

HOUSING ELEMENT AND FAIR SHARE PLAN

Borough of Chatham
Morris County, New Jersey

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HOUSING ELEMENT AND FAIR SHARE PLAN

Prepared for:

The Borough of Chatham Planning Board

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SECTION 1: INTRODUCTION

All municipalities in New Jersey are charged with the constitutional obligation of providing a realistic opportunity for the construction of housing for low-income and moderate-income households. This responsibility, initially highlighted in the 1975 case of Southern Burlington County NAACP v. Township of Mt. Laurel 67 NJ 151 (1975), eventually became the basis for the July 2, 1985 Fair Housing Act.

A Housing Element is one of the mandatory components of a master plan. This Housing Element and Fair Share Plan is intended to fulfill the requirements of both the New Jersey Municipal Land Use Law and the Fair Housing Act.

Existing Master Plan and Related Documents

Supporting documents for the Borough of Chatham's Housing Element and Fair Share Plan include the following:

- 2000 Master Plan
- 2006 Master Plan Reexamination
- 2010 Open Space and Recreation Plan Update
- 2012 Environmental Resources Inventory
- 2013 Land Use Element Amendment

These documents were reviewed as part of the preparation of this Housing Element and Fair Share Plan. This Housing Element/Fair Share Plan is substantially consistent with the referenced companion documents.

Community Overview

The Borough of Chatham is a built out community of 8,962 people encompassing approximately 1,533 acres or 2.4 square miles. Chatham is bordered by the Borough of Florham Park to the north, the Borough of Madison to the west, Chatham Township to the west and south, Summit to the south and east, and Millburn on the opposite side of Route 24. The Borough has a small downtown that serves the local community as well as surrounding areas. As indicated in the 2010 Open Space and Recreation Plan, less than 1% of the Borough's land area is vacant. Vacant land today generally consists of very small, isolated, scattered parcels.

The information gathered for this report originates from the United States Census Bureau's Decennial Census and American Community Survey programs in addition to the New Jersey Department of Labor and Workforce Development and the Morris County Department of Planning. Please note that the American Community Survey (ACS) is based on 5-year estimates. Although the American Community Survey (ACS) generates population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program (Decennial Census) that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

SECTION 2: HOUSING ELEMENT

A. Housing Characteristics

According to the 2010 Census, there were 3,210 total housing units and 137 vacant units in the Borough. Housing tenure and type are detailed below. As indicated in Table 1, the Borough's number of owner-occupied and renter-occupied units remained stable during the 2000s, comprising 80% and 20% of the Borough's housing stock respectively. The trends for unit type remained generally constant between 2000 and 2013 as noted in Table 2. The 2013 estimates indicate a decrease in the number of 3 to 4 unit structures, but an increase in the number of 5 to 9 unit structures.

Tenure and Occupancy Status	2000	2010
Owner Occupied Units	2,511	2,438
Renter Occupied Units	648	635
Total Occupied Units	3,159	3,073
Vacant for Rent	13	63
Vacant for Sale	21	14
Rented or sold, not occupied	19	12
For Seasonal, Rec. or Occasional Use	10	24
Other vacant	10	24
Total Vacant Units	73	137
Total Housing Units	3,232	3,210

Source: 2000 and 2010 U.S. Census

Type of Structure	2000 US Census	2010 ACS	2013 ACS
1, detached	2,587	2,386	2,442
1, attached	46	31	16
2	124	206	137
3 or 4	228	178	127
5 to 9	46	111	137
10 to 19	59	36	48
20 or more	137	171	174
Mobile Home or trailer	5	0	0
Other	0	0	0
Total	3,232	3,232	3,081

Source: 2000 U.S. Census; 2010 ACS; 2013 ACS

Value of Housing Stock

Of the Borough's 567 renter-occupied housing units in 2013 paying cash rent, approximately 6% rented for less than \$1,000. Approximately 45% of all rental units had monthly rents between \$1,000 and \$1,499. An additional 280 units rented above \$1,500 a month. The estimated 2013 median rent was \$1,496.

Gross Rent	2000 Census	2010 ACS	2013 ACS
Less than \$500	5	16	0
\$500 to \$749	19	0	17
\$750 to \$999	220	0	16
\$1,000 to \$1,499	263	346	254
\$1,500 or more	113	315	280
Occupied Units Paying Rent	620	677	567
No Rent Paid	32	9	8
Median (dollars)	\$1,082	\$1,475	\$1,496

Source: 2000 U.S. Census, 2010 ACS, 2013 ACS

Table 4 identifies the value of owner-occupied units. As shown, the Borough's median housing value increased during the 2000s from \$376,900 to \$705,800. As of 2013, less than 1% of all owner occupied units were valued under \$200,000, 15% were between \$200,000 and \$499,999, with the balance over \$500,000.

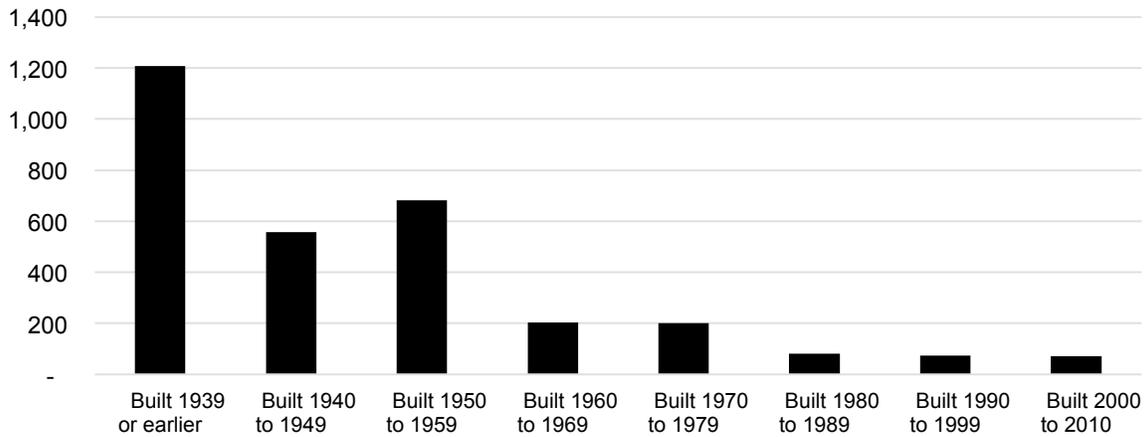
Value	2000 Census	2010 ACS	2013 ACS
Less than \$50,000	6	0	17
\$50,000 to \$99,999	0	5	0
\$100,000 to \$149,999	13	0	0
\$150,000 to \$199,999	100	9	0
\$200,000 to \$299,999	529	31	30
\$300,000 to \$499,999	1,229	248	330
\$500,000 to \$999,999	481	1,618	1,538
\$1,000,000 or more	51	394	416
Total Owner-Occupied Units	2,409	2,305	1,915
Median Value	\$ 376,900	\$ 699,100	\$ 705,800

Source: 2000 U.S. Census, 2010 ACS, 2013 ACS

Condition of Housing Stock

The Borough’s housing inventory grew very modestly over the past two decades. As shown below, over one third of the borough’s housing stock originates from the early twentieth century, predating post-war and mid-twentieth century housing construction. Based on the 2013 ACS estimates, the Borough does not have any sub-standard housing units.

