

# HOUSING ELEMENT & FAIR SHARE PLAN

Borough of Demarest

February 21, 2020

Adopted by the Planning Board: May 6, 2020

Endorsed by the Council: May 18, 2020



# Housing Element & Fair Share Plan

## Borough of Demarest

Bergen County, New Jersey

It should be noted that the original Third Round Housing Element and Fair Share Plan addressing the period between 1999 and 2025 was adopted by the Planning Board on March 6, 2019 and endorsed by the Council on March 25, 2019. Due to certain changes, amendments to the 2019 document were necessary, triggering the need to modify the 2019 report.

Prepared by:



Darlene A. Green, P.P., AICP

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The original of this report was signed and sealed in accordance with N.J.S.A. 45:14A-12.  
MC Project No. DEB-005A

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## I. INTRODUCTION

According to the Fair Housing Act of 1985, a Housing Plan Element shall be designed to achieve the goal of access to affordable housing to meet present and prospective housing needs, with particular attention to low and moderate income housing.

This is the Borough of Demarest's Housing Element and Fair Share Plan (hereinafter "HEFSP") for the period between 1999 and 2025. On March 10, 2015, the Supreme Court ruled that the New Jersey Council on Affordable Housing (hereinafter "COAH") has failed to act and as a result, the Courts will be assuming jurisdiction over the Fair Housing Act. The Order divides municipalities into one of three categories – those that achieved Third Round Substantive Certification, those that filed or petitioned COAH and those that had never participated in the COAH process.

The transitional process created by the Supreme Court tracked the Fair Housing Act procedures for compliance. In this regard, the process permitted municipalities to file a Declaratory Judgment Action during a thirty-day window between June 8 and July 8, 2015 that sought an adjudication as to their fair share. This would enable the municipality to comply voluntarily with its constitutional obligation to provide a realistic opportunity for the construction of its fair share of the regions' low and moderate income households. Demarest filed its Declaratory Judgment Complaint on July 8, 2015. The Borough's case was assigned to Judge Toskos.

On January 18, 2017, the Supreme Court ruled that municipalities are responsible for obligations accruing during the so-called "gap period," the period of time between 1999 and 2015. However, the Court stated that the gap obligation should be calculated as a never-before calculated component of Present Need (also referred to as Rehabilitation Obligation), which would serve to capture Gap Period households that were presently in need of affordable housing as of the date of the Present Need calculation (i.e. that were still income eligible, were not captured as part of traditional present need, were still living in New Jersey and otherwise represented a Present affordable housing need).

From 2015 to 2017, Demarest worked with the Special Master, Elizabeth McKenzie, and Fair Share Housing Center (hereinafter "FSHC") to prepare a plan to address its 1999 to 2025 obligation. The Borough executed a Settlement Agreement on January 23, 2018 (see Appendix B).

This HEFSP is prepared utilizing the Prior Round Rules<sup>1</sup> as well as the guidance provided in the March 10, 2015 Supreme Court Order. As indicated by the Court Order, each municipality in the State still has a three-part obligation:

1. Rehabilitation Obligation,
2. Any remaining Prior Round Obligation that has not been constructed, and
3. Third Round Obligation (1999 – 2025).

## AFFORDABLE HOUSING HISTORY

A summary of Demarest's historic COAH timeline is included below:

- June 27, 2001: Judgement of Compliance issued for the Second Round

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<sup>1</sup> N.J.A.C. 5:91 (Procedural) and N.J.A.C. 5:93(Substantive) Rules. They can be found at: <http://www.nj.gov/dca/services/lps/hss/statsandregs/secondroundregs.html>

- August 19, 2005: Order Entering Statutory Judgment of Repose, indicating the response would expire on June 26, 2007
- December 10, 2008: Borough Planning Board adopts new Third Round HEFSP
- December 30, 2008: Borough Petitioned for Substantive Certification for the Third Round
- February 9, 2009: Petition deemed complete by COAH
- March 10, 2010: Substantive Certification received for the Third Round
- July 8, 2015: Declaratory Judgment Action filed
- January 23, 2018: Settlement Agreement executed by the Borough Council
- March 26, 2018: Fairness Hearing before Judge Toskos
- April 11, 2018: Conditional Order of Compliance issued by Judge Toskos
- November 13, 2018: Deed Restriction recorded for the Alpine Country Club
- January 7, 2019: Order Appointing Elizabeth McManus as Special Master
- March 6, 2019: Planning Board approved HEFSP
- March 25, 2019: Council endorsed HEFSP
- June 14, 2019: Sylco Investments 6, 8, 9, and 10, LLC filed a Notice of Motion for Intervention
- July 22, 2019: Sylco Investments 6, 8, 9, and 10, LLC filed a letter brief seeking intervention
- September 27, 2019: Judge Farrington issued Order granting Sylco Investments 6, 8, 9, and 10, LLC intervention in the Borough’s Declaratory Judgment Action
- February 13, 2020: Council approved settlement with Sylco

## MUNICIPAL SUMMARY

The Borough of Demarest is located in Bergen County and encompasses roughly 2.1 square miles. Demarest is suburban in character with community amenities that include recreational fields, a swim club and a nature center. A small downtown area is located at the intersection of Hardenburgh Avenue and Park Street.

Demarest is surrounded by the Boroughs of Closter, Alpine, Cresskill, Dumont, and Haworth. Between 2000 and 2010, Demarest’s population increased by less than 1% from 4,845 to 4,881 residents. The American Community Survey (hereinafter “ACS”) five-year estimate conducted between 2012 and 2016 indicates an additional 126 residents now reside in the Borough of Demarest. Future population estimates provided by the North Jersey Transportation Planning Authority (hereinafter “NJTPA”) project the Borough will grow to 5,497 by the year 2045.<sup>2</sup>

## AFFORDABLE HOUSING OBLIGATION

The Borough’s January 23, 2018 Settlement Agreement outlines its three-part obligation. The chart below illustrates Demarest’s obligation.

DEMAREST'S AFFORDABLE HOUSING OBLIGATION			
	Rehabilitation	Prior Round 1987-1999	Third Round 1999-2025
Obligation	0	66	309

<sup>2</sup> NJTPA 2045 Demographic Projections <https://apps.njtpa.org/plan2045/docs/Demographic%20Appendix.pdf>

## VACANT LAND ADJUSTMENT ANALYSIS

Under the Prior Round Rules (5:93-4.1), municipalities are permitted to seek adjustments. The Rules indicate that there may be instances where a municipality can exhaust an entire resource (land, water or sewer) and still not be able to provide a realistic opportunity for affordable housing. Subchapter 4 provides the standards and procedures for municipalities to demonstrate that the municipal response to its housing obligation is limited by the lack of land, water and/or sewer.

Maser Consulting, the Borough's Planner, prepared a vacant land adjustment (hereinafter "VLA") analysis in 2015 as per the requirements of N.J.A.C. 5:93-4.2 (the results of the VLA can be found in Appendix D). An exhaustive analysis of all vacant properties<sup>3</sup> was conducted utilizing 2014 MOD-IV tax data from the New Jersey Geographic Information Network. Next, the environmental constraint layers were added to the Geographic Information Systems (hereinafter "GIS") map to determine the area, if any, of vacant parcels that are environmentally constrained. Environmental constraints reviewed include the following:

- New Jersey Department of Environmental Protection (hereinafter "NJDEP") water bodies
- NJDEP wetlands with 50-foot buffer
- NJDEP C-1 waters with 300-foot buffer
- FEMA Special Flood Hazard Area (Preliminary Flood Hazard Zones A, AO, AE, V and VE)
- Steep slopes (15%) interpolated from U.S. Geological Survey 10-foot contours by Maser Consulting using ArcGIS 3D Analyst

Environmentally-constrained areas are then removed from a parcel, resulting in vacant and buildable acres. For example, if Lot A contained 35 acres, but 20 acres were encumbered by wetlands and a C-1 waterway, then Lot A would have 15 buildable acres. Based on this, Lot A is developable and included in the VLA.

