.S. Census Bureau, 2000

Overcrowding (more than 1.0 person per room) is not a significant issue in Wanaque. As of the 2000 Census, there were more than one (1) person per room in 58 homes, representing 1.7 percent of all occupied units.

**TENURE BY OCCUPANTS PER ROOM**

Universe: Occupied housing units

	Wanaque	
Total:	3,444	(x)
<b>Owner occupied:</b>	2,751	(x)
0.50 or less occupants per room	1,971	71.6%
0.51 to 1.00 occupants per room	734	26.7%
1.01 to 1.50 occupants per room	46	1.7%
1.51 to 2.00 occupants per room	0	0.0%
2.01 or more occupants per room	0	0.0%
<b>Renter occupied:</b>	693	(x)
0.50 or less occupants per room	364	52.5%
0.51 to 1.00 occupants per room	317	45.7%
1.01 to 1.50 occupants per room	12	1.7%
1.51 to 2.00 occupants per room	0	0.0%
2.01 or more occupants per room	0	0.0%
<b>Total units 1.01 or more occupants/room</b>	<b>58</b>	<b>(x)</b>
<b>Percentage of all units</b>	<b>1.7%</b>	<b>(x)</b>

U.S. Census Bureau, 2000

## Projected Housing Stock

The issue of housing unit projections is discussed in the section describing Wanaque's growth share.

### Demographic Characteristics

The Census demonstrates that Wanaque's population increased by 5.7 percent through the 1990s. This growth rate is 2.2 percentage points lower than the growth experienced by Passaic County during that same period (7.9 percent), and 3.2 percentage points lower than New Jersey's overall growth through the 1990s.

TOTAL POPULATION - Universe: Total population

	Wanaque	Passaic County	New Jersey
Census 2000	10,266	489,049	8,414,350
Census 1990	9,711	453,060	7,730,188
<b>Numeric Change, 1990 - 2000</b>	<b>555</b>	<b>35,989</b>	<b>684,162</b>
<b>Percentage Change 1990 - 2000</b>	<b>5.7</b>	<b>7.9</b>	<b>8.9</b>

*US Bureau of the Census, 1990 & 2000*

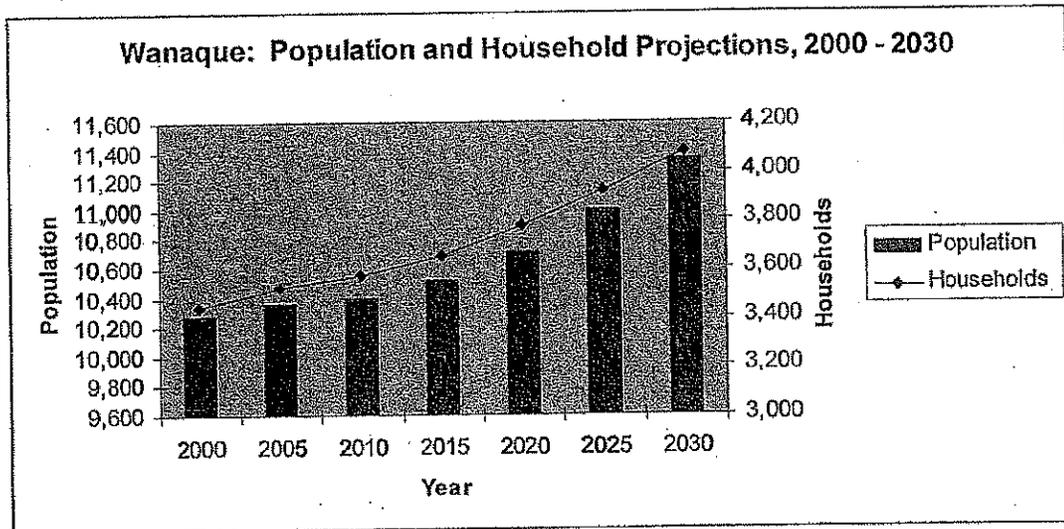
Wanaque is expected to continue its moderate increase in population through 2030, with population increasing by 10.5 percent from 2000 to 2030, and households increasing by 18.6 percent, according to the North Jersey Transportation Planning Authority (NJTPA).

POPULATION and HOUSEHOLD FORECASTS, 2000 - 2030

	2000	2005	2010	2015	2020	2025	2030	Absolute Change, 2000 - 2030	Percent Change, 2000 - 2030
Population	10,270	10,360	10,400	10,510	10,710	11,000	11,350	1,080	10.5
Households	3,440	3,520	3,570	3,650	3,770	3,920	4,080	640	18.6

*Source: NJTPA*

The following graph displays the NJTPA population and household projections from 2000 through 2030 for Wanaque.



### Household Size and Age Distribution

Household sizes have declined nationally for decades. From 1990 to 2000, the average household size in the United States dropped by 1.5% and New Jersey realized a .7% decline in household size. Passaic County, on the other hand, realized a 2.5 percent increase in household size from 1990 to 2000, belying the national trends.

#### AVERAGE HOUSEHOLD SIZE, 1990 & 2000

	Wanaque	Passaic	New Jersey	United States
1990	2.97	2.85	2.7	2.63
2000	2.86	2.92	2.68	2.59
<b>% Change</b>	<b>-3.7%</b>	<b>2.5%</b>	<b>-0.7%</b>	<b>-1.5%</b>

*US Bureau of the Census, 1990 & 2000*

In Wanaque, average household size dropped slightly in the 1990s from 2.97 to 2.86 persons per household. Variations in the average household size figure are evident when tenure is considered. While the overall average household size in Wanaque was 2.86,

that figure was higher in owner occupied (2.91) units than for renter occupied units (2.64). This pattern of household size by tenure is replicated for Passaic County as well.

**AVERAGE HOUSEHOLD SIZE BY TENURE**

Universe: Occupied Units

	Wanaque	Passaic
Total	2.86	2.92
Owner occupied	2.91	3.04
	2.64	2.78

*US Bureau of the Census, 2000*

Just over 47 percent of all Wanaque households (47.1 percent) consist of one (1) or two (2) people.

**HOUSEHOLD SIZE - Universe: Occupied housing units**

	Wanaque	
Total:	3,444	(x)
1-person household	577	16.8%
2-person household	1,044	30.3%
3-person household	718	20.8%
4-person household	708	20.6%
5-person household	264	7.7%
6-person household	69	2.0%
7-or-more-person household	64	1.9%

*U.S. Census Bureau, 2000*

Wanaque's median age (half above, half below) is higher than the median age for the State and Passaic County. The median age in Wanaque is 37.6. The State median is 36.4 and the County median is 34.8. The table below details the age distribution for Wanaque, Passaic County and New Jersey. As shown, Wanaque's age distribution is slightly more concentrated at older age cohorts than the County's and is similar to the distribution found in the State, where, similar to Wanaque, just over 22 percent of the population were aged 55 and over in 2000.

AGE- Universe: Total population

Age	Wanaque		Passaic County		New Jersey	
<20	2,676	26.1	147,096	30.1	2,372,486	28.2
21- 34	1,723	16.8	97,543	19.9	1,559,178	18.5
35 -44	2,037	19.8	81,981	16.8	1,463,352	17.4
45 - 54	1,559	15.2	62,502	12.8	1,157,141	13.8
55 - 64	1,017	9.9	40,822	8.3	749,158	8.9
65 - 74	552	5.4	30,368	6.2	577,441	6.9
75+	702	6.8	28,737	5.9	535,594	6.4
<b>Total</b>	<b>10,266</b>	<b>100.0</b>	<b>489,049</b>	<b>100.0</b>	<b>8,414,350</b>	<b>100.0</b>

### Educational Attainment

Just over 84 percent of the Borough's residents 25 years of age or older obtained a high school degree (or equivalent), while 22.3 percent earned a bachelor's degree or higher, in 2000.