Figure 1 - Housing Units by Age of Structure



Source: 2013 ACS

Type of Structure	2013 ACS
Built 1939 or earlier	1,208
Built 1940 to 1949	558
Built 1950 to 1959	683
Built 1960 to 1969	204
Built 1970 to 1979	202
Built 1980 to 1989	82
Built 1990 to 1999	73
Built 2000 to 2010	71
Total	3,081

Source: 2013 ACS

Type of Structure	2000 US Census	2013 ACS
Units with more than one person per room	10	0
Units lacking complete plumbing	18	0
Units lacking complete kitchen	12	0

Source: 2000 U.S. Census; 2013 ACS

Chatham Borough's Housing Stock

During the last decade, a total net decrease of 36 housing units has resulted from demolitions and new construction, an average decrease of nearly 4 units per year. No multi-family units were added to the Borough between 2004 and 2014. North Jersey Transportation Planning Authority has projected that the number of households in the Borough will grow very modestly to 3,175 by 2040, an increase of 80 households over 25 years.

Table 7 - Ten Year Trend of Residential Certificates of Occupancy and Demolition Permits												
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Housing CO's Issued	3	1	1	3	4	9	4	3	6	8	4	46
1&2 Family	3	1	1	3	4	9	4	3	6	8	4	46
Multi-Family	0	0	0	0	0	0	0	0	0	0	0	0
Mixed-Use	0	0	0	0	0	0	0	0	0	0	0	0
Housing Units Demolished	17	21	7	7	6	2	2	5	3	7	5	82
Net Increase in Housing Units	-14	-20	-6	-4	-2	7	2	-2	3	1	-1	-36

Source: Morris County Dept. of Planning and Public Works

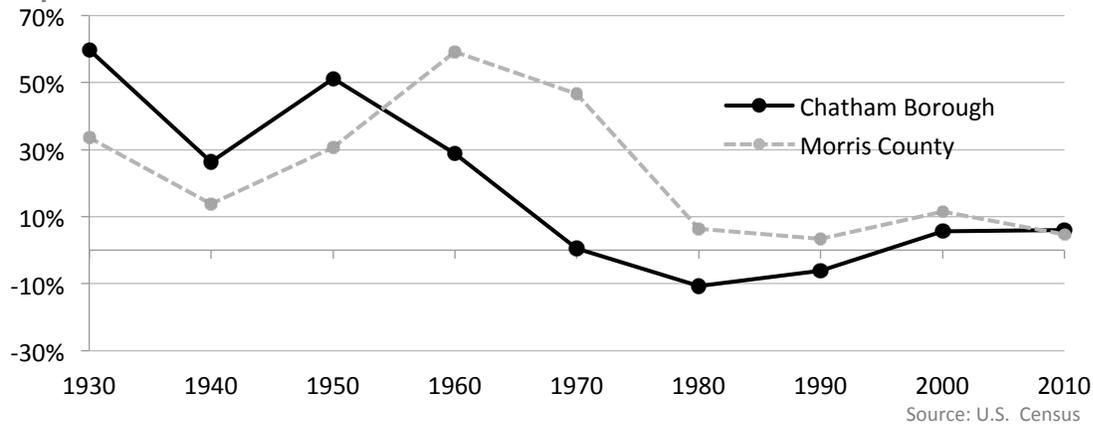
Table 8 - Household Projections						
Year	2015	2020	2025	2030	2035	2040
Chatham Borough	3,095	3,135	3,175	3,174	3,175	3,175

Source: NJTPA

B. Population Demographics

As indicated in Table 9, the Borough's population grew considerably during the 1950s through 1970 and declined during the 1970s and 1980s. There was modest population growth during the 1990s and 2000s. As shown in Table 10, by 2020, the NJTPA has projected that Chatham's population will increase to 8,998 or an increase of 36 persons from the 2010 Census.

Population Trends



Year	Population	Change	
		Number	Percent
1920	2,421		
1930	3,869	1,448	60%
1940	4,888	1,019	26%
1950	7,391	2,503	51%
1960	9,517	2,126	29%
1970	9,566	49	1%
1980	8,537	-1,029	-11%
1990	8,007	-530	-6%
2000	8,460	453	6%
2010	8,962	502	6%
Change, 1920-2010		6,541	270%

U.S. Census.

Year	Population
2015	8,973
2020	8,998
2025	9,078
2030	9,081
2035	9,081
2040	9,130

Source: NJTPA

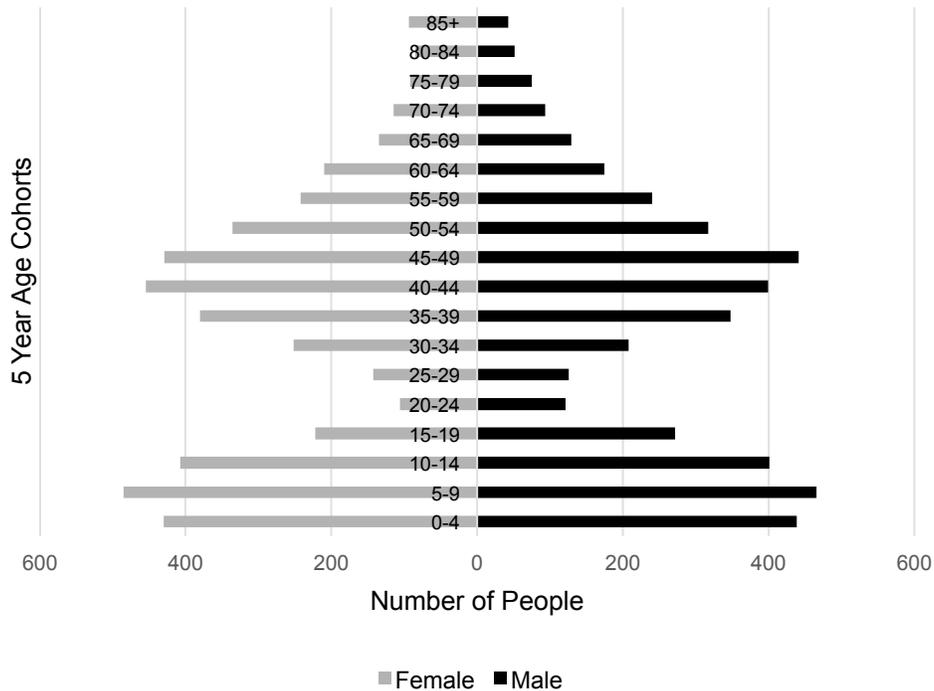
Age Distribution

The age composition of the Borough's population is detailed in Table 11 below. As shown, since 2000, the under 5 cohort decreased slightly, the 5 to 19 cohort increased significantly, and the number of young adults between 20 and 39 decreased substantially. Additionally, residents between ages 40 to 69 have increased, while the number of residents 70 years of age and older has decreased.