Next, the analysis removed properties with:

- Recent Certificates of Occupancy
- Recent subdivision and/or site plan approvals that have yet to commence construction or are under construction
- Approvals for single-family homes that have yet to commence construction or are under construction

Once each lot's buildable acreage was determined, the analysis identified properties that could be developed with at least five housing units at the minimum presumptive density of eight dwelling units per acre (lots with at least 0.625 acres). Additionally, properties that could be developed with less than five housing units at eight dwelling units per acre were identified as potential infill development.

As shown by the maps and excel chart in Appendix D, the Borough of Demarest contains more than 40 parcels that are "vacant". Of those, about 35% are constrained by environmental features that result in a buildable acreage of zero. Environmental constraints within Demarest include wetlands, steep slopes, a C-1 waterway and its associated buffer as well as a FEMA flood

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<sup>3</sup> Vacant land includes Class 1 Vacant, Class 3A Farm, Class 3B Qualified Farm, Class 15C Public Land owned by the Borough that is not developed and not open space.

hazard area. There are 17 properties that are undersized (i.e. less than 0.125 acres) and eight lots that are labeled infill. Infill lots are between 0.125 and 0.625 acres in size and could potentially be developed in the future with something like a single-family home.

Only four properties in Demarest are vacant and contain at least 0.625 acres of developable land. These four parcels generate a realistic development potential (hereinafter "RDP") as follows:

- Block 80, Lots 4.01, 4.02 and 4.03, 0.69 buildable acres – 1 affordable unit
- Block 120, Lot 1.03, 1.39 buildable acres – 2 affordable units

Based on the parcel-by-parcel VLA analysis, the Borough of Demarest has a RDP of 3.

However, through the negotiation process with FSHC, FSHC wanted certain inclusionary developments proposed to be created between 2019 and 2025 to be included in the RDP. Therefore, the RDP is calculated as follows:

- Vacant Land Analysis – 3 units
- 95 County Road (Block 145, Lot 5) – 2 units
- 127 Hardenburgh Avenue (Block 23, Lot 13) – 3 units

As a result of adding these sites, the amended RDP is 8. However, with the rental bonus, the Borough is able to satisfy an RDP of 9 units.

### **Unmet Need**

The RDP has been calculated to be 9; therefore, the Third Round Unmet Need is the result of subtracting the RDP (9) from the Third Round Obligation (309)(hereinafter ("TRO")). This results in an Unmet Need of 300. It should be noted that FSHC and the Borough of Demarest have agreed to combine the Prior Round Unmet Need (43) with the Third Round Unmet Need for a total Unmet Need of 343 units.

### **BOROUGH GOAL**

It is the overall goal of the HEFSP, in combination with the Land Use Plan, to provide the planning context in which access to low and moderate income housing can be provided in accordance with the requirements of the Fair Housing Act and the laws of the State of New Jersey, while respecting the character and density of the Borough of Demarest.

# HOUSING ELEMENT

*Borough of Demarest*

## II. CONTENT OF HOUSING ELEMENT

As per the MLUL, specifically N.J.S.A. 52:27D-310, a housing element must contain at least the following items:

- An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics and type, including the number of units affordable to low and moderate income households and substandard housing capable of being rehabilitated;
- A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing for the next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
- An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
- An analysis of the existing and probable future employment characteristics of the municipality;
- A determination of the municipality's present and prospective fair share for low and moderate income housing and its capacity to accommodate its housing needs, including its fair share for low and moderate income housing; and
- A consideration of the lands that are most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing.

## III. DEMAREST'S POPULATION DEMOGRAPHICS

A slight increase in Demarest's population during the 1950's was followed by an upsurge in the 1960's. The population decreased marginally in the 1980's and 1990's and then saw a minor increase in 2000. As indicated in the table on the next page, Demarest's population grew by 36 residents between 2000 and 2010, representing a very modest 0.7% increase. The 2010 population is 4,881.

POPULATION GROWTH			
Year	Total	Change	Percent
1940	1,165	-	-
1950	1,786	621	53.3%
1960	4,231	2,445	136.9%
1970	5,133	902	21.3%
1980	4,963	-170	-3.3%
1990	4,800	-163	-3.3%
2000	4,845	45	0.9%
2010	4,881	36	0.7%

Source: DP-1 - Profile of General Demographic Characteristics, 2010;  
<http://www.nj.gov/labor/lpa/census/2kpub/njsdcp3.pdf>

Projections made by the NJTPA estimate marginal growth between now and 2040. Demarest is estimated to gain 719 residents between 2010 and 2040, which translates to approximately 24 new residents per year over a 31-year span.

PERMANENT POPULATION PROJECTION			
Year	Total	Change	Percent
2000	4,845	-	-
2010	4,881	36	0.7%
2040	5,600	719	14.7%

Source: DP-1 - Profile of General Demographic Characteristics 2000; NJTPA  
 Population Forecast by County and Municipality 2010-2040

## AGE DISTRIBUTION OF POPULATION

In 2010, over 20% of Demarest's population was between the ages of 45 and 54. The percentage of school-aged children (ages 5 to 19) comprised over a quarter of the population while 14.4% of the population was over 65 years of age. The 2010 Census reported the median age of Demarest residents was 43.9 years old.

Demarest experienced a slight increase in population during the 1950's followed by a vigorous upsurge in the 1960's with a 136.9% increase. The population decreased marginally in the 1980's and 1990's and then saw a minor increase of 0.9% in 2000.

POPULATION BY AGE COHORT		
Age	Total	Percent
Under 5 years	211	4.3%
5 to 9 years	366	7.5%
10 to 14 years	439	9.0%
15 to 19 years	438	9.0%
20 to 24 years	192	3.9%
25 to 34 years	246	5.0%
35 to 44 years	643	13.2%
45 to 54 years	1,000	20.5%
55 to 59 years	378	7.7%
60 to 64 years	264	5.4%
65 to 74 years	381	7.8%
75 to 84 years	239	4.9%
85 years and over	84	1.7%
<b>Total</b>	<b>4,881</b>	<b>100.0%</b>

Source: DP-1 - Profile of General Demographic Characteristics, 2010

## HOUSEHOLD SIZE AND TYPE

The U.S. Census Bureau defines a household as persons that may or may not be related who occupy a single room or group of rooms constituting a housing unit. A family is one or more persons related by blood, marriage or adoption, all living in the same household. In 2010 there were 1,597 households in the Borough. Over 12% of the Borough's households were non-family households while family households comprised nearly 88% of households. Approximately 41.4% of the households are comprised of married couples with children under age 18.

HOUSEHOLE TYPE		
	Number	Percent
<b>Family Households</b>	<b>1,403</b>	<b>87.9%</b>
Husband-Wife Family	1,227	76.8%
with children under 18	661	41.4%
Male Householder, no wife	42	2.6%
Female Householder, no husband	134	8.4%
<b>Non-family Households</b>	<b>194</b>	<b>12.1%</b>
Male living alone	47	2.9%
Female living alone	126	7.9%
<b>Total</b>	<b>1,597</b>	<b>100.0%</b>

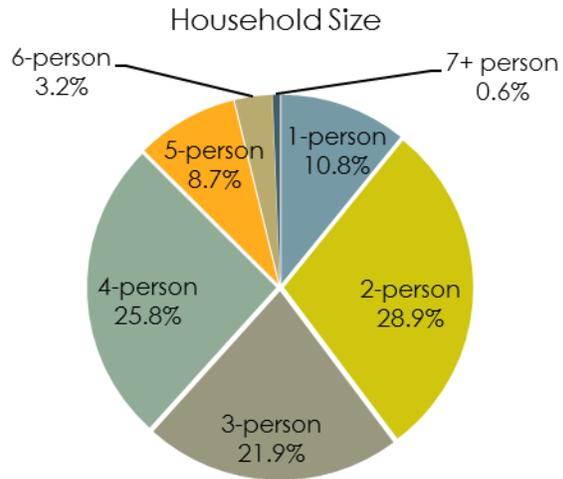
Source: DP-1 - Profile of General Demographic Characteristics, 2010

Household sizes for the Borough are detailed in the table on the next page. Two-person households total 462 or 28.9% of the Borough's households. Households containing four persons

rank as the second most common size with a total of 412 households representing 25.8% of the Borough's households. Surprisingly, 10.8% of households contained only one person.