#### EDUCATIONAL ATTAINMENT

	Wanaque	
Population 25 years and over	7,162	100.0%
Less than 9th grade	442	6.2%
9th to 12th grade, no diploma	690	9.6%
High school graduate (Includes equivalency)	2,463	34.4%
Some college, no degree	1,559	21.8%
Associate degree	411	5.7%
Bachelor's degree	1,049	14.6%
Graduate or professional degree	548	7.7%
Percent high school graduate or higher	84.2%	(X)
Percent bachelor's degree or higher	22.3%	(X)

US Bureau of the Census, 2000

### Income

The 1999 median household income (half higher, half lower) in Wanaque was reported to be \$66,113. By way of comparison, the 1999 median household income for New Jersey was \$55,146 and the County was \$49,210.

In 1999, 11.7 percent of the Borough's households had incomes of less than \$25,000. Twenty-one percent (21 percent) had incomes of between \$25,000 and \$50,000. Another 44.2 percent reported incomes of between \$50,000 and \$100,000; and 17.7 percent reported household income of between \$100,000 and \$150,000. Just over 5 percent (5.4 percent) of the households in the Borough reported incomes in excess of \$150,000.

**HOUSEHOLD INCOME IN 1999 - Universe: Households**

	Wanaque		Passaic County		New Jersey	
Total:	3,447	(x)	163,917	(x)	3,065,774	(x)
Less than \$10,000	95	2.8%	13,508	8.2%	213,939	7.0%
\$10,000 to \$14,999	92	2.7%	8,793	5.4%	143,783	4.7%
\$15,000 to \$19,999	118	3.4%	9,122	5.6%	142,069	4.6%
\$20,000 to \$24,999	99	2.9%	8,940	5.5%	146,537	4.8%
\$25,000 to \$29,999	100	2.9%	9,219	5.6%	152,012	5.0%
\$30,000 to \$34,999	192	5.6%	8,913	5.4%	153,437	5.0%
\$35,000 to \$39,999	147	4.3%	8,752	5.3%	150,757	4.9%
\$40,000 to \$44,999	118	3.4%	8,393	5.1%	150,538	4.9%
\$45,000 to \$49,999	167	4.8%	7,394	4.5%	136,078	4.4%
\$50,000 to \$59,999	354	10.3%	14,431	8.8%	260,375	8.5%
\$60,000 to \$74,999	563	16.3%	17,199	10.5%	347,869	11.3%
\$75,000 to \$99,999	605	17.6%	20,815	12.7%	413,928	13.5%
\$100,000 to \$124,999	416	12.1%	12,692	7.7%	252,890	8.2%
\$125,000 to \$149,999	195	5.7%	6,276	3.8%	138,233	4.5%
\$150,000 to \$199,999	92	2.7%	5,457	3.3%	130,492	4.3%
\$200,000 or more	94	2.7%	4,013	2.4%	132,837	4.3%
<b>Median household income in 1999</b>	<b>\$ 66,113</b>		<b>\$ 49,210</b>		<b>\$ 55,146</b>	

US Bureau of the Census, 2000

**Employment Characteristics**

The census reports on workers aged 16 and older. As of the 2000 Census, 3.63 percent of the civilian labor force in Wanaque was unemployed.

**EMPLOYMENT STATUS  
FOR THE POPULATION 16 YEARS AND OVER**

	Wanaque	
Total:	8,044	
In labor force:	5,675	
In Armed Forces	0	
Civilian:	5,675	
Employed	5,469	
Unemployed	206	3.63
Not in labor force	2,369	

US Bureau of the Census, 2000

Of the 5,408 employed residents 16 years and over, 2.1 percent reported that they worked at home, while 55.2 percent, or 2,925 workers, reported that they commuted a half hour or less to work. Slightly more than 9 percent (9.2 percent) of the Borough's workforce commutes an hour or more to work each day.

TRAVEL TIME TO WORK FOR WORKERS 16 YEARS AND OVER  
 - Universe: Workers 16 years and over

	Wanaque	
Total:	5,408	(x)
Did not work at home:	5,296	(x)
Less than 5 minutes	206	3.9%
5 to 9 minutes	422	8.0%
10 to 14 minutes	443	7.8%
15 to 19 minutes	774	14.6%
20 to 24 minutes	725	13.7%
25 to 29 minutes	385	7.3%
30 to 34 minutes	800	15.1%
35 to 39 minutes	281	5.3%
40 to 44 minutes	301	5.7%
45 to 59 minutes	498	9.4%
60 to 89 minutes	389	7.3%
90 or more minutes	102	1.9%
Worked at home	112	(x)

*US Bureau of the Census, 2000*

Examining the industry classifications for residents of the Borough reveals that the top 3 industries, employing nearly half of the Borough's employed residents, include: educational / health / social services (19.1 percent), retail trade (16.8 percent) and manufacturing (15.9 percent).

INDUSTRY FOR THE EMPLOYED CIVILIAN POPULATION  
16 YEARS AND OVER

	Wanaque		
	Number	Percent	Rank
Total	5,469		
Agriculture, forestry, fishing and hunting, and mining:	23	0.4%	12
Agriculture, forestry, fishing and hunting	6		
Mining	17		
Construction	244	4.5%	8
Manufacturing	872	15.9%	3
Wholesale trade	252	4.6%	7
Retail trade	919	16.8%	2
Transportation and warehousing, and utilities:	244	4.5%	9
Transportation and warehousing	194		
Utilities	50		
Information	197	3.6%	11
Finance, insurance, real estate and rental and leasing:	428	7.8%	5
Finance and insurance	313		
Real estate and rental and leasing	115		
Professional, scientific, management, administrative, and waste management services:	473	8.6%	4
Professional, scientific, and technical services	320		
Management of companies and enterprises	0		
Administrative and support and waste management services	153		
Educational, health and social services:	1,046	19.1%	1
Educational services	458		
Health care and social assistance	588		
Arts, entertainment, recreation, accommodation and food services:	353	6.5%	6
Arts, entertainment, and recreation	36		
Accommodation and food services	317		
Other services (except public administration)	183	3.3%	12
Public administration	235	4.3%	10

US Bureau of the Census, 2000

## Projection of Future Employment

This discussion is included in the section quantifying the Borough's non-residential growth share.

### *Determination of Housing Obligation*

In December of 2008, COAH adopted regulations that quantify the Borough's 1987-2018 housing obligation. Using census information, COAH has estimated that there are 35 substandard housing units occupied by low and moderate income households in the Borough. COAH refers to this estimate as the Borough's rehabilitation share.

COAH has also reaffirmed the Borough's 1987-1999 share of the regional need for low and moderate income housing. COAH has determined that the Borough's 1987-1999, or second round, housing obligation is 332.

The 2008 rule making allocates the State's housing obligation to municipalities based on projections of 2004-2018 growth. COAH requires each municipality to plan for one (1) affordable housing unit for every five (5) projected housing units and one affordable housing unit for every 16 projected jobs. COAH has projected an increase of 369 homes and 1,019 jobs. The COAH regulations result in a residential growth share of 74 affordable units and a non-residential growth share of 63 affordable units. COAH's rules result in a 1999-2018 growth share of 137 units.

COAH has entered into a memorandum of understanding with the Highlands Council that allows a municipality that opts into the Highlands Regional Master Plan to utilize a different procedure to calculate its 1999-2018 housing obligation. The procedure, like COAH's rule making referenced above, requires a municipality to provide one affordable unit for every five housing units and every 16 jobs. The ratios are based on the actual residential and non-residential growth accrued between 2004 and 2018. It is also based on the Highlands calculation of the residential and non-residential growth that can take place in the future (the Highlands Build-out analysis). This procedure results in a projected growth share of 131 units. (see Appendix A )

The COAH methodology for allocating housing need is based on 2004-2018 growth projections. COAH recognizes that some of the projected growth may be attributable to the construction of inclusionary developments designed to assist a municipality in addressing its 1987-1999 housing obligation. It has decided that a municipality should not be forced to accrue a 1999-2018 housing obligation based on growth associated with complying with its 1987-1999 housing obligation. Thus a municipality may, pursuant to N.J.A.C. 5:97-2.4, subtract four (4) market units for every for sale affordable unit that has been or is anticipated to be constructed between 2004 and 2018.