Table 11 - 2010 Population by Age and Sex							
Age	Year 2000			Year 2010			Change
	Total	Male	Female	Total	Male	Female	
0-4	871	430	441	869	439	430	-2
5-19	1,623	843	780	2,253	1,139	1,114	630
20-29	598	251	347	496	247	249	-102
30-39	1,681	812	869	1,188	556	632	-493
40-49	1,381	680	701	1,724	840	884	343
50-59	884	417	467	1,135	557	578	251
60-69	611	294	317	649	304	345	38
70-84	663	264	399	511	219	292	-152
85+	148	46	102	137	43	94	-11
Total	8,460	4,037	4,423	8,962	4,344	4,618	502

Source: U.S. Census

Figure 3 - Age & Gender Composition, 2010



Source: U.S. Census

Household Size and Type

As shown in Table 12, the 2010 Census shows a mix of household types within the Borough, with 78% families (two people or more related by birth, marriage, or adoption) and 22% non-family households (a householder living alone or with people to whom he/she is not related). Almost three-fourths of households were married couples in 2010 and over 40% of these families have children under the age of 18. Eight percent of households were persons living alone over 65 years of age in 2010.

Household by Type	2000		2010	
	Number	% Total HH	Number	% Total HH
Total households	3,159	100%	3,073	100%
Family households (families)	2,384	76%	2,398	78%
With own children under 18 years	1,244	39%	1,478	48%
Married-couple family	2,137	68%	2,118	69%
With own children under 18 years	1,132	36%	1,328	43%
Female householder, no husband present	201	6%	215	7%
With own children under 18 years	92	3%	118	4%
Nonfamily households	775	25%	675	22%
Householder living alone	673	21%	572	19%
Householder 65 years & over	291	9%	244	8%
Households with individuals under 18 years	1,271	40%	1,495	49%
Households with individuals 65 & over	766	24%	648	21%

Source: U.S. Census

Household characteristics are detailed in Table 13. As shown below, Chatham Borough had an average household size of 2.67 persons and an average family size of 3.14 persons in 2000. Table 13 also shows a slight decline in the total number of households in the Borough between 2000 and 2010, as well as slight increases in households with 4 to 6 persons. In tandem with the increases in larger households, the average family and household sizes increased over the same period.

Household Size	2000			2010		
	Owner	Renter	Total	Owner	Renter	Total
1 - Person Household	370	303	673	328	244	572
2 - Person Household	815	215	1,030	643	171	814
3 - Person Household	488	64	552	442	108	550
4 - Person Household	538	47	585	633	79	712
5 - Person Household	233	12	245	313	24	337
6 - Person Household	51	5	56	64	7	71
7 - Person Household	16	2	18	15	2	17
Total	2,511	648	3,159	2,438	635	3,073
Average Household Size	2.87	1.88	2.67	3.09	2.21	2.91
Average Family Size	3.14			3.37		

Source: U.S. Census

Income Characteristics

According to the 5-year estimates for the 2009-2013 American Community Survey, the Borough's median household income in 2013 was \$146,083, an increase of approximately 43% compared to the 2000 Census. Based on the distribution of households by income according to the 2013 ACS, approximately 6% of the Borough's households earned less than \$25,000, 9% earned between \$25,000 and \$44,999, 17% earned between \$45,000 and \$99,999, and 20% earned between \$100,000 and \$149,999. The remaining households earned \$150,000 or more.

Income Range	2000 Census # of Households	2010 ACS Estimates # of Households	2013 ACS Estimates # of Households
Less than \$10,000	69	36	49
\$10,000 - \$14,999	26	39	34
\$15,000 - \$24,999	130	55	90
\$25,000 - \$34,999	128	54	99
\$35,000 - \$44,999	317	175	155
\$45,000 - \$74,999	448	272	267
\$75,000 - \$99,999	419	343	236
\$100,000 - \$149,999	606	584	576
\$150,000 - \$199,999	417	540	384
\$200,000 or more	583	893	1016
Total households	3,143	2,991	2,906
Median household income (estimated)	\$ 101,991.00	\$ 143,281.00	\$ 146,083.00

Source: 2000 US Census, 2010 ACS, 2013 ACS

C. Employment Demographics

Table 15 presents private sector employment by industry for 2003 and 2014 according to the number of jobs with a Chatham Borough address based on covered employment statistics reported to the NJ Department of Labor and Workforce Development. As illustrated below, Chatham has lost 265 jobs since 2003. During this time, five sectors gained jobs and 8 sectors lost jobs. Notable increases among private employment sectors include Transportation/Warehousing, Health/Social Services and Accommodations/Food Service. Notable declining sectors include Manufacturing, Wholesale Trade, Finance/Insurance and Professional/Technical.

Industry	2003 Units	2003 # of Jobs	2014 Units	2014 # of Jobs	Change in # of Jobs
Construction	44	193	23	159	-34
Manufacturing	10	242	0	0	-242
Wholesale Trade	26	168	0	0	-168
Retail Trade	41	322	37	321	-1
Transportation/Warehousing	4	29	4	141	112
Information	0	0	0	0	0
Finance/Insurance	40	415	28	184	-231
Real Estate	20	77	19	77	0
Professional/Technical	70	363	48	278	-85
Management	0	0	0	0	0
Admin/Waste Remediation	20	171	15	173	2
Education	7	78	0	0	-78
Health/Social	59	356	51	407	51
Arts/Entertainment	8	49	0	0	-49
Accommodations/Food	23	175	24	232	57
Other Services	66	167	43	195	28
Private Sector Totals	457	3,460	340	3,195	-265

Source: NJ Labor & Workforce Development

An analysis of the employed residents in Chatham indicates that the majority of residents work in service-oriented industries. The Finance, Insurance, Real Estate and Rental/Leasing sector employs the most Chatham residents, followed by the Educational, Health and Social Services Sector and the Professional, Scientific, Management, Administrative, and Waste Management Sector.