HOUSEHOLD SIZE		
Size	Total	Percent
1-person	173	10.8%
2-person	462	28.9%
3-person	350	21.9%
4-person	412	25.8%
5-person	139	8.7%
6-person	51	3.2%
7+ person	10	0.6%
<b>Total</b>	<b>1,597</b>	<b>100.0%</b>

Source: HCT6 - Household Size, 2010



### INCOME AND POVERTY STATUS

The 2010 Census data has not yet been released for the categories of income and poverty. Therefore, 2015 five-year American Community Survey (hereinafter "ACS") estimates had to be relied upon. The estimated median household income for Demarest was \$163,571 in 2015, which is nearly double the median household income for Bergen County (\$85,806). The Borough's median income was over \$91,000 higher than the State's median household income. Demarest's median family income was \$175,300. This is approximately \$71,000 higher than the County's and approximately \$87,000 higher than the State's.

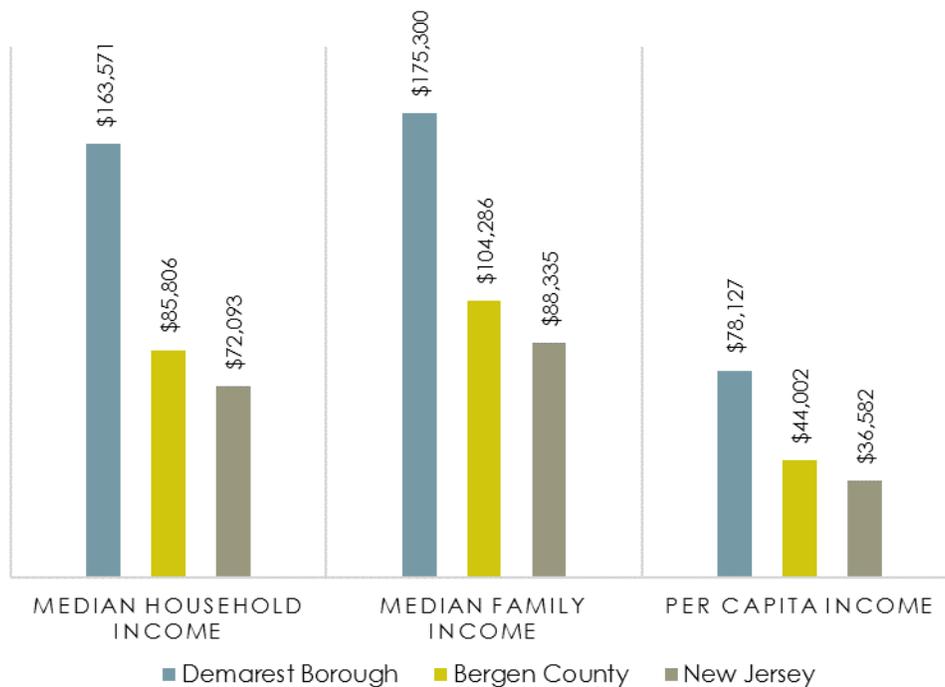
Demarest's estimated per capita income of \$78,127 is higher than that estimated for the County and the State. See the table on the following page.

Finally, after reviewing the poverty status of both individuals and families residing in the Borough, Demarest fares much better than the County and the State for poverty status. The ACS estimates that Demarest has a family poverty status of 1.9% while the County and State have a family poverty status of 5.8% and 8.2%, respectively. The poverty status of individuals in Demarest is slightly higher at 2.0% compared to 7.4% for the County and 10.8% for the State. See the table and chart on the next page for additional details.

INCOME CHARACTERISTICS			
Income Type	Demarest Borough	Bergen County	New Jersey
Median Household Income	\$163,571	\$85,806	\$72,093
Median Family Income	\$175,300	\$104,286	\$88,335
Per Capita Income	\$78,127	\$44,002	\$36,582
Poverty Status (Percent of People)	2.0%	7.4%	10.8%
Poverty Status (Percent of Families)	1.9%	5.8%	8.2%

Source: DP03 - Selected Economic Characteristics, 2011 - 2015 ACS 5-year estimates

### INCOME CHARACTERISTICS



The ACS five-year estimates also reported that more than two-thirds of the Borough's households make over \$100,000 annually. Over 38% of households make more than \$200,000 per year. It should be noted that less than 14% of households make \$50,000 or less annually. A detailed breakdown of the household income for Demarest, compared to the County and State, is provided on the following page.

HOUSEHOLD INCOME						
	Demarest Borough		Bergen County		New Jersey	
	Total	Percent	Total	Percent	Total	Percent
Less than \$10,000	9	0.5%	16,080	4.8%	175,687	5.5%
\$10,000 to \$14,999	25	1.5%	9,989	3.0%	120,837	3.8%
\$15,000 to \$24,999	32	1.9%	21,411	6.4%	259,935	8.1%
\$25,000 to \$34,999	55	3.3%	22,450	6.7%	247,533	7.8%
\$35,000 to \$49,999	109	6.5%	30,027	9.0%	336,106	10.5%
\$50,000 to \$74,999	152	9.0%	49,663	14.8%	504,991	15.8%
\$75,000 to \$99,999	177	10.5%	39,839	11.9%	399,593	12.5%
\$100,000 to \$149,999	222	13.2%	61,285	18.3%	547,517	17.2%
\$150,000 to \$199,999	259	15.4%	36,817	11.0%	276,465	8.7%
\$200,000 or more	642	38.2%	47,809	14.3%	320,822	10.1%
<b>Total</b>	<b>1,682</b>	<b>100.0%</b>	<b>335,370</b>	<b>100.0%</b>	<b>3,189,486</b>	<b>100.0%</b>

Source: DP03 - Selected Economic Characteristics, 2011 - 2015 ACS 5-year estimates

#### IV. DEMAREST'S HOUSING DEMOGRAPHICS

It should be noted that where 2010 Census data has been released and is readily available, it has been used in the housing demographics which follow; otherwise, 2015 ACS estimates are utilized.

##### HOUSING TYPE

Demarest has an estimated 1,794 dwelling units according to the 2015 five-year ACS estimates. The Borough's housing stock is comprised of single-family detached units, single-family attached units and multi-family dwellings.

The largest percentage of housing stock in the Borough is represented by single-family detached dwellings at 95.1% or 1,706 dwellings. Two-unit dwellings encompassed 2.3% of the housing stock, while single-family attached houses (e.g. townhomes) comprised 1.1% of Demarest's housing stock. Three or more unit buildings totaled 1.1% of the housing stock. Of the estimated 1,659 units in 2010, 4 or less than 1% of the housing stock is affordable.