To summarize, the Borough is responsible for a rehabilitation share of 35 units. It is responsible for a 1987-1999 housing obligation of 332 units. Since the Borough has opted into the Highlands Regional Master Plan it has the option to address an obligation of 131 affordable units.

### *The 1987-1999 Realistic Development Potential*

COAH is responsible for allocating the State's housing need to each municipality. The housing need is large and the amount of vacant and underutilized land in a municipality is finite. Thus, it is not unusual for there to be a poor fit between the housing need assigned to a community and the vacant/underutilized land available to address the housing need.

For that reason, New Jersey's Fair Housing Act and COAH's rules provide for an "adjustment to the housing obligation" based on the capacity of the Borough's vacant and underutilized land. The process begins with an inventory of all vacant and underutilized land in the municipality. COAH's regulations permit sites or portions of sites to be eliminated from the inventory for a variety of reasons: environmental constraints; access issues; incompatibility of adjacent land uses; restrictions against the development of property, etc.

The sites or portions of sites that remain in the inventory are viewed as realistic affordable housing sites. COAH's rules require that the municipality calculate the capacity of each site to absorb affordable housing by multiplying the acreage of the remaining portion of each site by a density that is determined by considering the character of the area and the need for affordable housing. COAH provides a minimum density for this calculation. This calculation yields the number of housing units each site can accommodate.

COAH assumes that it requires four (4) market units to support each affordable housing unit. Therefore, it requires a municipality to multiply the number of housing units each site can accommodate by 20 percent to determine the number of affordable housing units each site can accommodate. COAH's rulemaking requires the municipality to sum these calculations for each site to determine the Borough's ability to accommodate affordable housing with its remaining vacant/underutilized land. COAH refers to this calculation as the realistic development potential.

In determining the realistic development potential, COAH staff found only five (5) sites that were suitable for affordable housing (see January 8, 2001 COAH Report, page 2). Originally, the Borough's realistic development potential was determined to be 98 low and moderate income units based on a density of six (6) units per acre on the developable portions of a site known as Powder Hollow. However, the site was later zoned at a higher density in order to permit 1,185 housing units.

Based on the Powder Hollow zoning, COAH increased Wanaque's realistic development potential from 98 to 275 units. Of the total realistic development potential, 237 units were generated based on the Powder Hollow zoning.

By the time COAH recalculated the Powder Hollow realistic development potential, the developer of the site had received vested rights through a preliminary approval. The approval was for far less than the 1,185 units that were permitted by ordinance and became the basis for COAH's recalculation of the realistic development potential. The site has an approval for 755 units.

It is clear that COAH recalculated the Wanaque realistic development potential because the site was zoned for a higher density than COAH used in the original calculation of the realistic development potential. However, it is respectfully submitted that the realistic development potential is not a function of zoning. N.J.A.C. 5:93-4.2(f) is clear that the density used in calculating the realistic development potential is a function of the character of the area and the need for affordable housing. In fact, COAH has allowed municipalities to zone sites at higher densities than the density used in calculating the realistic development potential in order to allow municipalities flexibility in eliminating some sites that are used in the realistic development potential calculation.

If COAH, after reviewing the zoning, determined that it used too low a density in its original calculation of the realistic development potential, it would be more logical to use the actual approved yield of the site rather than a theoretical zoning yield. Under this scenario, the 755 units that are actually being constructed on the Powder Hollow site

would reduce the realistic development potential of the site from 237 to 155. It would reduce the Borough's realistic development potential from 275 to 193.

The problem is that COAH and the Borough failed to place a restraint on land during the period that lead to substantive certification. As a result, the Powder Hollow site is no longer available to address the realistic development potential, whether it is 275 or 193. Absent the Powder Hollow developer seeking a substantial amendment to its approval, the Borough cannot capture additional housing on the Powder Hollow site. Even if Powder Hollow seeks a substantial amendment, it is doubtful that the Borough could capture additional housing on the Powder Hollow site because the property lies within the Highlands Preservation Area. Any significant change to the footprint of the Powder Hollow community would result in the inability to develop the property as zoned due to the severe constraints imposed by the Highlands' regulations.

When COAH granted Wanaque substantive certification in October of 2001, it determined that Wanaque would address the shortfall in its realistic development potential when it submitted its plan for the Borough's 1987-1999 housing obligation. At that time, COAH had not even proposed its rules for the third round housing obligation. Since the 2001 substantive certification, the Highlands Water Protection and Planning Council has adopted its Regional Master Plan and Wanaque has decided to opt into the Highlands Plan.

Pursuant to the Highlands Regional Master Plan, COAH has adopted N.J.A.C. 5:97-5.2(d)4(i). This rule is to be used to determine the realistic development potential within areas of the State regulated by the Highlands Council:

Within the areas of the State regulated by the Pinelands Commission, the Highlands Water Protection and Planning Council, the Land Use Regulation Division of DEP and the New Jersey Meadowlands Commission, municipalities may exclude sites based on: the Pinelands Comprehensive Plan, N.J.A.C. 7:50; *the Highlands Water Protection and Planning Act rules, N.J.A.C. 7:38* (emphasis provided); the Coastal Permit Program Rules, N.J.A.C. 7.7; the Coastal Zone Management Rules,

N.J.A.C. 7:7B; and the Zoning Regulations of the New Jersey Meadowlands Commission, N.J.A.C. 19:3. Where rules of the above agencies permit development within an area, the parcels(s) shall not be excluded from the vacant land inventory.

The Borough has re-examined its vacant land inventory pursuant to the Highlands Council's standards. The re-examination has included those sites that were determined suitable for inclusionary development (see Appendix B). The results are as follows:

Block 240, Lot 14 is a 2.5 acre site that had been designated to generate 20 total units, including four (4) affordable units. The fully forested site is located entirely within the Preservation Area and, as such, is subject to the standards for development contained in N.J.S.A. 7:38-3. The site is located in an environmentally constrained subzone and is not located within a sewer service area. Based upon the minimum lot area standards for forested sites within the Preservation Area, the property is not suitable for high density inclusionary development. However, the developer of the site is seeking a waiver that will enable the construction of two (2) affordable units. X

Block 307, Lots 2 and 5. This 2.59 acre parcel is located in the Planning Area. Lot 5 (2.09 acres) is located entirely within an open-water protection area (300 foot buffer) and flood-prone area. It is classified as a "conservation zone" on the LUCM mapping. Lot 5 exhibits hydric soils (wetlands) and is comprised of forest within the Forest Resource area. It contains critical habitat for endangered and threatened species. A significant portion of Lot 2 (0.50 acres) is similarly impaired with environmental constraints. The site is not developable pursuant to Highlands standards. X

Block 468, Lot 2 and Block 470, Lot 1. The site is located in the Planning Area; but the majority of the site is located within an open water protection zone (300 feet from an open water resource), which also exhibits high watershed value and high riparian water corridor protection. The vast majority of the site is located within a "protection zone" (LUCM) and is not located within a sewer service area. The portion of the site for public access (Union Avenue) exhibits severe slopes and is identified for steep slope protection. The site is not developable pursuant to Highlands standards. S

Block 313, Lots 1 and 6. This 400+ acre site is the Wanaque Reserve Development (formerly known as Powder Hollow) that received its approvals for 755 units. The site is under construction. The developer is

making a monetary affordable housing contribution of \$750,000. It is also constructing 10 age restricted affordable units. The approvals insulate the developer from an increased affordable housing obligation. Moreover, if the developer does seek a substantial amendment to its development plan, the site would be subject to the Highlands development standards.

The site lies in the Preservation Area and is identified by LUCM mapping as being located in a "preservation zone." Aside from the developed area of the site, approximately 70 percent of the western portion of the site is located within an open water protection area. The remaining eastern portion of the tract is located within a steep slope protection area. The entire undeveloped portion of the site is identified as exhibiting critical habitat for wildlife.