Industry	2000	2010
Agriculture, forestry, fishing and hunting, and mining	18	1
Construction	88	109
Manufacturing	410	245
Wholesale trade	142	67
Retail trade	224	387
Transportation and warehousing, and utilities	113	37
Information	327	187
Finance, insurance, real estate, and rental and leasing	817	992
Professional, scientific, management, administrative, and waste management services	774	839
Educational, health and social services	767	901
Arts, entertainment, recreation, accommodation and food services	164	174
Other services (except public administration)	127	187
Public administration	137	84
Total	4,108	4,210

Source: U.S. Census

D. Capacity for Fair Share/Lands Most Appropriate for Affordable Housing

The Borough has seen very modest development in the past decade with no new multi-family or mixed-use developments added to the Borough's housing supply. Due to limited vacant land availability, any future development of housing or mixed-use projects is anticipated to be in the form of redevelopment or revitalization of existing sites. The greatest potential for this to occur is along River Road and Watchung Avenue in areas zoned M-1/M-3, particularly those areas in the Gateway Overlay District. However, it should be noted that several sites in this area likely have prior environmental issues that will require remediation, as well as demolition of existing improvements. Revitalization is therefore anticipated to occur over many years and market conditions will have a strong impact on the pace and extent of this process.

As documented by Borough planning and engineering documents, the Borough is served by the Madison Chatham Joint Meeting Sewer Treatment Plant sewer services area, which generally has capacity to serve the development anticipated in the Realistic Development Potential (RDP) calculation herein, though, off-site improvements to the sanitary sewer collection system may be required of developers on a project-specific basis.

The Borough is served by public water through the Borough of Chatham Water Department. As previously noted by the Borough Engineer in the 2008 Housing Plan, the system has sufficient capacity to serve the additional development anticipated in this Plan.

The primary constraint on development in Chatham is the lack of available vacant land. The vast majority of remaining vacant land is constrained by environmental resources and infrastructure, such as wetlands, floodplains associated with the Passaic River, steep slopes or overhead utility lines. Additional vacant lands are not developable due to their small size, public use and/or open space preservation. As a result, most 'vacant' properties are not developable.

SECTION 3: FAIR SHARE PLAN

This Fair Share Plan addresses the following:

- The Prior Round Obligation and status of compliance.
- The Third Round Obligation.
- Adjustments to the fair share obligation, including documentation to continue the Borough's Prior Round Vacant Land Adjustment.
- Mechanisms proposed to meet the current obligation, including documentation of zoning and other strategies to be employed by the Borough.
- Discussion of how existing/proposed zoning provides adequate capacity to accommodate affordable housing.
- Demonstration that water/sewer system capacities are adequate to address the proposed implementation strategies.
- A Draft Spending Plan outlining the Borough's projected revenues from development fees and other sources, description of administrative process for collecting and distributing fees, description of uses of trust fund fees, schedule for expenditure of trust funds and description of anticipated use(s) of any excess affordable housing trust fund balance

A. Chatham Borough's Fair Share Obligation

The determination of the Borough's Fair Share Obligation from the Prior and Current Round reflect Mount Laurel II, the Fair Housing Act, and the March 10, 2015 Supreme Court decision. This Section summarizes the Prior Round Obligation (1987-1999) obligation and the Current Round obligation based on information available as of November 1, 2015.

Prior Round Obligation

Chatham Borough was granted a vacant land adjustment during the prior round that resulted in a 23-unit Realistic Development Potential (RDP). In the last, released yet unadopted, iteration of COAH's Third Round Rules, the Borough was assigned no additional prior round affordable housing obligation.

Current Round Obligation

The three components of fair share that this Plan addresses are Present Need (previously referred to as the Rehabilitation Share), Prior Round Obligation and Prospective Need. As noted below, the Borough has no Present Need based on the most recent census data that indicates there are no units in the Borough without full kitchens and/or plumbing or that are overcrowded. Accordingly, the Borough's fair share obligation considering these components is as follows:

Present Need (Based on most current Census/ACS data): 0 Units

Prior Round Obligation: 77 Units, adjusted to 23-unit RDP

Prospective Need: 337, adjusted to a 36-unit RDP

PRESENT NEED:

As indicated in the report authored by David N. Kinsey, Ph.D. in July 2015, the Borough has a present need of 0 units based on the most recent Census. As a result, this Plan does not include mechanisms to address rehabilitation of substandard units occupied by low-and-moderate income households.

PRIOR ROUND OBLIGATION:

The Borough's Prior Round Obligation of 77 units was reduced to an RDP of 23 units based on COAH's approval of a vacant land adjustment as part of its certified First (1988) and Second Round Plans (as amended and adopted in June of 2003). Strategies to address Unmet Need for prior and current round are identified in this Plan.

There are minimum and maximum requirements for rentals and age-restricted units for communities that were granted vacant land adjustments as part of a prior round substantive certification, as noted below:

- Minimum 50% low-income units = 11 units
- Minimum rental obligation of 25% of RDP = 6 units
- Maximum age-restricted permitted of 25% of RDP (less 2 RCA units) = 5 units
- Maximum age-restricted rental bonus limit of 50% of rental obligation = 3 units.
- Maximum bonus rental credits = number of units in rental obligation = 6 credits¹.

The Borough's prior round affordable housing plans called for the rezoning of several sites for inclusionary development to address this obligation, which the Borough implemented. Through these efforts, the Borough fully complied with its prior round RDP of 23 units, as detailed in the following table. It should be noted that the inclusionary zoning in place at the Averett Site (Block 98, Lot 2), which is anticipated to generate a total of 2 affordable units at density of 10 units per developable acre, continues to be a realistic mechanism for the creation of affordable units, despite the lag time for development at this location.

UNMET NEED

Unmet need is noted as follows: Prior round unmet need of 53 units based on unadjusted need of 77 units, less prior round compliance of 24 units. For current round unmet need, the net prospective need calculated by David N. Kinsey, PhD, FAICP, PP on behalf of the Fair Share Housing Center (FSHC) of 481-units is reduced by 30%, resulting in a current round prospective need of 337 units, reduced by 36 units provided for in this plan, resulting in a current round unmet need of 301 units. Please note that this plan includes strategies for prior and current round unmet need. Please also note that in accordance with the Borough's settlement terms with FSHC, should an adjudication of prospective need for the Region or County or State, such that Chatham Borough's number of 337 units is lowered by 15% or more, the Borough retains the right to return to Court to receive the lower number.

¹ Actual number of rental bonuses received is based on types of units used to meet the rental obligation.