HOUSING TYPE BY UNITS IN STRUCTURE		
Unit Type	Number of Units	Percent
1, Detached	1,706	95.1%
1, Attached	20	1.1%
2	41	2.3%
3 or 4	11	0.6%
5 to 9	0	0.0%
10 to 19	9	0.5%
20 or more	0	0.0%
Mobile Home	7	0.4%
Other	0	0.0%
<b>Total</b>	<b>1,794</b>	<b>100.0%</b>

Source: DP04 - Selected Housing Characteristics, 2011-2015 ACS 5-Year Estimates

Note: ACS estimates are incorrect; no mobile homes exist in Demarest

## OCCUPANCY STATUS

Occupancy and vacancy status was reported in the 2010 Census; therefore 2010 Census data was used for this section. According to the Census, 91.5% of the Borough of Demarest's occupied housing stock was owner occupied while 8.5% was renter occupied. The Borough had an estimated vacancy rate of 3.7% which included housing units for rent, for sale, sold but not yet occupied, seasonal properties and other vacant units. Over one third of the 62 vacant units were for sale.

OCCUPANCY STATUS		
	Households	Percent
<b>Occupied Total</b>	<b>1,597</b>	<b>96.3%</b>
Owner Occupied	1,462	91.5%
Renter Occupied	135	8.5%
<b>Vacant Total</b>	<b>62</b>	<b>3.7%</b>
For rent	2	3.2%
Rented, not occupied	0	0.0%
For Sale	21	33.9%
Sold, not occupied	8	12.9%
Seasonal	12	19.4%
Other	19	30.6%
<b>Total</b>	<b>1,659</b>	<b>100.0%</b>

Source: DP-1 - Profile of General Demographic Characteristics, 2010

## VALUE AND RENT OF HOUSING STOCK

Demarest has an estimated 1,524 owner occupied housing units according to the 2015 ACS.<sup>4</sup> The majority of owner occupied housing units, 841 units or 55.2%, have an estimated value between \$500,000 and \$999,999. Approximately 18.8%, or 287 units, comprise both the \$300,000 to \$499,999 and the \$1,000,000 or more categories. As indicated in the chart below, only 5% of the housing stock was valued below \$199,999.

VALUE OF OWNER OCCUPIED UNITS		
Value	Number of Units	Percent
Less than \$199,999	76	5.0%
\$200,000 to \$299,999	33	2.2%
\$300,000 to \$499,999	287	18.8%
\$500,000 to \$999,999	841	55.2%
\$1,000,000 or more	287	18.8%
<b>Total</b>	<b>1,524</b>	<b>100.0%</b>

Source: DP04 - Selected Housing Characteristics, 2011-2015 ACS 5-Year Estimates

The 2011-2015 ACS estimated the median rent for Demarest at \$3,331. Only 4.8% of units rented for \$1,000 to \$1,499 per month and no units cost less than \$1,000 per month. Rents totaling \$1,500 or more represented over 17% of the Borough's rentals. See the table below for additional details.

COST OF RENTALS		
Cost	Number of Units	Percent
Less than \$1,000	0	0.0%
\$1,000 to \$1,499	7	4.8%
\$1,500 or more	26	17.9%
No cash rent	112	77.2%
<b>Total</b>	<b>145</b>	<b>100.0%</b>
Median (in dollars)	\$3,331	

Source: DP04 - Selected Housing Characteristics, 2011-2015 ACS 5-Year Estimates

## CONDITION OF HOUSING STOCK

The housing stock in Demarest Borough is considered to be sound based on ACS indicators outlined in the table on the following page. No unit lacks complete plumbing or kitchen facilities.

<sup>4</sup> It should be noted that 2015 ACS data, rather than 2010 Census data, will be used for the remainder of this Section.

CONDITION OF HOUSING STOCK		
Fuel Type	Number of Units	Percent
Lack of complete plumbing	0	0.0%
Lack of complete kitchen	0	0.0%
Lack of telephone service	7	0.4%
Lack of adequate heat	0	0.0%
<b>Total</b>	<b>1,657</b>	<b>0.4%</b>

Source: DP04 - Selected Housing Characteristics, 2011-2015 ACS 5-Year Estimates

Overcrowded units are defined by the U.S. Department of Housing and Urban Development as those with more than one person living per room. The table below depicts that only two housing units in the Borough had 1.00 or more occupants per room.

OCCUPANTS PER ROOM		
Occupants	Number of Units	Percent
1.00 or less	1,680	99.9%
1.01 to 1.50	2	0.1%
1.51 or more	0	0.0%
<b>Total</b>	<b>1,682</b>	<b>100.0%</b>

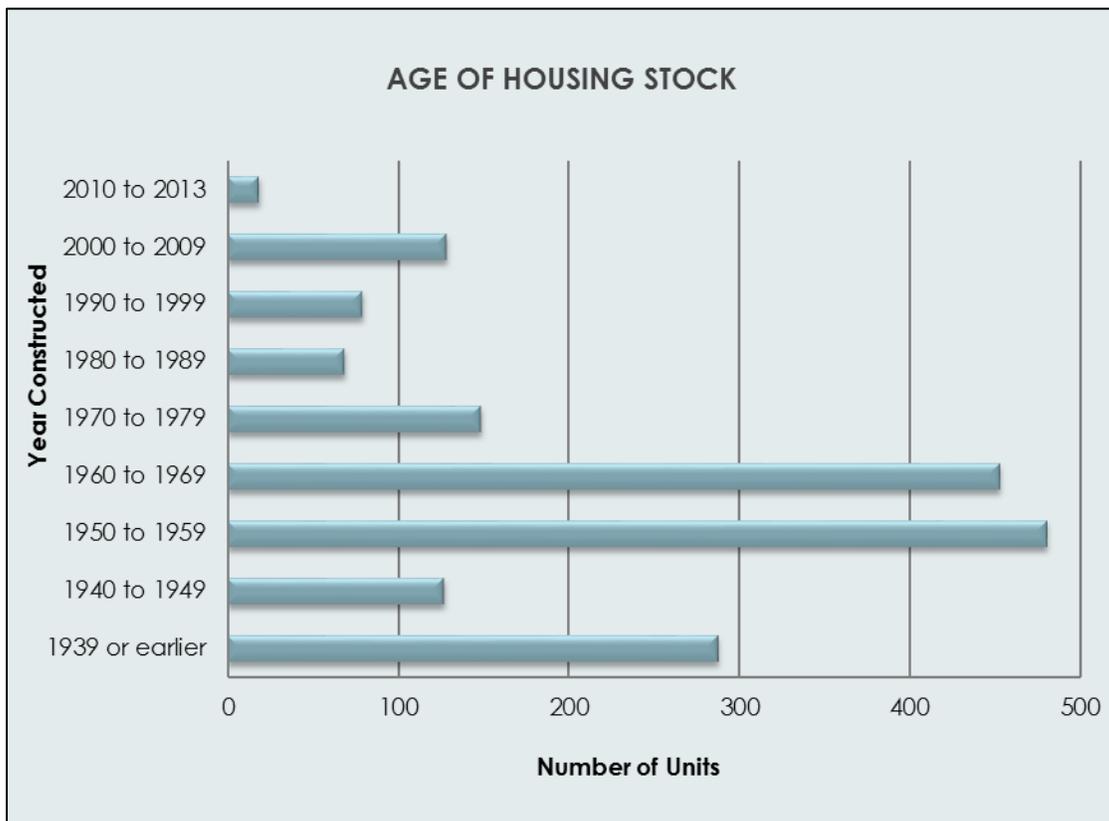
Source: DP04 - Selected Housing Characteristics, 2011-2015 ACS 5-Year Estimates

The table and bar graph on the following page provide the 2015 ACS 5-year estimates with regard to the age of housing stock. Housing units built before 1960 are a factor in the determination of each municipality's rehabilitation share. An estimated 50% of Demarest's housing stock was built before 1960, which equates to 896 units. The Borough's Rehabilitation Obligation is zero units, reflecting the sound condition of these older homes.