Thus, many of the sites that the Borough had relied on to address its affordable housing obligation are no longer feasible inclusionary sites. The Powder Hollow site that can be constructed pursuant to its existing approval; but will only yield 10 age-restricted affordable units. Block 240, Lot 14 may be able to deliver two (2) affordable units.

The Borough's search for suitable affordable housing sites has uncovered Block 430, Lot 1. The site is 4.98 acres. While the site does exhibit some constraints (predominantly in the rear), the site appears suitable for inclusionary development. At a density of 10 units per acre and a 20 percent set-aside, the site could yield 10 affordable units.

In addition, Block 313, Lot 8.01 has developed for 120 units and made a monetary contribution in lieu of building affordable housing. The monetary contribution paid for a 24 unit regional contribution agreement with Hoboken (approved by COAH).

In summary, COAH's 1987-1999 adjustment process, consistent with the language in the Fair Housing Act, recognizes that there is often a poor fit between the housing need assigned to a community and the vacant/underutilized land within a community. The process is designed to compute what is possible on the vacant land that is available for affordable housing. COAH's decision to increase the Borough's realistic development potential from 98 to 275, based on the zoning of the Powder Hollow site, ignores the fundamental relationship between the capacity of available land and the adjustment process.

At the time of the Borough's 1994 substantive certification, there was enough suitable land to address 98 units of the Borough's 332 unit housing obligation. The approval of Powder Hollow did nothing to increase the capacity of the Borough's remaining land unless Powder Hollow sought a significant amendment to its development approval prior to the constraints imposed by the Highlands regulations.

In truth, there is no more land in Wanaque in 2010 than there was in 1994. There is no place to locate the 275 unit realistic development potential (as calculated by COAH in 2001).

In addition, the Highlands regulations further limit the Borough's ability to address its affordable housing obligation. Two (2) of the sites that were zoned to address the realistic development potential are no longer developable based on the Highlands development standards. An additional site, the RSK site, is subject to discussions with the Highlands Council that would allow approximately 10 units, including two (2) affordable units.

Powder Hollow is available as long as the developer does not seek a major amendment to its development approval. Powder Hollow should generate 10 age restricted affordable units. Block 430, Lot 1 should be able to generate another 10 units. The RSK site may be able to generate another two (2) units. In addition, in lieu of building affordable housing, Block 313, Lot 8.01 made a monetary contribution toward a 24 unit regional contribution agreement. Based on the current environmental regulations in place, assuming that the RSK site can generate two (2) affordable units, a more realistic 1987-1999 realistic development potential would be 46 affordable units (calculation includes Block 313, Lot 8.01).

### *The 1987-1999 Unmet Need*

The Borough's share of the 1987-1999 regional need is 332. The realistic development potential, whether it is 275, 46 or some number in between, does not alter the 332 unit housing obligation. COAH's rules require a municipality to collect development fees, encourage apartments and promote redevelopment opportunities in order to capture affordable housing opportunities. The goal is to address as much of the housing obligation as possible. The Borough has examined possible redevelopment sites that will be discussed in its response to its affordable housing obligation.

### *The Adjustment to the 1999-2018 Housing Obligation*

As discussed above, COAH has allocated a housing obligation of 137 units to Wanaque. It has also entered into a memorandum of understanding with the Highlands that permits an alternative computation of its affordable housing obligation. The alternative approach, which is based on actual 2004-2018 growth and the build-out potential of remaining land, equals 131 units.<sup>1</sup>

COAH has established a vacant land adjustment process for its 1999-2018 housing allocations. However, no adjustment is permitted for growth that has actually taken place between 2004 and 2008. (see N.J.A.C. 5:97-5.6(b)).

The Borough experienced a great deal of growth between 2004 and 2008. This growth resulted in an actual growth share of 121 units. Thus, COAH's rules do not permit any further reduction to the vast majority of the Borough's 1999-2018 housing obligation.

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<sup>1</sup> COAH's rules permit for a reduction of the Borough's 1999-2018 housing obligation if some of the growth experienced or anticipated to be experienced is the result of construction associated with complying with the 1987-1999 housing obligation. The rule, N.J.A.C. 5:97-2.4, could result in a lower obligation if applied to the response to the 1987-1999 housing obligation. However, COAH's crediting rules are such that it is not necessarily in the Borough's interests to utilize N.J.A.C. 5:97-2.4.

The problem with the 1999-2018 housing obligation is similar to the problem associated with the Powder Hollow development. With respect to Powder Hollow, COAH increased the Borough's realistic development potential based on an approval. The approval did not create land to build affordable housing. To the contrary, the approval subtracted the 400+ acre parcel from the lands available to address the housing obligation.

Similarly, the Borough's 1999-2018 housing obligation is based primarily on growth that has already occurred. Some of this growth includes affordable housing; but the development of property does not expand the inventory of land necessary to address the affordable housing obligation. It depletes it.

The 1987-1999 adjustment process was designed to find a common sense solution to large housing obligations by quantifying affordable housing opportunities on remaining suitable land. The rule making provided for a relationship between the realistic development potential and available housing sites.

In contrast, COAH's decision regarding the Powder Hollow site increases the Borough's housing obligation but creates no place to locate the housing. COAH's decision to quantify the 1999-2018 housing obligation based on past development activity also creates a housing obligation with "no place to put it." The Highlands development standards result in less developable land and exacerbate the problem of having an affordable housing obligation but "no place to put it."

### *Summary of Adjustment Process*

COAH has assigned the Borough a 1987-1999 housing obligation of 332 units. It examined the land that was available for affordable housing and determined that the Borough has a realistic development potential of 275 units. Wanaque has reviewed its inventory of vacant sites, based on current regulations (including those promulgated by

the Highlands Council) and found that it has a realistic development potential of 46 units. Wanaque must develop a plan for its realistic development potential.

COAH refers to the difference between the 332 unit housing obligation and the realistic development potential as the "unmet need." COAH's rules require the Borough to capture affordable housing opportunities through the collection of development fees, the zoning for apartments and the promotion of redevelopment activity in order to address a 286 unit unmet need.

The Borough is also responsible for a 1999-2018 housing obligation of 131 units. Of this total, 121 units are based on actual growth. COAH's rules do not allow any adjustment for "the growth share" accrued from actual growth.

COAH's decisions and rule making have broken the link between the housing obligation and available, suitable inclusionary sites. They result in a large housing obligation with "no place to put it."

### *Sewer Availability*

The Borough's ability to address its affordable housing obligation is also limited by its sewer capacity. The Borough estimates that it has between 100,000 and 150,000 gallons of available capacity.

COAH refers to any limitation, based on sewer capacity as a durational adjustment. The adjustment is durational in that it expires once sewer capacity is available. N.J.A.C. 5:97-5.4(i) does not authorize a durational adjustment to the municipal actual growth share.

## *Compliance Options*

COAH has established a municipal housing obligation that begins in 1987 and extends through 2018. Wanaque has received a judgment of repose for the 1987-1999 portion of its housing obligation. This section of the housing element discusses the options available for addressing the 1999-2018 portion of the housing obligation, which may be divided into the rehab share and the growth share.

### *Rehab Share*

A municipality may address its rehab share by devising a rehabilitation program. The focus of any rehabilitation effort must be to repair or replace existing housing systems (i.e. roof, plumbing, electricity, heat, and/or a load bearing system) and bring the housing unit up to code. The program must be administered by an entity experienced in the rehabilitation of affordable housing and the program must be outlined in a manual that COAH approves.

The minimum investment to administer a rehabilitation program is established at \$10,000, of which no more than \$2,000 may be used for administrative costs. In reality, the cost of a rehabilitation program is a function of the repairs required to bring an affordable housing unit up to code. COAH requires 10 year controls on affordability to be placed on rental and sale units after the rehabilitation activity is complete. With regard to sales units, the control may be in the form of a forgivable loan.

A municipality may also address its rehab share through the creation of Elder Cottage Housing Opportunities (ECHO Housing). The municipality may purchase up to 10 ECHO units.