Borough of Chatham

Prior Round Affordable Housing Units, Credits & Inclusionary Zoning

DEVELOPMENT	BLOCK/LOT	EXPIRATION ²	UNIT TYPE	RENTAL/SALE
CHATHAM @ WILLOWS:				
34 SCHINDLER CT Unit ML-1	106/1.34	7/21/2019	3 BR Moderate	For Sale
36 SCHINDLER CT Unit ML-2	106/1.36	2/16/2019	3 BR Low	For Sale
38 SCHINDLER CT Unit ML-3	106/1.38	10/19/2018	2 BR Low	For Sale
40 SCHINDLER CT Unit ML-4	106/1.40	12/14/2018	2 BR Moderate	For Sale
42 SCHINDLER CT Unit ML-5	106/1.42	10/26/2018	2 BR Low	For Sale
44 SCHINDLER CT Unit ML-6	106/1.44	3/10/2019	2 BR Moderate	For Sale
46 SCHINDLER CT Unit ML-7	106/1.46	12/2/2018	2 BR Moderate	For Sale
48 SCHINDLER CT Unit ML-8	106/1.48	11/24/2018	2 BR Low	For Sale
<i>Credits</i>				<i>8 Units</i>
WILLOWS CT./Zuckerman (Averett/Nilson):				
1 LACKAWANNA CT. UNIT #1	99/20.01	3/2/2031	2 BR Moderate	Rental
1 LACKAWANNA CT. UNIT #2	99/20.01	3/2/2031	2 BR Low	Rental
<i>Credits</i>				<i>2 Rental Units plus 2 bonus credits = 4 credits</i>
RIVER COMMONS/Gunn:				
117 SUMMIT AVE (GUNN)	129/46.07	1/31/2032	3 BR Moderate	Rental
121 SUMMIT AVE (GUNN)	129/46.08	1/31/2032	2 BR Low	Rental
<i>Credits</i>				<i>2 Rental Units plus 2 bonus credits = 4 credits</i>
CHESTNUT RIDGE (Rau/Chatham Land Inc.)/31 Maple Street:	103/7.05	1/1/2006	4 age-restricted rentals (all 2- bedroom Low)	<i>4 Rental Units</i>
<i>Credits</i>				
HOWARDSON PROPERTY	118/48		2 unit RCA	<i>2 Unit RCA to Linden</i>
UNITS & BONUS CREDITS				22 Credits
INCLUSIONARY SITE - Averett	98/2		Zoned AFD-2	2 Units
PRIOR ROUND TOTALS				24 CREDITS

² Initial Occupancy dates are 30 years prior to expiration dates for all units (please note that the controls on the 8 units at Schindler Court have been extended an additional 30 years from the dates shown above).

CURRENT ROUND PROSPECTIVE NEED:

Based upon its lack of remaining vacant land and development constraints, Chatham has calculated its Realistic Development Potential at 36 affordable housing units. Based on this RDP, we have applied the following minimum and maximum requirements:

- Minimum 50% low-income housing (per NJAC 5:93)= 18 units
- Minimum 13% very low income housing (per FHA) = 5 units
- Minimum % very low income family housing (half of very low income) = 3 units
- Minimum 50% family housing = 18 units
- Minimum rental requirement of 25% of RDP = 9 units
- Minimum family rental of 50% of rental requirement = 5 units
- Maximum age-restricted at 25% of RDP = 9 units
- Maximum age-restricted rental bonus of 50% of maximum rental obligation = 4 units
- Maximum bonus credits of 25% of RDP = 9 bonus credits
- Maximum rental bonus of 25% of RDP = 9 units (cap on rental bonuses with rental bonuses applying up to the rental obligation per NJAC 5:93)

B. Current Round Adjustments

VACANT LAND ADJUSTMENT/RDP

As part of its prior rounds substantive certification, COAH approved a Vacant Land Adjustment for Chatham, reducing the prior round obligation to an RDP of 23 affordable units. Documentation is provided herein to substantiate the Borough's Vacant Land Adjustment and to provide an updated RDP for the current Round.

The Borough's lack of vacant land continues to be a significant constraint on development opportunities. Accordingly, in updating its RDP, the Borough has analyzed the Borough's vacant land and development potential using an approach substantially consistent with COAH's Second Round Rules, NJAC. 5:93-4.2 and -5.2. COAH's rule requires the Borough to provide a vacant land inventory that includes privately and municipally owned vacant land.

Consistent with these rules, vacant properties, both privately owned and publicly owned, were identified utilizing GIS digital data supplied by the State of NJ and Morris County, including MODIV tax parcel data. The Borough then took the following steps to identify sites to be eliminated from the Borough's inventory of vacant land as potential affordable housing site for the following reasons:

- Constrained areas (wetlands, 100-year floodplain, and slopes over 15%), as well as areas reserved for conservation, parklands and open space by public or non-profit entities, were identified using GIS datasets and open space inventory information provided by the Borough.
- Properties that are vacant for tax assessment purposes, but are in fact part of a developed property were verified through the use of aerial photography and the GIS/tax database and removed from consideration. Examples include small properties along the Borough's borders that contain homes in neighboring towns, properties that have

recently been developed and are no longer vacant, common areas associated with multi-family developments, railroad property, utilities, parking lots addressing required parking or public parking, and other essential infrastructure/public use properties.

In accordance with COAH's rules, once a site has been determined to be suitable for inclusion in the RDP, it is necessary to determine an appropriate density for the site. The density assigned to a site should be consistent with sound planning principles after considering factors such as, but not limited to, the existing infrastructure, the accessibility of the site and the character of the surrounding area. Consistent with this approach, development densities were assigned to the remaining parcels, with a minimum of six (6) units per acre for parcels under five (5) acres in size in single-family residential districts and a minimum of 8 units per acre for sites that are not zoned for residential use, are located in two-family residential districts, and/or are over five (5) acres in size. Parcels in the Borough's B or M Zones were assigned higher densities, with a minimum of 10 units per developable acre based on zoning and contextual factors. Any parcel that generated fewer than five (5) total units was eliminated from consideration, since these sites cannot generate at least one affordable housing unit using a 20% inclusionary requirement. All remaining parcels were included in the Borough's land capacity/RDP calculation with a 20% low and moderate-income housing requirement applied to the Borough's estimated build-out as shown in the RDP table on page 23.

Based on this analysis (see Appendix), the Borough has an estimated 8.7 acres of developable unconstrained land remaining, the capacity to accommodate 181 dwelling units and a RDP of 36 affordable units. The following table and maps summarize the results of the current Vacant Land analysis and computation of the Borough's RDP.

Vacant/Developable Lands and Environmental Constraints

Borough of Chatham
Morris County, NJ

March 2016

Legend

-  Vacant/Developable Land
-  Wetlands
-  Slopes greater than 15%
-  100 Year Floodplain
-  Slopes less than 15%
-  Slopes greater than 15% to 25%
-  Slopes greater than 25%

Map Scale = 1:13,200
or 1" = 1,100'