AGE OF HOUSING STOCK		
Year Built	Number of Units	Percent
1939 or earlier	288	16.1%
1940 to 1949	127	7.1%
1950 to 1959	481	26.8%
1960 to 1969	453	25.3%
1970 to 1979	149	8.3%
1980 to 1989	69	3.8%
1990 to 1999	79	4.4%
2000 to 2009	129	7.2%
2010 to 2013	19	1.1%
2014 or later	0	0.0%
<b>Total</b>	<b>1,794</b>	<b>100.0%</b>

Source: DP04 - Selected Housing Characteristics, 2011-2015 ACS 5-Year Estimates

More than 50% of the Borough's housing stock was built in just two decades, the 1950's and 1960's. This represents 934 of the 1,794 homes in the Borough. Homebuilding construction declined considerably during the 70s and 80s. Only 19 housing units were constructed between 2010 and 2015.



## V. DEMAREST'S EMPLOYMENT DEMOGRAPHICS

The 2011-2015 ACS estimates indicate that Demarest had 2,415 residents in the workforce. Of the residents who were age 16 years and older, 96.4% or 2,328 persons were employed, while a total of 87 persons unemployed.

Private wage and salary workers in the Borough comprised the majority of employed residents with 1,817 workers or 75.2%. Approximately 10.2% of workers were government employees and 9.8% were self-employed. The table below indicates that 27 residents (1.1%) within the Borough were unpaid family workers during the survey period.

CLASS OF WORKER		
Class of Worker	Number of Workers	Percent
Private wage and salary workers	1,817	75.2%
Government workers	247	10.2%
Self-employed workers	237	9.8%
Unpaid family workers	27	1.1%
<b>Total employed residents</b>	<b>2,328</b>	<b>96.4%</b>
Total unemployed residents	87	3.6%
<b>Total residents in workforce</b>	<b>2,415</b>	<b>100.0%</b>

Source: DP03 - Selected Economic Characteristics, 2011-2015 ACS 5-Year Estimates

## OCCUPATIONAL CHARACTERISTICS

The ACS estimates that 57.9% of the Borough's residents were employed in management, professional, science or arts occupations. Sales and office professionals follows with approximately 28.4% of the Borough's workers. Approximately 7.9% of workers are employed in the service industry. See the table on the below for additional details and a comparison of occupations between the Borough and the County.

EMPLOYED CIVILIAN POPULATION BY OCCUPATION (AGE 16 YEARS OR OLDER)				
Occupation	Demarest Borough		Bergen County	
	Total	Percent	Total	Percent
Management, professional, and related	1,348	57.9%	215,588	46.9%
Service	184	7.9%	63,433	13.8%
Sales and office	660	28.4%	117,142	25.5%
Natural resources, construction, and maintenance	84	3.6%	28,267	6.2%
Production, transportation, and material moving	52	2.2%	35,182	7.7%
<b>Total</b>	<b>2,328</b>	<b>100.0%</b>	<b>459,612</b>	<b>100.0%</b>

Source: DP03 - Selected Economic Characteristics, 2011-2015 ACS 5-Year Estimates

## EMPLOYMENT PROJECTIONS

The NJTPA estimates that employment within the Borough will grow by 141 jobs between 2015 and 2045. The Borough would have to add approximately 5 jobs per year to achieve this projection.

EMPLOYMENT PROJECTION			
Year	Jobs	Change	Percent
2015	896	---	---
2045	1,037	141	15.7%

Source: NJTPA 2045 Demographic Projections

## IN-PLACE EMPLOYMENT BY INDUSTRY

New Jersey's Department of Labor and Workforce Development is the entity that reports on employment and wages within the State of New Jersey. The latest municipal-level report was completed in 2016. However, to stay consistent with the ACS estimates, the 2015 municipal-level report was used. Based on the data, there were 443 private sector jobs provided by an average of 88 employers within the Borough. Note that these are jobs within Demarest – the daytime working population - regardless of where the employee lives.

The largest average employment category was the "other services" category with 33 jobs (7.4%). The professional/technical and accommodations/food categories ranked second with an average of 26 jobs (5.9%) each. There are approximately 749 public sector jobs in the Borough. See the table on the following page for data on each industry sector.

In 2015 there were 88 private sector employers in Demarest. "Other service" employers are most numerous in the Borough with 25 establishments. Professional/Technical was second highest with 14 places of employment. Construction, retail trade and health/social categories each had six work places (6.8% each).

EMPLOYMENT BY INDUSTRY SECTOR AND NUMBER OF EMPLOYEES (2015)					
Industry	Establishments		Employees		Annual Wages
	Total	Percent	Total	Percent	
Construction	6	6.8%	10	2.3%	\$34,631
Wholesale Trade	-	-	-	-	-
Retail Trade	6	6.8%	17	3.8%	\$58,074
Transportation/Warehousing	-	-	-	-	-
Information	-	-	-	-	-
Finance/Insurance	-	-	-	-	-
Real Estate	-	-	-	-	-
Professional/Technical	14	15.9%	26	5.9%	\$76,022
Admin/Waste Remediation	-	-	-	-	-
Education	-	-	-	-	-
Health/Social	6	6.8%	19	4.3%	\$58,425
Arts/Entertainment	-	-	-	-	-
Accommodations/Food	5	5.7%	26	5.9%	\$16,364
Other Services	25	28.4%	33	7.4%	\$19,048
Unclassifieds	5	5.7%	5	1.1%	\$42,878
<b>Private Sector Total</b>	<b>88</b>	<b>76.1%</b>	<b>443</b>	<b>30.7%</b>	<b>\$43,635</b>
Federal Government	1	12.5%	9	1.2%	\$69,723
Local Government	4	50.0%	401	53.5%	\$72,484
Local Government - Education	3	37.5%	339	45.3%	\$75,869
<b>Public Sector Total</b>	<b>8</b>	<b>100%</b>	<b>749</b>	<b>100%</b>	<b>\$72,692</b>

The table values above are sourced from the NJ Department of Workforce Development's Employment and Wages 2015 Annual Report. It is noted that due to confidentiality reasons, certain information is redacted from the Annual Reports. Therefore, when adding the numbers provided, this office calculates 67 private sector establishments and 136 private sector employees.

Source: NJ Department of Labor and Workforce Development, Employment and Wages, 2015 Annual Report.

## TRAVEL TIME TO WORK

The 2015 ACS estimates that 19.7% of workers travel 60 to 89 minutes to their place of employment. Approximately 292 workers (13.8%) travel between 15 and 19 minutes to get to work. A total of 12.5% of the Borough's employed residents travel between 30 and 34 minutes to reach their workplace. It should be noted that 18% of workers residing in Demarest travel less than 15 minutes to their place of employment. See the table on the following page for additional details.

COMMUTE TIME		
Travel Time (in minutes)	Number of Workers	Percent
Less than 5	62	2.9%
5 to 9	186	8.8%
10 to 14	133	6.3%
15 to 19	292	13.8%
20 to 24	114	5.4%
25 to 29	66	3.1%
30 to 34	265	12.5%
35 to 39	132	6.2%
40 to 44	70	3.3%
45 to 59	200	9.4%
60 to 89	419	19.7%
90 or more	183	8.6%
<b>Total</b>	<b>2,122</b>	<b>100.0%</b>

Source: B08303 Travel Time to Work, 2011-2015 ACS 5-year estimates

## VI. PROJECTION OF HOUSING STOCK

As per the MLUL, specifically N.J.S.A. 52:27D-310, a housing element must contain a projection of the municipality's housing stock, including the probable future construction of low and moderate income housing for the next ten years, considering, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands.

The Department of Community Affairs' Division of Codes and Standards website provides data on Certificates of Occupancy and demolition permits for both residential and non-residential development. Within the Division of Codes and Standards website is the New Jersey Construction Reporter, which contains building permit, certificate of occupancy and demolition data that is submitted by the municipal construction officials within the State each month. The New Jersey Construction Reporter has information dating back to 2000, which can be used to show the Borough's historic development trends.