Wanaque can also address its rehab share by creating new affordable units through any of the techniques discussed below for creating new affordable housing within the Borough.

### *The Regulatory Framework for New Construction*

COAH has various rules that provide a framework for addressing the municipal housing obligation. With the possible exception of units created through tax credits, at least half of all affordable units must be affordable to low income households.<sup>2</sup> All affordable housing must be affirmatively marketed and be priced in accordance with COAH's rules.

No more than 25 percent of the municipal growth share constructed in the municipality may be addressed with age restricted housing.

At least 25 percent of the municipal growth share shall be addressed by rental housing. No more than 50 percent of the rental obligation may be addressed with age restricted units.

Ten percent of all affordable townhouse units proposed by a municipality must be accessible in accordance with the accessibility requirements set forth at N.J.A.C. 5:23-7.5(b) and (c) in the Barrier Free Subcode, N.J.A.C. 5:23-7. Townhouse units in communities that have received development approvals prior to June 20, 2005, are exempt from this requirement.

Pursuant to P.L. 2008, Chapter 46, at least 13 percent of the housing units responding to the Borough's 1999-2018 housing obligation must be affordable to very low income households. Very low income households are defined as earning no more than 30 percent of the region's median income. COAH has not adopted rules that implement P.L. 2008, Chapter 46. Currently, the Uniform Housing Affordability Controls (UHAC) regulations, upon which COAH relies, requires 10 percent of all rental housing to be affordable to households earning less than 30 percent of the regional median income.

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<sup>2</sup> COAH, HMFA and the Department of Community Affairs are working on a joint response to the low and moderate income split associated with tax credit projects.

The Borough may receive extra credit for achieving statutory and regulatory requirements. It may also receive credit for designing a plan that addresses various planning objectives. For example Wanaque:

1. may receive two (2) units of credit for exceeding COAH's requirements for constructing housing affordable to very low income households;
2. may receive two (2) units of credit for constructing rental housing in excess of its rental obligation;
3. may receive two (2) units of credit for constructing/approving affordable housing between December 20, 2004 and June 2, 2008;<sup>3</sup>
4. may receive an extra third of a unit of credit for constructing affordable housing within a half mile of a transit oriented development subject to specific provisions outlined at N.J.A.C. 5:97-3.18; and
5. may receive an extra third of a unit of credit for constructing affordable housing within a designated redevelopment area.

COAH has placed limits on the extra credit or bonus a municipality may receive. Pursuant to N.J.A.C. 5:97-3.20:

In no event may a municipality receive more than one (1) type of bonus for any unit. In addition, in no event shall the total number of bonuses for the growth share obligation exceed 25 percent of the projected growth share obligation.

### *Zoning and Fees*

Wanaque has various options in addressing its inclusionary component, or growth share. The Borough can rely on zoning to address its housing obligation. The advantage to *inclusionary* zoning is that it is one of the few approaches recognized by COAH that limits the municipality's fiscal responsibility to produce affordable housing. Once a

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<sup>3</sup> This is an apparent effort to recognize municipal efforts to respond to the 1999-2014 housing obligation established pursuant to N.J.A.C. 5:94-1 et seq. (the COAH rules that were partially overturned by the Appellate Division).

property is zoned, the Borough's only other responsibility is to fast-track *inclusionary* developments and eliminate unnecessary cost generating standards. COAH sets forth these responsibilities in N.J.A.C. 5:93-10 and 5:97-10.

COAH has provided standards for the creation of inclusionary developments based, in large part, on the manner in which the State Planning Commission classifies the land within its State Development and Redevelopment Plan (SDRP). The SDRP purports to be a growth management plan that divides New Jersey into five (5) planning areas. New Jersey has invested in the public infrastructure necessary to support growth in Planning Areas 1 and 2. Thus, the SDRP endorses concentrating much of the State's growth in areas that have the public water and sewer to accommodate the growth. The SDRP's goals in Planning Areas 3, 4 and 5 are more preservation/conservation oriented. COAH's rule provides that Planning Areas 1 and 2, as well as designated centers, are the preferred location for affordable housing.<sup>4</sup>

COAH's standards for inclusionary development are as follows:

1. In Planning Area 1, a minimum density of eight (8) units per acre and a maximum set-aside of 25 percent;
2. In Planning Area 2 and in designated centers, a minimum density of six (6) units per acre and a maximum set-aside of 25 percent;
3. In sewer service areas outside of Planning Areas 1 and 2, a minimum density of four (4) units per acre and a 25 percent set-aside;
4. In Planning Areas 3, 4 and 5, a minimum density increase of 40 percent over the existing zoning and a 20 percent set-aside;
5. In urban centers, as designated by the SDRP, a minimum density of 22 units per acre and a 20 percent set-aside.

COAH has recognized that affordable rental housing requires a greater subsidy than affordable for sale housing. Thus, in most areas of the State, COAH requires a minimum

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<sup>4</sup> Centers are discreetly defined areas that have the infrastructure to support growth. They are designated as part of a plan endorsement process.

density of 12 units per acre and a maximum set-aside of 20 percent to build affordable rentals. In designated urban centers, COAH requires a minimum density of 25 units per acre and a maximum set-aside of 20 percent.

COAH's rules defer to the Highlands Council with regards to densities. Discussions with the Highlands staff indicate that the Borough has flexibility in zoning sites for inclusionary development. The main constraint on the Borough's capacity to zone is its available sewer capacity.

Pursuant to previous rule making, COAH permitted each municipality to impose a housing obligation on non-residential development. P.L. 2008, Chapter 46 prohibits this practice. Instead, each non-residential development is required to pay a 2.5 percent development fee (as COAH defines the term).

A municipality that zones a residential site for affordable housing may permit a developer to pay a fee rather than build affordable housing. COAH has developed standards for such in lieu fees. In the Wanaque housing region, a municipality may accept a fee of \$180,267 in lieu of building affordable housing.

A municipality may collect a development fee on residential sites that are not zoned to produce affordable housing. A development fee is an exaction to be used for affordable housing. COAH permits a municipality to collect a development fee equal to 1.5 percent on all residential development. Where a developer receives a density increase pursuant to a "D" variance, a municipality may collect a six (6) percent development fee on the additional units achieved pursuant to the "D" variance.

There are restrictions on the use of development fees. Up to 20 percent of development fees may be used for administrative purposes. At least 30 percent of development fees must be used to render affordable housing more affordable to low and moderate income people. These limitations do not apply to "in lieu fees." With this in mind, the Borough

must utilize strict accounting practices in order to use development fees and in lieu fees properly.

### *Inter-regional transfers*

Regional contribution agreements were a vehicle established by the Legislature that allowed a municipality to enter into an agreement to transfer up to half of its housing obligation to what was called a "receiving municipality." The Legislature, pursuant to P.L. 2008, Chapter 46, has determined that regional contribution agreements are no longer an acceptable way for a municipality to address its housing obligation. However, P.L. 2008, Chapter 46 permits Highlands' communities to transfer up to half of their affordable housing obligations to other municipalities within the housing region. This is a voluntary program and Wanaque is under no obligation to participate in this program as a "sending or receiving" municipality.

### *Redevelopment*

A municipality may pursue the construction of affordable housing through redevelopment pursuant to the Local Redevelopment and Housing Law. All sites proposed for redevelopment shall conform to COAH's criteria for a suitable site. The municipality must designate the site as an area in need of redevelopment and adopt a redevelopment plan. It must also designate a redeveloper and prepare an estimated timeline for the redevelopment of the site.

### *Municipal Construction*

Some municipalities choose to address the housing obligation by sponsoring the construction of low and moderate income housing. It is not unusual for a municipality to donate municipal land to a non-profit or for profit developer interested in constructing a development that will be devoted entirely for low and moderate income households.

It is not easy for municipalities to "get into the housing business." Most developers interested in building low and moderate income housing without any market units to help

subsidize the affordable housing require other forms of subsidy. Such subsidies often include: land, some form of municipal subsidy and other subsidies from a variety of state and federal sources (i.e., tax credits, Balanced Housing Program, Federal Home Loan Bank).

