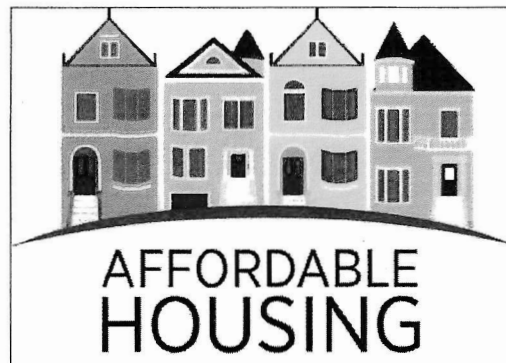




JUNE 10, 2025
AFFORDABLE HOUSING INFORMATION SESSION



What is Affordable Housing?

A dwelling affordable to a:

- **Moderate-Income Household**

(i.e., making 50-80 percent of regional income limit)

- **Low-Income Household**

(i.e., making less than 50 percent of regional income limit)

- **Very-Low Income Household**

(i.e., making less than 30 percent of regional income limit)



How Much Do Residents in Affordable Units Pay?

	Range of Rents	Range of Sales Prices
1 -Bedroom	\$462-\$1,075	\$59,341-\$155,464
2 -Bedroom	\$542-\$1,277	\$73,758-\$189,106
3 -Bedroom	\$613-\$1,462	\$104,877-\$220,507

Source: Estimates from Piazza & Associates for Rent Prices at Morris Market Place and Meadows at Denville, as well as 2024 Pricing Limit Calculators.

What are Very Low-, Low- and Moderate-Incomes in Morris Plains?

	1 Person HH	2 Person HH	3 Person HH	4 Person HH
Median	\$90,591	\$103,533	\$116,475	\$129,416
Moderate (80%)	\$72,473	\$82,826	\$93,180	\$103,533
Low (50%)	\$45,296	\$51,766	\$58,237	\$64,708
Very Low (30%)	\$27,177	\$31,060	\$34,942	\$38,825

Source: 2024 Affordable Housing Regional Income Limits by Household Size, Prepared by Affordable Housing Professionals of New Jersey, April 12, 2024


Why does Morris Plains Have to Provide Affordable Housing?

Mt. Laurel I (1975)

- Local zoning laws that excluded low-income families (“exclusionary zoning”) violated the State Constitution
- All NJ municipalities must plan, zone for, and take affirmative actions to provide realistic opportunities for their “fair share” of the region’s need for affordable housing

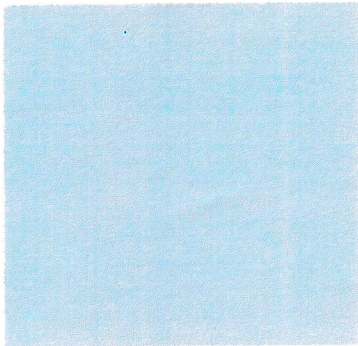
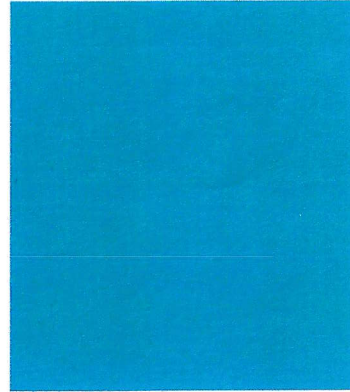
Mt. Laurel II (1983)

- Reaffirmed Mt. Laurel I.
- Allowed “Builder’s Remedy” lawsuits



WHAT IS A BUILDER'S REMEDY LAWSUIT?

- ❑ Litigation against a municipality that has not addressed its Fair Share Housing obligation or engaged in exclusionary zoning practices
- ❑ Municipalities have no control over location or density which are typically much higher than otherwise permitted
- ❑ Extremely difficult and costly for municipalities to contest in court and/or negotiate with developers
- ❑ **Always in municipality's best interest to avoid a Builder's Remedy lawsuit**



BUILDER'S REMEDY LAWSUITS IN MORRIS PLAINS

• M&M

- 434 Residential Units (73 affordable)
- Hotel
- 15,000 SF retail/service/restaurant
- (Initially came in with 800 units)

• The American

- 281 units (50 affordable)
- (Initially came in with 500 units)

What Was COAH?

1985: Fair Housing Act

(aka NJSA 52-27D-301 et al)

- ❑ Legislature codified the Mt. Laurel decisions
- ❑ Created the Council on Affordable Housing (COAH) which created rules and procedures for communities to follow to satisfy their constitutional obligation

What Do We Mean By COAH Rounds?



First Round
1987-1993



Second Round
1994-1999



Third Round
1999-2025



Fourth Round
2025-2035

↑
Includes 1999-2015 Gap Period

How Will DCA Calculate the Obligation?



It's complicated...