As shown in the table on the following page, 217 residential Certificates of Occupancy (hereinafter "COs") were issued between 2000 and 2017, while 194 Demolition Permits were issued during the same time period. Therefore, the Borough had a net gain of 23 new homes during the 18-year period.

HISTORIC TREND OF RESIDENTIAL CERTIFICATES OF OCCUPANCY & DEMOLITION PERMITS																			
	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	Total
COs Issued	10	8	6	6	5	15	16	20	26	16	20	11	7	6	9	5	13	18	217
Demolitions	5	13	9	8	19	16	10	10	8	5	11	5	8	9	13	15	12	18	194
Net Development	5	-5	-3	-2	-14	-1	6	10	18	11	9	6	-1	-3	-4	-10	1	0	23

Source: "New Jersey Construction Reporter" - New Jersey Department of Community Affairs.

Projecting into the future, the Borough presently has six single-family homes that have been approved. Projected development was based on historic development patterns as shown in the previous table. Additionally, the four proposed inclusionary mechanisms are projected to produce 55 new residential units between now and 2025. The Borough anticipates issuing 96 new CO's between now and the end of the Third Round in 2025.

PROJECTION OF RESIDENTIAL DEVELOPMENT									
	'18	'19	'20	'21	'22	'23	'24	'25	Total
Approved Development									
Fricke Property (Block 120, Lots 1.52 - 1.55)			2	2					4
59 Duane Lane (B120, L 4.02)		2							2
Projected Development									
95 County Road (B 145, L 5)				8					8
127 Hardenburgh Avenue (B23, L13)					16				16
Downtown Rehabilitation Area							7		7
Sylco (Block 119, Lots 1.05, 1.06, and 1.07 and Block 120, Lots 1.03, 1.04)				12	12				24
Projected Development Based on Historic Trends of Single-Family Construction	6	4	3	2	7	3	6	4	35
<b>Total</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>24</b>	<b>35</b>	<b>3</b>	<b>13</b>	<b>4</b>	<b>96</b>

Of the 96 new residences projected to be built between now and 2025, 11 or 11.5% are anticipated to be reserved for low and moderate income households. See the table below.

PROJECTION OF AFFORDABLE UNITS									
	'18	'19	'20	'21	'22	'23	'24	'25	Total
Projected Development									
95 County Road (B 145, L 5)				2					2
127 Hardenburgh Avenue (B23, L13)					8				8
Downtown Rehabilitation Area							1		1
Sylco (Block 119, Lots 1.05, 1.06, and 1.07 and Block 120, Lots 1.03, 1.04)*									0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>8</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>11</b>

\* Sylco will contribute 5 affordable units via a payment in lieu.

## VII. CAPACITY FOR FAIR SHARE

This chapter of the HEFSP provides the following information as required by the rules:

- The Borough's capacity to accommodate its housing needs.
- 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.
- Lands of developers who have expressed a commitment to provide low and moderate income housing.
- The location and capacities of existing and proposed water and sewer lines and facilities relevant to the proposed affordable housing sites.

### LAND CAPACITY

The ability to accommodate the Borough's affordable housing needs is determined by three components – available land, water capacity and sewer capacity. Land development is limited by environmental constraints, such as wetlands, flood plains, easements (conservation, sewer, water, power utility, etc.), parcel size and municipal regulations.

The Borough has conducted a VLA analysis that indicates three affordable housing units can be realistically constructed on the lands that are vacant and developable within the Borough. Four properties contributed to that number:

- Block 80, Lots 4.01, 4.02 and 4.03, 0.69 buildable acres – 1 unit RDP
- Block 120, Lot 1.03, 1.39 buildable acres – 2 units RDP

The total RDP for the Borough is 3 units. However, through the negotiation process, FSHC and Demarest have agreed to add affordable units that are proposed to be created between 2019 and 2025. This includes two units to be constructed at 95 County Road (Block 145, Lot 5), three units to be constructed at 127 Hardenburgh Avenue (Block 23, Lot 13) and one rental bonus. Therefore, the revised RDP is 9.

### UTILITY CAPACITY

Suez is the Borough's water provider and Bergen County Utilities Authority (hereinafter "BCUA") processes Demarest's sewage. It should be noted that BCUA and Demarest each have their own sanitary sewer mains. According to the Borough's Engineer, Sunny Mullen, there are no known capacity issues with either water or sewer. However, there are storm sewer capacity concerns in parts of the Borough. Although no formal study has been conducted, the complaints from residents and flooding issues reveal the likely issue is that the municipal storm sewer is undersized in parts of the Borough.<sup>5</sup>

### APPROPRIATE LOCATIONS FOR AFFORDABLE HOUSING

Land that is most appropriate for the construction of low and moderate income housing includes the following parcels:

1. 95 County Road (Block 145, Lot 5)

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<sup>5</sup> Per e-mail exchange with Sunny Mullen, Borough Engineer, March 28, 2018.

2. 127 Hardenburgh Avenue (Block 23, Lot 13)
3. Downtown Area Rehabilitation Zone (Block 23, Lots 9, 10, 12, 13, 14, 15, 16, 17.01, 17.02, 19, 20, 21 and 23, Block 46, Lots 664, 760 and 764, Block 49, Lots 39.01, 40.01, 41.01, 41.02, 50, 51 and 52 and Block 49.01, Lots 43.01, 43.02, 44, 45 and 47.02)
4. The Borough of Demarest settled with Sylco Investments 6, 8, 9, and 10, LLC (an intervenor in the litigation). The settlement permits the construction of 24 townhomes on Block 119, Lots 1.05, 1.06, and 1.07 as well as Block 120, Lots 1.03 and 1.04. Due to the site's remote location from any public transportation as well as shops and services, the site will contribute a payment-in-lieu for five affordable units. The payment will total \$1 million. This money will then be used towards one or more mechanisms in the downtown area.

These sites will be discussed in detail in Chapter IX of this Plan. Existing structures appropriate for conversion to affordable housing include homes in foreclosure that are in good shape and reasonably priced. As for structures suitable for rehabilitation, the Borough has a Rehabilitation Obligation of zero, therefore there are no homes in need of a major system repair that are occupied by a low or moderate income household.

It should be noted that page 4, paragraph 12.d. of Settlement Agreement notes that the Alpine Country Club should receive an overlay zone to address unmet need. However, the Borough contended that a Prior Round builder's remedy settlement agreement (brought by Alpine Country Club) required a deed restriction to be recorded limiting the development of the golf course. However, said deed restriction was never recorded. The 2018 Settlement Agreement provided the Borough with a timeline to produce evidence of a deed restriction. If the Borough was unable to do so, Demarest would be required to adopt an overlay zone on the site that would permit residential development at six units to the acre.

On November 13, 2018 the Alpine Country Club recorded a deed restriction with the Bergen County Clerk restricting the property to golf course uses or single-family detached homes on 40,000 square foot lots. (The restriction that should have been recorded roughly 17 years prior.) Said deed restriction is located in Appendix E. As a result of recording the deed restriction, the Borough of Demarest does not have to adopt an overlay zone.

## **POTENTIAL AFFORDABLE HOUSING DEVELOPERS**

Two developers have expressed an interest to build affordable housing within the Borough of Demarest. Carol and Quentin Avery own Block 145, Lot 5 on the south side of County Road. The property is known as 95 County Road and is approximately 2.12 acres and located within the Residence C Zone. The Avery's have expressed interest in building an inclusionary residential development. Between 2016 and 2018, the Borough worked with the Avery's to create an acceptable concept plan. The executed Settlement Agreement (see Appendix B) states a maximum of eight units will be built on the property, including two affordable units. The Borough will rezone the site to permit said inclusionary development.