COAH's rules regarding municipal construction require the following minimum documentation:

1. The municipality must demonstrate that it has control of the site. Control may be in the form of an option.
2. The municipality must submit a plan regarding the administration of the development indicating who will income qualify applicants and administer the units once they are occupied.
3. The municipality must estimate what the proposed development will cost and the revenues that it projects the development to generate. The municipality must demonstrate a *stable* source of funding. As outside funding sources become available, a municipality may reduce its reliance on municipal resources. and
4. The municipality must develop a construction timetable that provides for the construction of low and moderate income housing units.

#### ***Supportive and Special Needs Housing***

Supportive and special needs housing includes, but is not limited to: residential health care facilities as regulated by the New Jersey Department of Health and Senior Services or DCA; group homes for the developmentally disabled and mentally ill as licensed and/or regulated by the New Jersey Department of Human Services; permanent supportive housing; and supportive shared living. COAH's definition excludes

transitional facilities for the homeless<sup>5</sup>, long term health care facilities (such as nursing homes) and Class A, B, C, D and E boarding homes.

The following criteria apply to supportive and special needs housing:

1. The units of credit for group homes, residential health care facilities and share living housing shall be the bedroom;
2. The unit of credit for permanent supportive housing shall be the unit;
3. Supportive and special needs housing that is age restricted shall be included with the number of units that a municipality may age restrict;
4. All bedrooms and/or units shall be affordable to low-income households;
5. Units shall serve populations 18 and over;
6. All sites for supportive and special needs housing shall meet COAH's site suitability criteria; and
7. The municipality or developer/sponsor shall have control or the ability to control any site on which supportive and special needs housing is proposed.

Supportive and special needs housing may provide an opportunity for a municipality that is willing to convey land to an organization that is interested in providing an alternative living arrangement. There are capital and operating subsidies available that could minimize the municipal subsidy required to construct a group home or other facility.

#### *Accessory Apartments*

COAH's rules allow municipalities to address up to ten (10) low and moderate income units or up to 10 percent of the municipal fair share (whichever is greater) by creating a program for accessory apartments. A municipality interested in such a program must demonstrate that it has a housing stock that lends itself to accessory apartments. COAH

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<sup>5</sup> Transitional facilities may receive credit toward the 1987-1999 housing obligation but not the 1999-2018 obligation.

believes that a large, older housing stock lends itself to accessory apartments. COAH's rule requires water and sewer to serve any proposed accessory apartment.

If the Borough is interested in accessory apartments, it must revise its zoning ordinance to permit accessory apartments. It must also commit to funding the program. COAH's minimum funding commitment is \$20,000 for each moderate income accessory apartment and \$25,000 for each low income accessory apartment. The Borough must also create an administrative mechanism with procedures for dealing with cost estimates, accepting bids, awarding contracts, inspecting work, income qualification of applicants, establishing rents and ensuring rents remain affordable over time.

COAH will accept affordability controls of 10 years on accessory apartments. Accessory apartments may be used to address the Borough's rental obligation.

#### *Market to Affordable Program*

COAH has adopted rules that allow a municipality to purchase housing units that are already part of the housing stock and make these units available, at affordable rents or sales prices, to low and moderate income households. In each case, COAH's rule limits the number of units for which a municipality may receive credit to 10 or 10 percent of its fair share (whichever is greater), unless the municipality has demonstrated a successful history in creating affordable housing from the existing housing stock. The minimum required subsidy is \$25,000 per unit for a moderate income unit and \$30,000 for a low income unit

With regard to affordable sales units, the rule requires the municipality to demonstrate that there are sufficient units in the municipality for a viable program to operate through the multiple listing service. The rule requires conveyed affordable units to be in sound condition and to be affordable to low and moderate income households. Thus, although the rule allows a minimum subsidy of \$25,000 - \$30,000 per unit, the Borough should be aware that the real subsidy will be a function of the quality of the housing stock and the subsidy necessary to deliver a sound housing unit to the target population at a price that

conforms to COAH's "affordability criteria." The same caveat applies to COAH's rental program. In reality, the subsidy may far exceed \$25,000 - \$30,000 per unit.

#### *Assisted Living Units*

Bedrooms in assisted living residences may address a municipal housing obligation. Affordable units within an assisted living facility may be affordable to households earning up to 60 percent of median income. Up to 80 percent of a low and moderate income household's gross income may be used for rent, food and services. Units within an assisted living facility shall be viewed as age restricted units, subject to the restrictions on senior units imposed at N.J.A.C. 5:94-4.13.

#### *Affordable Housing Partnership Program*

COAH's rule permits two (2) or more municipalities in the same housing region to enter into an agreement addressing their respective housing obligations by constructing affordable housing in one municipality. For example, Wanaque and Bloomingdale could enter into an agreement with Wayne Township to build affordable housing in Wayne. The agreement would specify the credit that each community would receive for the proposed housing. This mechanism is similar to a regional contribution agreement in that it allows a municipality to address its housing obligation in another municipality in exchange for money. Since the Legislature has prohibited the future use of regional contribution agreements, COAH is examining the viability of this program.

#### *Extension of Expiring Controls*

A municipality may receive a credit toward its growth share by extending controls on affordability that are scheduled to expire during the 1999-2018 period. The extended controls must be consistent with COAH's rules as articulated pursuant to N.J.A.C. 5:80-26. To obtain this credit, the municipality must obtain a certified statement from its building inspector stating that the affordable unit complies with all code standards. A municipality may use development fees and in lieu fees to purchase units and complete any necessary repairs.

A municipality may extend controls administratively. For example, a municipality can make the extension of controls a condition of sale to a prospective purchaser of low and moderate income housing provided the controls have not already expired. Thus, the extension of controls is a very cost effective way of addressing the 1999-2018 housing obligation.

## WANAQUE'S RESPONSE TO THE HOUSING OBLIGATION

### Rehab Share

COAH has used the 2000 Census to estimate substandard housing occupied by low and moderate income households (the rehab share). COAH has determined that the Borough has a rehab share of 35 units.

The Borough has contracted with Community Grants and Housing for the administration of the program. Community Grants and Housing is an experienced consultant in the field of housing rehabilitation. It has developed its own procedures manual, consistent with COAH's requirements. (See Appendix C)

COAH requires that the average per unit rehabilitation investment be \$10,000, of which no more than \$2,000 be dedicated to administration. COAH requires the municipality to submit documentation demonstrating funding sources.

Wanaque was awarded a 1998 Small Cities Community Development Block Grant which it has used to fund its ongoing program. Since April 1, 2000, Wanaque has rehabilitated 21 units. Appendix D displays the rehabilitation activity that has been completed so far.

## New Construction

The Borough has a 1987-1999 housing obligation of 332 units. COAH has recognized that the Borough does not have sufficient vacant/underutilized land to address its entire housing obligation. COAH originally determined that the Borough had sufficient vacant and underutilized land to address 98 units. However, after learning of the rezoning of Powder Hollow, COAH determined that the Borough had enough vacant land to address 275 units. The 275 unit calculation was based on zoning that enabled the construction of 1,185 units. In fact, the Powder Hollow site was approved for only 755 units. Thus, COAH's calculation really overstated the realistic development potential of the Powder Hollow site. \*

State regulations have changed since COAH recalculated the Borough's realistic development potential and ruled that Wanaque must address the shortfall in its response to its post 1999 housing obligation. The Highlands Council has adopted the Highlands Regional Master Plan with standards that further restrict the development potential within the Borough. Based on those regulations, this Housing Element has revisited the inventory of vacant/underutilized sites and determined that the Borough's realistic development potential, based on the Highland Council standards, may be as high as 46 units (depending on a Highlands ruling that would allow minimal development on Block 240, Lot 14).