Income Capacity Factor



Nonresidential Valuation Factor

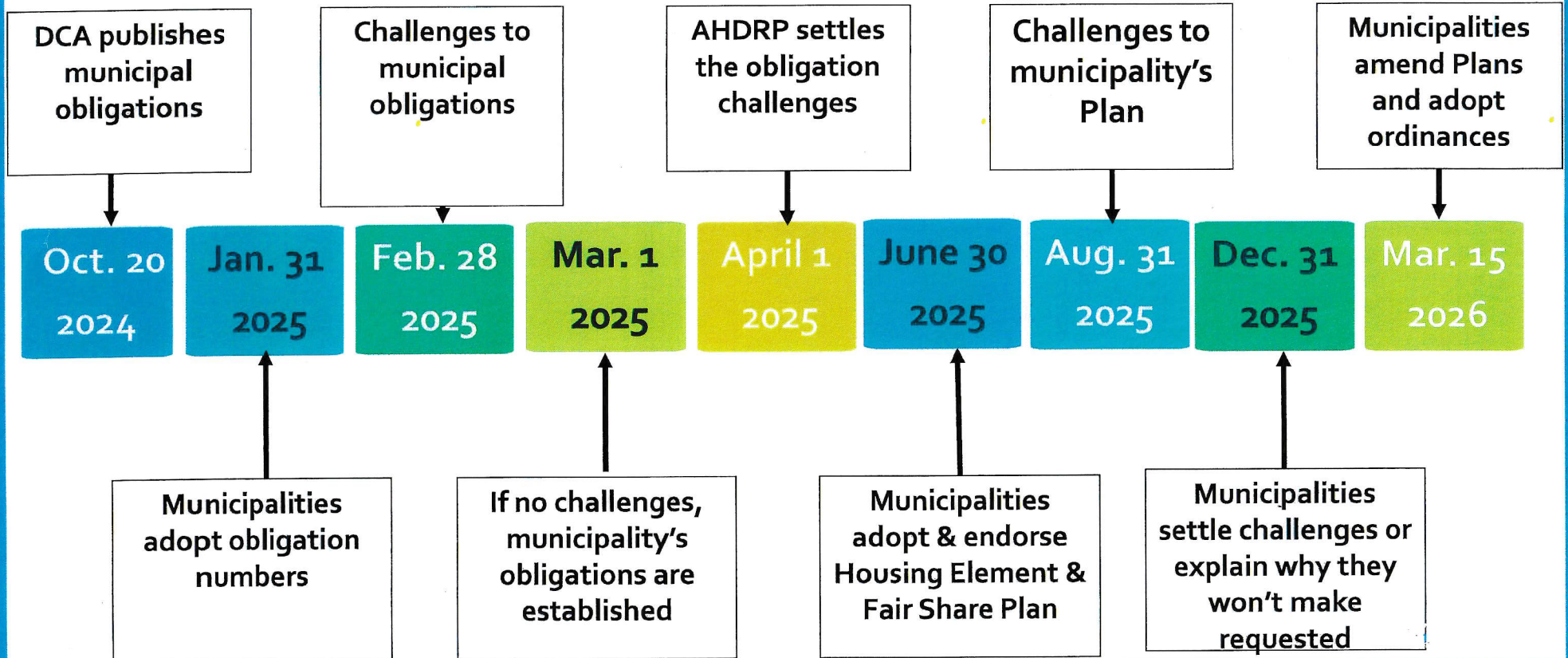


Developable Land Factor

Overview of A4/S50 New 4th Round Legislation

- ❑ Establishes a process within the judiciary, with a mediation program followed by county level housing judges
- ❑ DCA assigns obligations but permits municipalities to determine obligations based on own analyses
- ❑ Significant adjustment to bonus structure
- ❑ Revisions to affordability controls and updating UHAC/trust funds
- ❑ Emphasis on family housing, redevelopment, and supportive housing
- ❑ Establishes firm dates/deadlines for process

Key Municipal Compliance Deadlines



Morris Plains Fourth Round Fair Share Obligation

Present Need/Rehabilitation:

0 units

Prospective Round (2025-2035):

137 (DCA #)

What is a Municipal Fair Share Obligation?

Present Need/Rehabilitation

Prior Round Obligations (1987-2025)

Prospective Round (2025-2035)

Vacant Land Adjustment

Calculate Realistic Development Potential ("RDP")

- Downward Adjustment to Reflect Lack of Developable Land
- Identify "vacant and developable" lands
- Excludes environmentally sensitive lands (wetlands, steep slopes, etc.)
- Excludes sites that can accommodate less than 5 units
- *May* be able to exclude some historic properties or land
- *May* be able to exclude land for recreation or open space
- Calculate potential capacity for affordable housing
- *Minimum presumptive* density is 6 du/ac
- 20% set-aside