Sylco Investments 6, 8, 9, and 10, LLC own Block 119, Lots 1.05, 1.06, and 1.07 as well as Block 120, Lots 1.03 and 1.04. The property is over 18 acres and can be accessed from the end of Duane Lane. The lots are located in the Residential A Zone. In 2018 a series of conservation restrictions/easements were recorded on the lots due to the presence of wetlands, a stream, and a C1 water buffer. The restrictions/easements limit the majority of the acreage; however, two

buildable areas remain. The first is roughly 0.286 acres on Block 119, Lots 1.05, 1.06, and 1.07. The second area is on Block 120, Lots 1.03 and 1.04, which is roughly 4.2 acres. Sylco has expressed an interest in building an inclusionary residential development. In early 2020 the Borough worked with Sylco to create an acceptable concept plan. The executed Settlement Agreement (see Appendix C) states that a maximum of 24 townhomes will be built on the property. Five affordable units will be contributed via a payment-in-lieu totaling \$1 million. The Borough will rezone the site to permit the development.

### **ANTICIPATED DEVELOPMENT PATTERNS**

Anticipated land use patterns within the Borough of Demarest will most likely follow the established zoning map (shown on the next page). The Borough's zones include five residential zones and one business zone. The exception to this will be at 95 County Road (Block 145, Lot 5), which will be rezoned to permit multi-family housing, the downtown Rehabilitation Area, where the Borough will be adopting a Redevelopment Plan that permits multi-family residential units, and a new zone for the Sylco sites.



# FAIR SHARE PLAN

*Borough of Demarest*

## VIII. FAIR SHARE PLAN

### CONTENT OF FAIR SHARE PLAN

The Fair Share Plan contains the following information:

- Description of existing credits intended to satisfy the obligation;
- Description of mechanisms that will be used to meet any outstanding obligation; and
- An implementation schedule that sets forth a detailed timetable for units to be provided.

### REGIONAL INCOME LIMITS

Dwelling units are affordable to low and moderate income households if the maximum sales price or rental cost is within their ability to pay such costs, based on a specific formula. COAH historically provided income limits based upon the median gross household income of the affordable housing region in which the household is located. A moderate income household is one with a gross household income equal to or more than 50%, but less than 80%, of the median gross regional household income. A low income household is one with a gross household income equal to 50% or less of the median gross regional household income. Very-low income households are those with a gross household income equal to 30% or less of the median gross household income. Demarest is located in Region 1, which contains Bergen, Hudson, Passaic and Sussex County.

Using the 2018 regional income limits, which is permitted under the Borough's Settlement Agreement, a four-person household moderate income is capped at \$72,682. Two-person households could make up to \$58,146 and be considered a moderate income household or earn up to \$36,341 and be considered a low income household. See the table below for greater detail.

2018 REGIONAL INCOME LIMITS FOR REGION 1				
Income	Household Size			
	1 Person	2 Person	3 Person	4 Person
Median	\$63,597	\$72,862	\$81,767	\$90,853
Moderate	\$50,878	\$58,146	\$65,414	\$72,682
Low	\$31,798	\$36,341	\$40,884	\$45,426
Very Low	\$19,079	\$21,805	\$24,530	\$27,256

Source: 2018 Affordable Housing Regional Income Limits by Household Size, prepared by Affordable Housing Professionals of New Jersey, April 2018

### AFFORDABLE REQUIREMENTS

The three components that must be addressed by this plan are contained in the table below. See Chapter I for a discussion of the VLA methodology for the Third Round Obligation.

DEMAREST'S AFFORDABLE HOUSING OBLIGATION			
	Rehabilitation	Prior Round 1987-1999	Third Round 1999-2025
Obligation	0	66	309

As discussed in Chapter I, Demarest has conducted a Vacant Land Analysis and determined the RDP to be 3. However, through the negotiation process with FSHC, the Borough and FSHC agreed to include certain inclusionary developments that are expected to be built in the RDP. Therefore, the RDP is calculated as follows:

- Vacant Land Analysis – 3 units
- 95 County Road (Block 145, Lot 5) – 2 units
- 127 Hardenburgh Avenue (Block 23, Lot 13) – 3 units
- 1 rental bonus

As a result of adding these sites, the amended RDP is 9.

## IX. DEMAREST'S AFFORDABLE HOUSING OBLIGATION

Demarest's Fair Share Plan describes the projects and strategies the Borough proposes to address its affordable housing obligation.

### THREE-PART OBLIGATION

#### Rehabilitation

The Borough's Rehabilitation Obligation is zero units.

#### Prior Round

The Borough of Demarest has a Prior Round Obligation (hereinafter "PRO") of 66 units. However, the Borough received a VLA which resulted in a 23 unit RDP. This VLA was approved by the Court. Therefore, the Borough has a Prior Round Unmet Need of 43 units.

There are minimum and maximum requirements regarding the development of rentals, age-restricted and Regional Contribution Agreement (hereinafter "RCA") units for the PRO. Demarest must follow the formulas in N.J.A.C. 5:97-3.11(b) since the Borough received a VLA to determine the rental unit requirement. The formula to determine the maximum number of rental units is as follows:

$$= 25\% (\text{RDP})$$

$$= 25\% (23) = 5.75 \sim 6$$

Demarest must provide at least **6 rental units**. It should be noted that the maximum number of rental bonuses is the same as the rental requirement.

Demarest must follow the formula in N.J.A.C. 5:97-3.11(c)2 for age-restricted units. The formula is as follows:

$$= 25\% (\text{RDP} - \text{RCA units})$$

$$= 25\% (23 - 9)$$

$$= 25\% (14) = 3.5 \sim 4$$

Demarest can provide no more than **4 age-restricted units** towards the Prior Round RDP.

Since the Borough received a VLA, the formula in N.J.S.A 5:97-3.11(c)2 is used to calculate the maximum number of age-restricted units that can be applied to the Unmet Need. The formula is as follow:

$$= 25\% (\text{Unmet Need} - \text{RCA units})$$

$$= 25\% (43 - 9)$$

$$= 25\% (34) = 8.5 \sim 9$$

Demarest can provide no more than **9 age-restricted units** towards the Prior Round Unmet Need.

### Third Round

Demarest must plan for a TRO of 309 units. However, the Borough is seeking a VLA for an RDP of 9. The 9-unit RDP subtracted from the TRO results in a 300-unit Unmet Need. The same minimum and maximum requirements apply to the TRO.

The formula to determine the maximum number of rental units is as follows:

$$= 25\% (\text{RDP})$$

$$= 25\% (9) = 2.25 \sim 2$$

As per the formula, Demarest must provide at least **2 rental units** for the TRO.

Furthermore, it should be noted that N.J.A.C. 5:93-5.15(d)3 limits the number of rental bonuses to the minimum required rental obligation. Therefore, Demarest may receive a **maximum of 2 rental bonuses** for the TRO.

The formula to determine the maximum number of age-restricted units for the Third Round RDP is as follows:

$$= 25\% (\text{RDP})$$

$$= 25\% (9) = 2.25 \sim 2$$

As per the formula, Demarest may age-restrict a maximum of **2 units** for the Third Round RDP.

Additionally, the maximum number of age-restricted units for the Third Round Unmet Need is determined by the following formula:

$$= 25\% (\text{Unmet Need})$$

$$= 25\% (300) = 75$$

As per the formula, Demarest may age-restrict up to **75 units** for the Third Round Unmet Need.