In addition, COAH and the Highlands Council have entered into a memorandum of understanding that results in a 1999-2018 housing obligation of 131 units. \*

The strict application of COAH's rules requires the Borough to develop a plan for its realistic development potential. COAH has calculated the realistic development potential to be 275; but, based on current regulations, 46 is more realistic. Wanaque is responsible for addressing a 286 unit unmet need (the difference between the realistic development potential and its 1987-1999 housing obligation of 332 units). It is also responsible for addressing its 1999-2018 housing obligation of 131 units.

There is simply not enough vacant and underutilized land to address COAH's cumulative housing obligations. It is recommended that the Borough seek a waiver from COAH's rules. The waiver would be based on the lack of vacant/underutilized land in the Borough and the authority that COAH or a court has to impose requirements on municipalities.

It should be noted that Mount Laurel is an exclusionary zoning case. Thus, it is not surprising that the New Jersey Fair Housing Act empowers COAH or a court to require a municipality to alter its zoning in order to provide affordable housing opportunities. The New Jersey Fair Housing Act specifically prohibits COAH or a court from requiring a municipality to spend municipal dollars on affordable housing opportunities (with the exception of development fees). COAH's rules require a municipality to spend municipal dollars if it elects a compliance technique that requires subsidies. For example, municipalities that *choose* to administer rehabilitation programs, municipal construction projects, accessory apartment programs and market to affordable programs must make a commitment of municipal funds.

In 2008, the New Jersey Fair Housing Act was amended to make it clear that a municipality may be required to spend development fees it collects through a development fee ordinance in a timely manner. Thus, the Fair Housing Act allows COAH or a court to zone land and spend collected development fees. The Fair Housing Act does not require a municipality to choose a compliance option that requires the expenditure of municipal dollars.

With that background, the following represents the Borough's response to its affordable housing obligation:

### **Credits Without Controls**

There were 24 multi-family units constructed in Wanaque between 1980 and 1986. COAH provides credit for units constructed during this time period even if they are not encumbered by controls on affordability if they are in sound condition, occupied by low and moderate income households and are affordable to a low or moderate income household that is eligible to live in the housing unit. COAH has devised a "credits without controls" survey process to determine if a housing unit may receive such a credit. The Borough reserves its right to perform such a survey. If the Borough is eligible for credits without controls, it reserves the right to amend its plan to apply all of its credits in an appropriate manner.<sup>6</sup>

### **The Realistic Development Potential**

Assuming a realistic development potential of 46, Wanaque has a 1987-1999 rental obligation of 10 units. It may receive a rental bonus, or extra credit, by addressing this rental obligation.

Wanaque may receive credit for up to half of its housing obligation through previously executed regional contribution agreements. The formula for RCA credit is:

$$\text{RCA Maximum} = 50 \text{ percent } ((\text{RDP } 46) + \text{rehabilitation share } (35) - \text{rehabilitation credits } (21)) = 30$$

Pursuant to this formula, the Borough may receive full credit for its 24 unit regional contribution agreement with Hoboken.

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<sup>6</sup> Credits without controls may only be applied to the 1987-1999 housing obligation.

The Borough may receive credit for age restricted housing units. COAH's formula for allowable age restricted units is as follows:

Age restricted units = 25 percent (RDP -- transferred units through a regional contribution agreement addressing the RDP). The Borough may age restrict up to five (5) units in addressing its realistic development potential.

With that background, the Borough plans to address its 46 unit realistic development potential as follows:

The Borough has addressed its 10 unit rental obligation by approving a use variance that is the current location for a 12 unit shelter for homeless women. Pursuant to COAH's rental bonus, the Borough is eligible for 22 units of credit for this facility. The shelter is located in three buildings on Ringwood Avenue between Pellington Street and Furnace Avenue (532, 551, and 561-563 Ringwood Avenue). **(22 units of credit)**

Wanaque will satisfy its remaining realistic development potential through its 24 unit regional contribution agreement with Hoboken. This regional contribution agreement was approved and implemented long before the Legislature amended the Fair Housing Act in 2008 to discontinue the concept of regional contribution agreements. **(24 units)**

### ***The 1999-2018 Housing Obligation***

COAH has various formulae and rules that apply to the Borough's 131 unit growth share obligation. At least 25 percent of the affordable housing obligation must be address with rental housing. The Borough has a rental obligation of 33 units. No more than 50 percent of the rental obligation may be addressed with age-restricted units.

No more than 25 percent of the housing obligation may be addressed with age restricted housing. Wanaque may receive credit for up to 32 age restricted units.

Pursuant to P.L. 2008, Chapter 46, at least 13 percent of the housing units responding to the Borough's 1999-2018 housing obligation must be affordable to very low income households. Very low income households are defined as earning no more than 30 percent of the region's median income. At least half of the very low income units must be available to families (not age restricted or group living).

COAH's regulations provide for a series of extra credits. The Borough may receive an extra third of a credit for promoting affordable housing in a designated center or in a redevelopment area. It can receive a more substantial bonus for constructing more rentals than COAH requires (a one for one bonus). COAH also provides for a compliance bonus (N.J.A.C. 5:97-3.17). The compliance bonus provides an extra unit of credit for affordable housing efforts that were included in prior housing elements that were adopted to address COAH's prior efforts to adopt rules for the post-1999 housing obligation.

No unit is eligible for more than one type of credit and N.J.A.C. 5:97-3.20 limits the extra credit available to no more than 25 percent of the municipal growth share.

Based on COAH's regulations, Wanaque will address its 131 unit growth share as follows:

The Borough will seek credit for 10 age restricted units that are being created by the developer of the Powder Hollow site. In the event that the Powder Hollow development requires a substantial change to the approved site plan or if the approvals expire, the Borough has rezoned the site to capture a 20 percent set-aside from the Powder Hollow site. However, any substantial change to the Powder Hollow site plan would invoke the regulations associated with the Highlands Preservation Area. Since this site was included in the Borough's 2006 Housing Element responding to its third round obligation, the Borough may receive 20 credits for these 10 units (**20 credits**)

Block 240, Lot 14 is an inclusionary development that was zoned prior the creation of the Highlands Council. The development capacity of the site has diminished based on the Highlands's standards. The developer of Block 240, Lot 14 (RSK) is seeking relief from the Highlands Council that will enable this site to generate two (2) affordable units. Assuming Highlands approval, the Borough will cooperate with the developer to include this site in its sewer service area. **(2 units)**

The Borough zoned Block 432, Lot 36 and the adjacent lot for a 114 unit age restricted community and submitted the site in its previous third round plan to COAH. The site is known as the Candle Factory. The development, pursuant to COAH's rules at the time, was obligated to produce one (1) affordable unit for every eight (8) market units. This 114 unit development was obligated to provide 13 affordable age restricted units on site. The Borough will rezone this 3.1 acre site to permit 98 units (with no age restriction), including 20 units affordable to low and moderate income households. Thirteen of the 20 proposed units were included in the Borough's prior plan to address its post 1999 housing obligation. Pursuant to COAH's compliance bonus, these 13 units are eligible for 26 units of credit. The additional seven (7) units are eligible for one credit. The Township seeks **33 units of credit** for this development.

An area north of the Ringwood Avenue intersection with Doty Road has been redeveloped for commercial and office use. The redeveloper is obligated to create two (2) affordable family units. Since this development was included in the Borough's prior plan to address its post 1999 housing obligation, these two units are eligible for **four (4) units of credit**.

Another redevelopment area is planned on Ringwood Avenue south of Doty Road. The site is located between First Avenue and Coles Road. The Borough is proposing the equivalent of a 20 percent set-aside with this redevelopment area. It is anticipated that this site will generate at least two (2) affordable family units. Since this development was included in the Borough's prior plan to address its post 1999 housing obligation, these two units are eligible for **four (4) units of credit**.

The Borough will rezone Block 430, Lot 1. It is a 4.98 acre parcel with frontage on Ringwood Avenue. The site is situated across from the intersection of Ringwood Avenue and Fourth Avenue and is located just north of the areas being redeveloped on either side of the Doty Road – Ringwood Avenue intersection. This site had been included in the Borough's 2006 Housing Element and Fair Share Plan as a site in which the Borough would work with a tax credit specialist to construct 50 affordable units.