Unmet Need - Difference between RDP and obligation

Satisfying Fourth Round Obligation with a Vacant Land Adjustment

RDP

- Must satisfy with projects that create a realistic opportunity

Unmet
Need

- Most common: overlay inclusionary zoning
- *Identify sufficient parcels likely to redevelop during the current round... to address at least 25% of the...unmet need...and adopt realistic zoning...or demonstrate why the municipality is unable to do so.*

Addressing Obligation: Compliance Strategies

Supportive/ Special Needs

- Typically Group Homes
- Unit of Credit is by the Bedroom
- Counted as Rental

Transitional Housing

- New for Fourth Round
- Temporary Housing that provides access to supportive services for very low-income households who may have recently been homeless
- Allows households to stay for a minimum of 6 months

Addressing Obligation: Minimum/Maximum Types of Units

Minimum of 25% Must Be Rentals (half must be rentals for families)

Minimum of 50% Must Be for Families

Maximum of 30% Maximum for Senior Housing (increase from 25%)

Minimum of 13% Must Be for Very Low-Income Households
(i.e. 30% or Less of AMI)

Bonus Credits



Bonus credits up to 25 percent of municipal obligation/RDP



One type of bonus credit per unit



No rental bonus credits

Bonus Credits



+1 Bonus Credit

Special needs housing
Market to affordable conversion
100% affordable housing developments



+0.5 Bonus Credit

Partnership with non-profit
Sites within ½ mile of transit
Senior Units
Redevelopment of commercial sites
Excess very low-income units
Excess three bedroom units
Extensions of affordability controls

Minimum/Maximum Types of Units

Max of 25% Bonuses

2.5 Bonus Credits

Min. of 25% Rentals

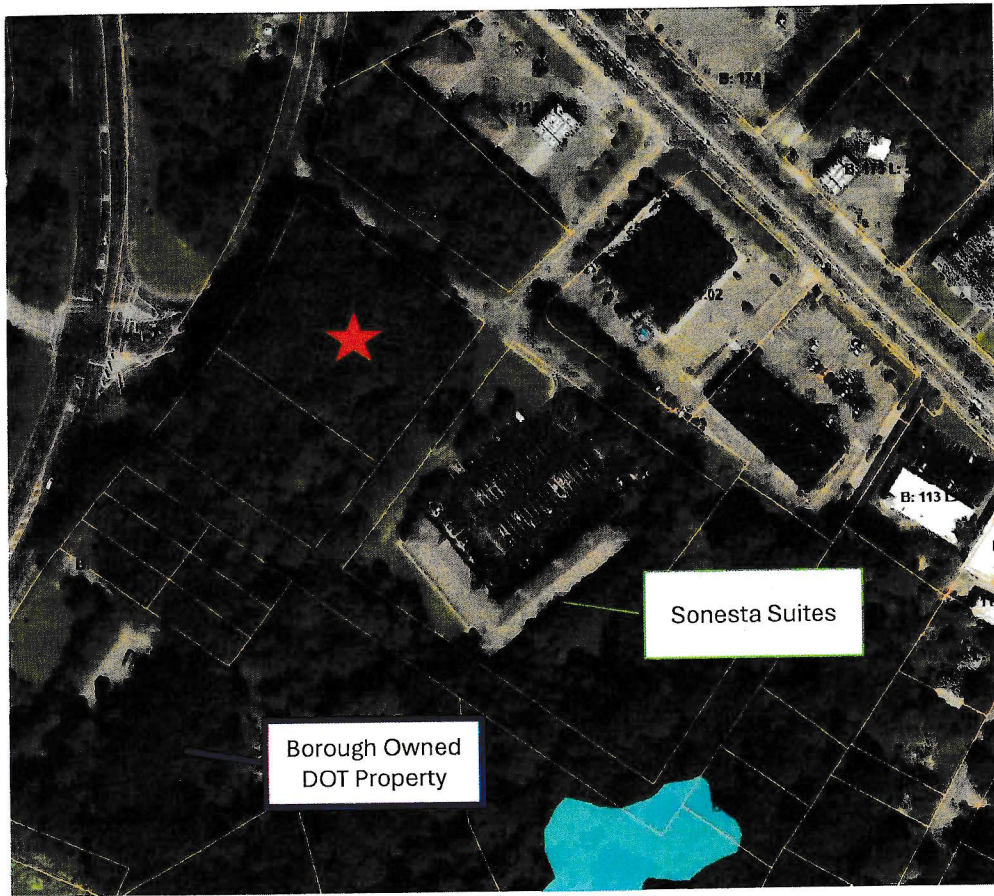
(half must be rentals for families)

3 Units

2 must be for families

Min. of 50% Families

5 Units



- **Rezone Block 112 Lot 2/ 100
Candlewood Drive for inclusionary
development**
- **Lot is 1.77 acres in size**
- **Assign a density of between 15-20
dwelling units per acre**
- **Require a 20 percent set aside**
 - **15 du/acre = 27 units and 6 AU**
 - **20 du/acre = 36 units and 7 AU**
- **Would meet 25% of RDP Requirement**