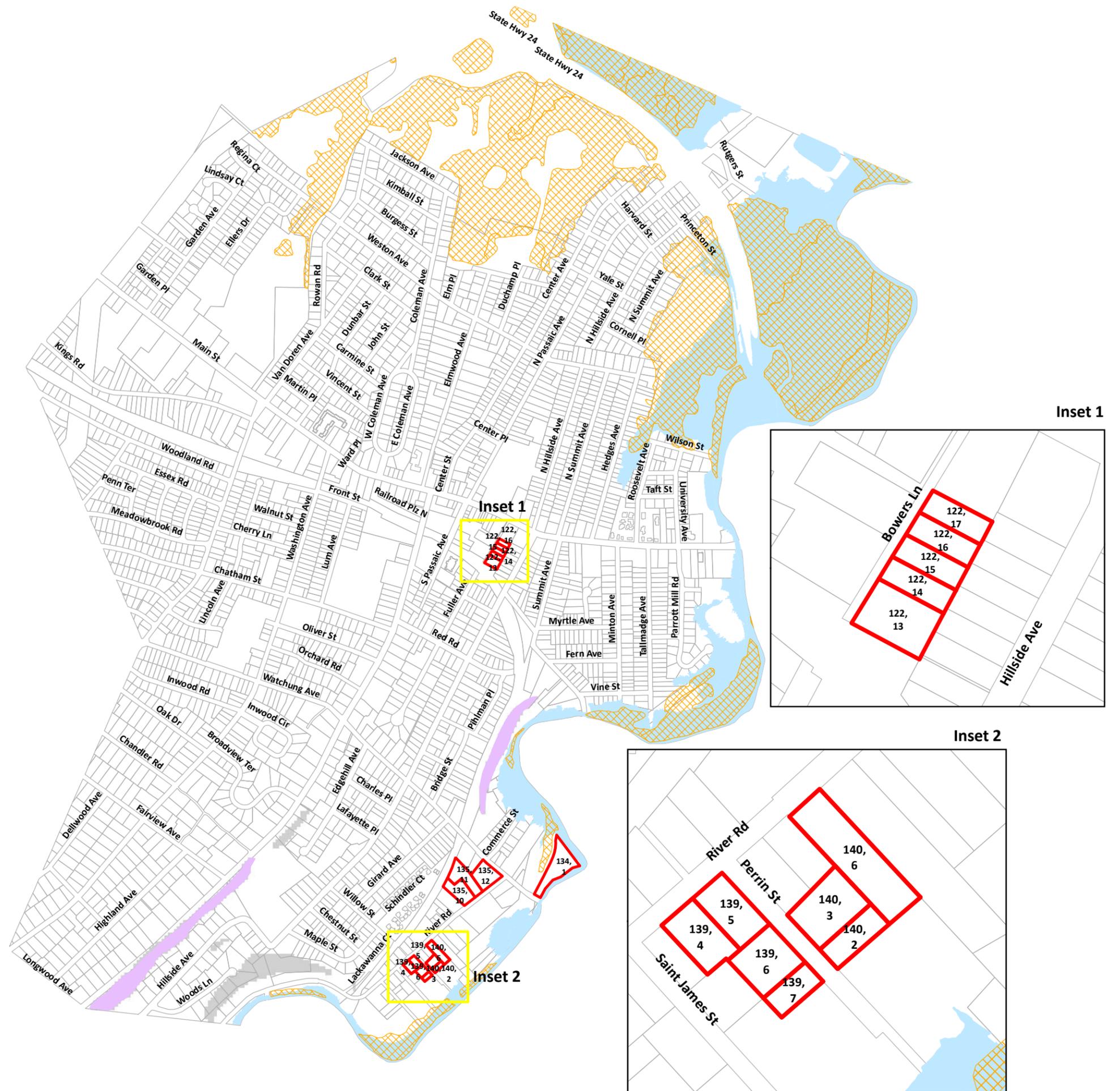


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Data Sources: NJOIT Office of Geographic Info. Services
Parcel data has been created by the GIS Section of the Morris County Planning Department



RDP CALCULATION - BOROUGH OF CHATHAM

Block	Lot	GISAcres	PropLoc	Zoning	Notes	Constrained Acres	Unconstrained Acres	% Developable	DU/Acre	Buildout	L/M @ 20%
134	1	2.263	4 WATCHUNG AVE	M-1	New car sales parking lot	0	2.263	100%	20	45.3	9.1
135	10	1.117	16 RIVER RD	M-3	Former Burling Instruments	0	1.117	100%	20	22.3	4.5
139	5	0.23	51 RIVER RD	M-3	Landscape supply company (not in Gateway Overlay)	0	0.23	100%	16	3.7	0.7
139	6	0.244	8 PERRIN ST	M-3	Landscape supply company (not in Gateway Overlay)	0	0.244	100%	16	3.9	0.8
139	4	0.24	55 RIVER RD	M-3	Landscape supply company (not in Gateway Overlay)	0	0.24	100%	16	3.8	0.8
139	7	0.124	12 PERRIN ST	M-3	Landscape supply company (not in Gateway Overlay)	0	0.124	100%	16	2.0	0.4
140	2	0.158	11 PERRIN ST	M-3	Landscape supply company (not in Gateway Overlay)	0	0.158	100%	16	2.5	0.5
140	3	0.289	9 PERRIN ST	M-3	Landscape supply company (not in Gateway Overlay)	0	0.289	100%	16	4.6	0.9
140	6	0.515	43 RIVER RD	M-3	Landscape supply company (not in Gateway Overlay)	0	0.515	100%	16	8.2	1.6
135	11-12	2.55	12 RIVER RD	M-3	National Manufacturing - developed	0	2.55	100%	20	51.0	10.2
122	13-17	0.94	17-37 BOWERS LN	AFD-4	Bowers Lane	0	0.94	100%	36	33.8	6.8
									8.67	181.2	36.2

C. Current Round Credits: Extension of Controls

The Borough extended the controls on the 8 low- and-moderate income units at Chatham at Willows (Schindler Court) through 2048/2049. As a result, the Borough is entitled to 8 credits for extension of existing controls.

Total Current Round Credits = 8 units (extension of controls).

D. Additional Current Round Mechanisms

INCLUSIONARY ZONING TO ADDRESS RDP

Site 1: 17-37 Bowers Lane (Block 122, Lots 13-17):

In addition, the Borough had adopted inclusionary zoning in several other locations that are anticipated to generate affordable housing, assuming market conditions are favorable to multi-family development. The Borough has rezoned Block 122, Lots 13-17 along Bowers Lane to AFD-4 at a density of 36 units per developable acre. Lots 14 through 17 are owned by Driscoll Properties and together comprise approximately .6 acres. Lot 13 is approximately 15,000 square feet and is owned by Neil Sullivan. Lot 13 is bisected diagonally by a Borough storm sewer easement. While these lots currently contain a mix of apartments and offices, the high transit-oriented development density zoning implemented at this location is an incentive to future revitalization of this area, particularly as the existing structures age and require additional investment. With a combined area of approximately .94 acres, it is anticipated that a total of 34 units could be developed, with an affordable yield of 5 units based on a 15% rental inclusionary component (or 7 units under a for sale development scenario with a 20% inclusionary component).