At the time, many Borough officials found the concentration of low and moderate income units without any market housing on this site to be troublesome. Borough officials also found COAH's requirement to bond for the construction of this housing, absent the ability to receive public funding, difficult to accept. The isolation of the low and moderate income units and COAH's funding requirements continue to be issues that the Borough resists. Given this resistance and the explicit language in the Fair Housing Act prohibiting any requirement to expend municipal dollars, the Borough has chosen to abandon the municipal construction project that had been planned for Block 430, Lot 1.

Instead, the Borough will rezone the property for affordable housing. The Borough will zone the site at a density of eight (8) units per acre with a 20 percent set-aside. As an incentive to build rentals, the zoning will allow a developer that chooses to construct affordable rental housing a density of 12 units per acre with a 15 percent set-aside. The increased density and decreased set-aside, as an option to build rentals, is consistent with COAH's rules. This zoning creates a realistic opportunity for **eight (8) units**.

Block 430, Lot 1 is a transitional site that is located between an existing commercial area that is being redeveloped for a mix of commercial uses and single family homes. The multi-family use planned for the site is an excellent transitional use for the area.

Sewer and water lines serve the area. The site has access to Ringwood Avenue, which is a collector street designed to carry traffic from one (1) municipality to another. The site has access to appropriate streets, water and sewer infrastructure.

A small area in the rear portion of the site is impacted by Category 1 Water, which would not prohibit development of the site. There are no mapped wetlands on the property. It is anticipated that the site can be developed in a manner that is consistent with the Residential Site Improvement Standards.

The site lies in a designated town center. COAH's rules encourage affordable housing to be constructed in Planning Areas 1 and 2 and in town centers. Block 430, Lot 1 is consistent with COAH's memorandum of understanding with the State Planning Commission.

COAH's definition of site suitability also requires consistency with the criteria at N.J.A.C. 5:94-4.5. This rule duplicates many of the criteria within COAH's suitable site definition. For example, it establishes town centers as a preferred location for affordable housing. It also requires compliance with State regulations related to development within flood hazard areas, Category 1 Water buffer areas, and wetland transition areas.

In addition, N.J.A.C. 5:94-4.5 defers to the regulations of the Highlands Water Protection and Planning Council. Block 430, Lot 1 lies in the Highlands Planning Area. The Highlands regulations constrain only a small area of the rear portion of the property.

N.J.A.C. 5:94-4.5 includes language regarding historic and architecturally important sites. There are no structures on the subject property.

In summary, the Borough's plan for its growth share can be summarized as follows

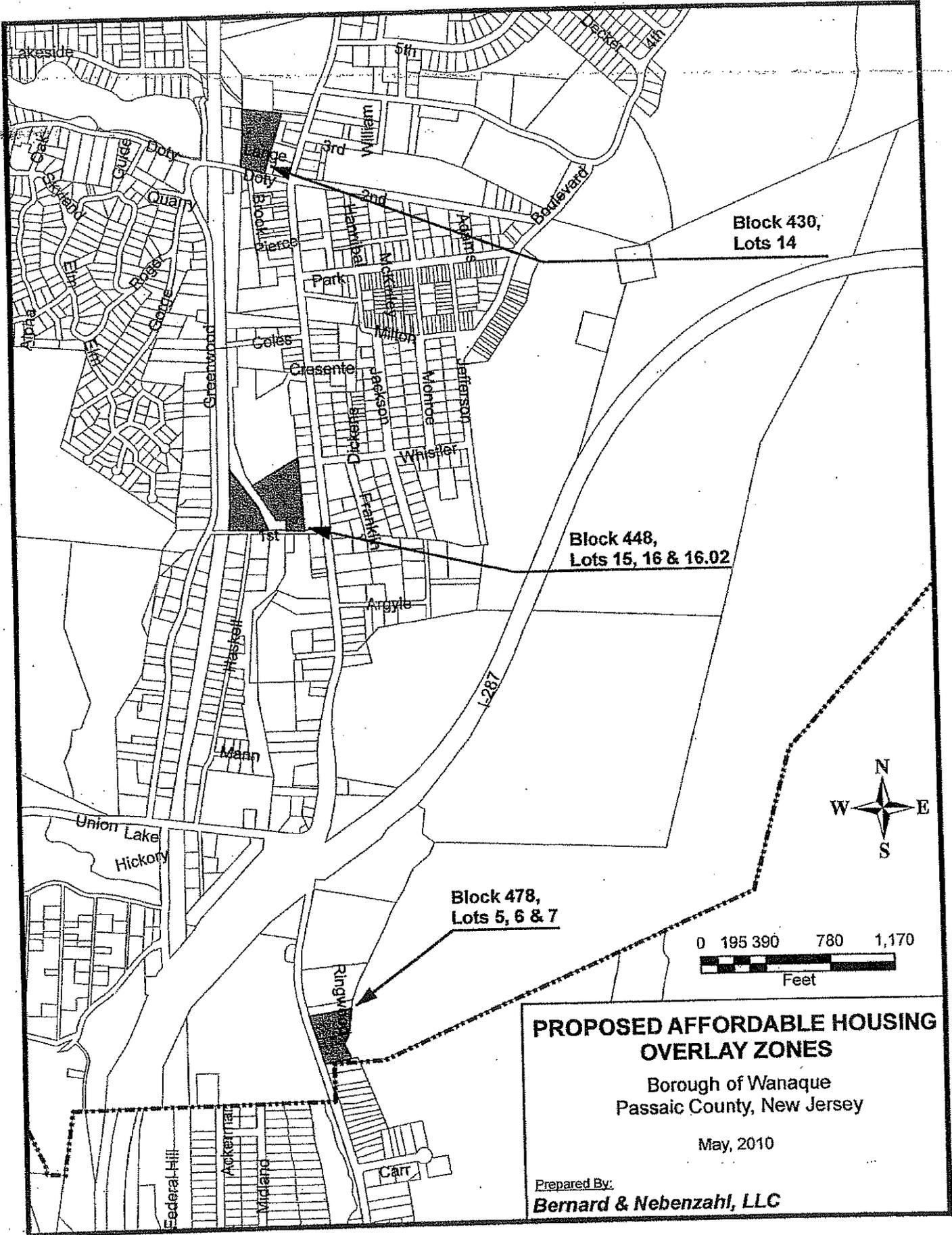
Candle Factory age restricted units	20 units	33 credits
Powder Hollow age restricted units	10 units	20 credits
Redevelopment sites	4 units	8 credits
Block 430, Lot 1	8 units	8 credits
<b>Totals</b>	<b>44units</b>	<b>69 credits</b>

The Borough's 1999-2018 affordable housing obligation, or growth share, is 131 units. Its rental obligation is 33 units. The Borough's plan addresses 69 units and the zoning option to Block 430, Lot 1 is the only response to the rental obligation.

However, the Borough has chosen, as is its right pursuant to the New Jersey Fair Housing Act, not to administer a COAH compliance option that requires it to expend municipal dollars (other than development fees). It has zoned its remaining lands that it believes are suitable for affordable housing.

### **The Remaining Obligation**

When the realistic development potential is less than the total housing obligation, COAH's rules require a community to capture affordable housing opportunities as development and redevelopment occur. The Borough may address the "unmet need" by collecting development fees, providing overlay zones and providing for apartments in selected areas of the municipality. COAH has similar requirements when a municipality has insufficient land to address its entire third round housing obligation. The Borough will continue to collect development fees and will create a zoning option (overlay zone) to redevelop the areas on the map that follows for affordable housing. The ordinance will allow a density of 12 units per acre and a 20 percent set-aside.



**PROPOSED AFFORDABLE HOUSING  
OVERLAY ZONES**

Borough of Wanaque  
Passaic County, New Jersey

May, 2010

Prepared By:  
**Bernard & Nebenzahl, LLC**