Site 2: 16 River Road (Block 135, Lot 10):

This site was formerly a manufacturing use (Burling Instruments) and is located in the M-3/Gateway Overlay Districts. The site is no longer in industrial use and was rezoned as part of the Gateway planning process, which permits multi-family residential development, as well as mixed use development. All multi-family or mixed-use development in the Gateway Overlay with 5 or more units are required to provide an inclusionary component. As applied to this 1.17-acre property with frontage on River Road at an average density of 20 units per acre, a total of 4 affordable units will be generated based on a 15% affordable component for rental development (under a for sale scenario, an additional unit would be generated for a total of 5 affordable units). If developed at a higher density under the incentives offered in the Gateway District, additional affordable units may be generated.

Site 3: 12 River Road (Block 135, Lots 11 & 12):

This property, occupied by National Manufacturing, is located at the corner of Watchung Avenue and River Road in the M-3/Gateway Districts. The site contains approximately 2.6 acres with frontage on both Watchung Avenue and River Road. As previously noted, all multi-family or mixed-use development in the Gateway District with 5 or more units are required to provide an inclusionary component and the permitted scale of development ranges from 3 to 4 stories. As

applied to this 2.55-acre property at an average density of 20 units per acre, a total of 8 affordable units are generated with a 15% affordable component for rental development or 10 affordable units under a for sale scenario with a 20% inclusionary component. If developed at a higher density using zoning incentives, additional affordable units may be generated. Given the size and location of this property, the current reduction in site utilization by the current manufacturing user, and the strong rental housing market in Morris County, future mixed-use or multi-family development is a strong possibility.

Site 4: 4 Watchung Avenue (Block 134, Lot 1):

This property has frontage on Watchung Avenue and is currently in use as a new car storage lot for a car dealership. This use is not a permitted use in the M-1/Gateway Districts that encompass this site. This site may contain some flood hazard areas associated with the Passaic River and/or some required riparian buffer areas; as a result, it is estimated that +/-2 acres of the parcel are developable. As previously noted, all multi-family or mixed-use development in the Gateway Overlay with 5 or more units are required to include an inclusionary component. Applying a density of 20 units per acre, this site generates 6 affordable units as a rental project or affordable 8 units under a for sale scenario at 20% inclusionary.

The above sites together generate 23 to 30 affordable units, in addition to the 8 units where the Borough has extended affordability controls, for a total of 31 to 38 units. It is anticipated that the Gateway area along Watchung Avenue/River Road will most likely generate rental affordable units. Three of the four sites identified in this Plan are located within the Gateway area. The total number of affordable units anticipated from these inclusionary sites, the extension of expiring controls, and rental bonuses (up to 9 may be taken on affordable rental units) results in a total of 40 to 47 affordable units/credits, exceeding the Borough's RDP of 36 units. It should be noted that the Borough may consider age-restricted housing on a case by case basis, depending on progress towards the Borough's RDP, provided that no more than 25% of the RDP is met through age-restricted housing, and provided that the Borough meets the minimum family housing requirement of 50% set forth in this Plan and the Borough's settlement agreement.

Inclusionary Sites to Address RDP

Borough of Chatham
Morris County, NJ

Inclusionary Sites to Address RDP

Site 1: 17-37 Bowers Lane (Block 122, Lots 13-17)

Site 2: 16 River Road (Block 135, Lot 10)

Site 3: 12 River Road (Block 135, Lots 11 & 12)

Site 4: 4 Watchung Avenue (Block 134, Lot 1)

Legend

 Inclusionary Sites

Map Scale = 1:4,800
or 1" = 400'



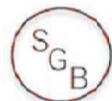
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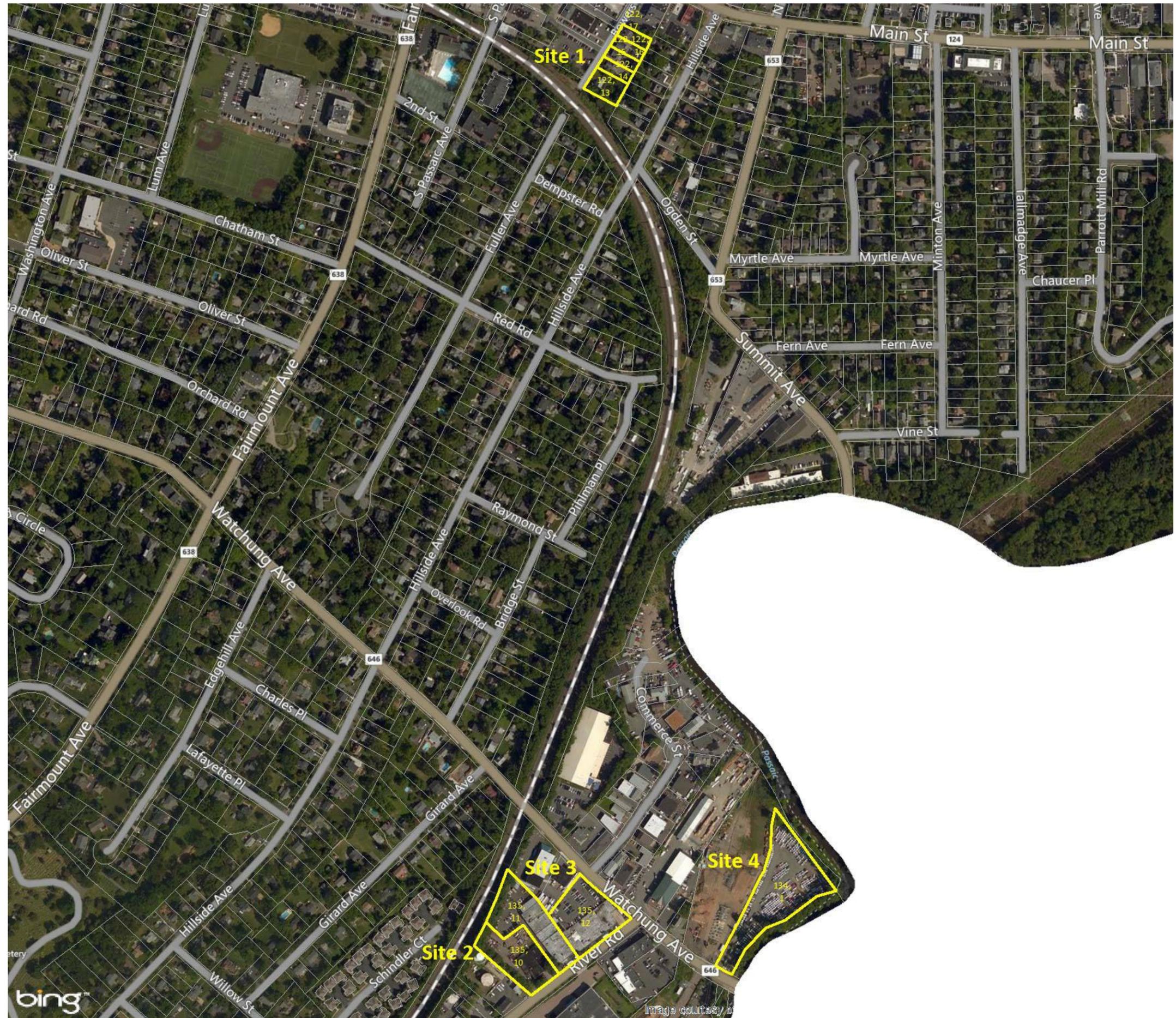
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D PLANNING & DESIGN



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Data Sources: NJOIT Office of Geographic Info. Services

Parcel data has been created by the GIS Section of the Morris County Planning Department



STRATEGIES TO ADDRESS UNMET NEED

This Plan includes strategies to address prior and current-round Unmet Need, as outlined below.

Inclusionary Zoning

The Borough's Gateway Overlay District covers areas beyond those sites that address the Borough's RDP, including properties with Watchung Avenue frontage that are currently in industrial/non-residential use. While the extent of transition of this area from its present commercial and industrial use to mixed-use and/or multi-family residential is difficult to predict, the zoning of this area permits multi-family residential and mixed-use development at transit-oriented development densities (3 to 4 stories of multi-family/mixed use development are permitted with 75% impervious coverage). Examples of sites that are currently fully occupied by current uses that have future potential to address Unmet Need include the following:

43, 51 & 55 River Road/8-12 Perrin Street (Block 139, Lots 4-7 & Block 140, Lots 2, 3, 6 and 7)

This area is presently in use as Fusco's, a garden/landscape supply company. While not part of the Gateway Overlay District, this area is in the M-3 District where multi-family development is permitted as a conditional use. Similar to the Gateway development standards, the multi-family development standards in the M-3 District require an inclusionary component for all projects with 5 or more units.

29-39 River Road (Block 140, Lots 7.01, 8, 9 and 10):

This area includes three lots owned by National School Bus Service (lots 7.01, 8 and 10), including the office building associated with the bus parking use, and one lot owned by SPF Properties, LLC. The total area is 2.97 acres. As previously noted, all multi-family or mixed-use development in the Gateway Overlay District with 5 or more units are required to provide an inclusionary component.

In addition to the Gateway Overlay District and as previously noted, the Borough's M-3 District was modified to allow multi-family development as a permitted conditional use outside of the Gateway Overlay District on properties with a minimum of 20,000 square feet. The M-3 District covers properties with River Road frontage between Watchung Avenue and the NJ Transit crossing of River Road. The conditional use standards for multi-family development in the M-3 District outside of the Gateway Overlay area permit development at relatively high densities (3 to 4 story buildings are permitted, depending on design components included in a project and all projects with 5 or more units are required to provide affordable housing). Similar to the Gateway recommendation above, the Borough proposes to refine the District's inclusionary set-aside to require 15% for rental development and 20% for 'for sale' housing.

In addition to the Gateway Overlay and M-3 Districts, the Borough's M-1 District covers those properties with Watchung Avenue frontage along the north side of Watchung between the Passaic River and NJ Transit's elevated crossing of Watchung Avenue, as well as a small area along Summit Avenue. The M-1 District permits mixed-use development, specifically apartments on upper floors of buildings with non-residential units. While the M-1 District (outside of the Gateway Overlay District -- along Summit Avenue) envisions smaller-scale

development, all mixed-use projects with 5 or more units are required to provide affordable housing. The Borough proposes to refine this to require a 15% set-aside for rental projects and 20% applied to for sale housing.

B-2 and B-4 Proposed Overlay Requirements

The Borough's B-2 and B-4 Districts are mixed-use zones along Main Street. Together they encompass approximately half of the Borough's commercial frontage along Main Street/Route 124. The B-4 District is the downtown area of Chatham, while the B-2 is located west of the downtown area. Both Districts permit residential units above the first floor in mixed-use buildings. The Borough proposes to provide an overlay district for the B-2 and B-4 Districts to ensure that any development with five or more residential units provides a minimum inclusionary component of 15% for rental projects and 20% for owner-occupied (for sale) projects. In addition to the first floor commercial space, the B-4 District allows up to two stories of residential units with an effective density ranging from 12 to 25 units per typical, unconstrained acre of development. The B-2 District permits one and a half stories of residential development above commercial uses on the ground floor, with an effective residential density of 6 to 9 units per acre in addition to the ground floor commercial use.

Redevelopment/Revitalization Policy

In addition to implementing a new vision for the Borough's former industrial areas, the Borough is also committed to requiring a minimum 15% inclusionary housing component within any future redevelopment areas that include housing and that are designated in accordance with the New Jersey Local Redevelopment & Housing Law.

E. Summary of Strategies

This Plan identifies strategies to address the current round RDP. The Borough has extended the affordability controls on 8 units and has identified sites with a realistic opportunity to provide 23 to 30 units of affordable housing and an additional 9 rental bonuses on sites within the Gateway area. These sites are currently zoned to allow higher-density multi-family development with an inclusionary component, as follows:

Summary of Strategies

Inclusionary Site	Location	Zoning	Affordable Units/Credits
1	17-37 Bowers Lane	AFD-4	5 to 7
2	16 River Road	M-3/Gateway	4 to 5
3	12 River Road	M-3/Gateway	8 to 10
4	4 Watchung Avenue	M-3/Gateway	6 to 8
		Total	23 to 30 Units
Extension of Controls	Schindler Court		8 Credits
Rental Bonuses	Sites 2, 3 & 4	M-3/Gateway	9 Credits
		TOTAL	40 to 47 Units/Credits

Additionally, as previous noted, the Borough's Gateway Overlay District covers areas beyond those sites included to address the Borough's RDP, as does the Borough's M-3 District. Both of these zones permit relatively high-density multi-family and/or mixed-use development and have inclusionary housing requirements for all projects with 5 or more housing units. The M-1 District also permits mixed-use development, albeit on a smaller scale, but also with an inclusionary requirement for projects with 5 or more housing units

In addition to the strategies outlined herein to address the Borough's RDP and Unmet Need, the Borough proposes to create an affordability assistance program so that low- income units are affordable to very low-income households. The focus of this program is specifically to address the difference between the UHAC requirement of 10% of units being affordable to very low-income households (but modified to require the very low-income levels to be set at 30% or less of median household income instead of 35%) and the 13% requirement set forth in this Plan. Please see Spending Plan for more details.

F. Spending Plan

As of July 1, 2015, the Borough's Affordable Housing Trust Fund had a balance of \$231,764. Based on projections from the Borough, it is expected that about \$250,000 in additional funds will be received over the next ten years. These funds will be monitored by the Borough with a report generated on a biennial basis. The Draft Spending Plan (see Appendix) details how the funds will be used to support affordable housing programs in the Borough. No more than 20% of the Trust Fund current or future balance will be dedicated to administrative expenses associated with the Borough's affordable housing programs.

G. Implementation Schedule

The Borough plans to adopt this Plan and the supporting ordinance amendments/documents within 90 days of approval of this Plan by the court.