### **Very-Low Income Housing**

In 2008, P.L. 2008, c.46 was signed by the Governor, which made a number of changes to the affordable housing rules. In fact, it amended the Fair Housing Act (hereinafter "FHA") to include a requirement that at least 13% of affordable housing units must be made available to very-low income households. Specifically, the FHA reads:

*The council shall coordinate and review the housing elements as filed pursuant to section 11 of P.L.1985, c.222 (C.52:27D-311), and the housing activities under section 20 of P.L.1985, c.222 (C.52:27D-320), at least once every three years, to ensure that at least 13 percent of the housing units made available for occupancy by low-income and moderate income households will be reserved for occupancy by very low income households, as that term is defined pursuant to section 4 of P.L.1985, c.222 (C.52:27D-304).*

"Very low income housing" means housing affordable according to federal Department of Housing and Urban Development or other recognized standards for home ownership and rental costs and occupied or reserved for occupancy by households with a gross household income equal to 30% or less of the median gross household income for households of the same size within the housing region in which the housing is located.

Paragraph 14 of the Settlement Agreement states that the Borough's VLA requirement is 1. The Borough will satisfy the Obligation by:

- 1 unit at 95 County Road
- 1 unit at 127 Hardenburgh Avenue
- 13% set-aside in the Downtown Rehabilitation Area

### **EXISTING CREDITS**

Demarest has a total of 21 existing credits from an RCA between Demarest and the City of Hoboken, an inclusionary housing development and an alternate living arrangement.

#### **Rehabilitation Credits**

The Borough does not have any existing Rehabilitation Credits.

#### **Prior Round RDP Credits**

The following mechanisms have been built and are allocated to the Prior Round Obligation.

#### **RCA to Hoboken**

On November 22, 2004, COAH approved a nine-unit RCA between Demarest and the City of Hoboken. Demarest agreed to pay \$25,000 per unit, \$225,000 in total, to construct nine deed restricted affordable units in a 216-unit inclusionary housing project in the Northwest Hoboken Redevelopment Area.<sup>6</sup> This RCA was included in the Borough's 2010 Third Round Substantive Certification from COAH. See Appendix A for additional details.

Based on this information, this RCA is eligible to receive **9 credits**.

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<sup>6</sup> COAH Compliance Report, dated January 20, 2010, Page 7.

### Alpine Country Club

The Alpine Country Club/Bellaire Drive project is located at 80 Anderson Avenue and is an inclusionary development. These affordable units are age-restricted, for-sale units and are deed restricted for 30 years. The inclusionary units are located at:

- 111 Bellaire Drive, Unit A-1 (Block 120, Lot 11.32 CO-A1)
- 116 Bellaire Drive, Unit A-3 (Block 120, Lot 11.32 CO-A3)
- 121 Bellaire Drive, Unit A-2 (Block 120, Lot 11.32 CO-A2)
- 122 Bellaire Drive, Unit A-4 (Block 120, Lot 11.32 CO-A4)

All of the units are one bedroom. Unit 111 and 116 are low-income and Unit 121 and 122 are moderate income. The development was the subject of a Court Settlement Agreement. Alpine Country Club agreed to build the four affordable units on-site and fund the above noted RCA. See Appendix A for additional details.

Based on this information, Alpine Country Club is eligible to receive **4 credits**.

### Advancing Opportunities, Inc.

Advancing Opportunities, Inc. operates a licensed group home for four very-low income clients. The home is located at 23 Knickerbocker Road (Block 2, Lot 51.02). Advancing Opportunities purchased the home in 2012 and is currently licensed by the Department of Human Services. Clients are age 18 or older. See Appendix F for a copy of the COAH survey, license and deed. Pursuant to N.J.A.C. 5:93-5.8 (alternative living arrangements) the facility is eligible for crediting and per N.J.A.C. 5:93-5.15(d), the site is eligible for bonuses.

Based on this information the Advancing Opportunities facility is eligible to receive **4 credits and 4 bonuses**.

### Prior Round RDP Existing Credit Summary

The above mechanisms address 21 of the 23-unit Prior Round RDP as shown in the chart below.

PRIOR ROUND RDP EXISTING CREDITS						
Mechanism	Credit Type	Tenure	Age-Restricted	Credit	Bonus	Total
RCA to Hoboken	RCA	New Rental	No	9		9
Alpine Country Club	Inclusionary	Sale	Yes	4		4
Advancing Opportunities, Inc.	Alternative Living Arrangement	Rental	No	4	4	8
Total				17	4	21

## PROPOSED MECHANISMS

### Rehabilitation Mechanisms

As the Borough has no Rehabilitation Obligation, no mechanisms are needed.

## Prior Round RDP Mechanisms

One mechanism is proposed to satisfy the remaining Prior Round RDP.

### 95 County Road

Identified as Block 145, Lot 5, 95 County Road consists of approximately 2.12 acres. The property is located in the Residential C Zone and surrounded by single-family residential uses. The property is currently developed with a two-family residential dwelling. See map on page 36.

According to GIS mapping, the site is encumbered by multiple environmental constraints, including a Category 1 water buffer area and wetlands with a 50-foot buffer area. Additionally, a portion of the site is within a Special Flood Hazard Area.

In April of 2017, Richard Abrahamsen, Esq. filed a Notice of Motion to Intervene on behalf of Carol and Quentin Avery (hereinafter "the Averys"). The Averys are the owners of 95 County Road. On May 13, 2017, Judge Toskos entered a consent order granting intervention. Following that order the Borough negotiated with the Averys and ultimately arrived at a settlement. (A copy of the Settlement Agreement can be found in Appendix G.) The Borough will rezone the site to permit a maximum of eight multi-family units in two buildings with two affordable family rental units. One of the affordable units will contain two-bedrooms (low income) while the other will be a three-bedroom unit (moderate-income).

The zoning ordinance can be found in Appendix G. Based on the above, 95 County Road is eligible for crediting pursuant to N.J.A.C. 5:93-5.6, inclusionary zoning and N.J.A.C. 5:93-5.15(d), for rental bonuses.

The affordable housing rules require municipalities to designate sites that are available, suitable, developable and approvable, as defined in N.J.A.C. 5:93-1. These terms are defined below:

- Approvable site means a site that may be developed for low and moderate income housing in a manner consistent with the rules or regulations of all agencies with jurisdiction over the site. A site may be approvable although not currently zoned for low and moderate income housing.
- Available site means a site with clear title, free of encumbrances which preclude development for low and moderate income housing.
- Developable site means a site that has access to appropriate water and sewer infrastructure, and is consistent with the applicable areawide water quality management plan (including the wastewater management plan) or is included in an amendment to the areawide water quality management plan submitted to and under review by DEP.
- Suitable site means a site that is adjacent to compatible land uses, has access to appropriate streets and is consistent with the environmental policies delineated in N.J.A.C. 5:93-4.

The property meets the four prongs of the rules as follows:

- Approvable site – The Borough will rezone the site to permit the construction of no more than eight units, including two affordable family rentals. After the rezoning an as-of-right application can be submitted to the Planning Board.

- Available site – The owners have requested the rezoning. The Borough is unaware of any title issues.
- Developable site – The site is connected to water and sewer service.
- Suitable site – The property is surrounded on all sides by single-family detached homes. As for environmental constraints, 1.07 acres of a Category 1 water 300 foot buffer area (hereinafter “C1 water buffer area”) occupies the rear half of the property. Within the C1 water buffer area, there is also 0.25 acres of a FEMA Special Flood Hazard Area (hereinafter “SFHA”) and 0.18 acres of wetlands with a 50 foot buffer (hereinafter “wetlands”). This leaves 1.05 acres available for development. It should be noted that the site has street frontage along County Road.

Based on the above information, 95 County Road will provide **2 credits and 2 bonuses**. It should be noted that only **1 credit and 1 bonus** are being applied to the Prior Round RDP. The remaining credit and bonus will be applied to the Third Round RDP.

**Prior Round RDP Proposed Mechanisms Summary**

95 County Road is the only mechanism proposed for the Prior Round RDP, see the table below for details.

PRIOR ROUND RDP PROPOSED MECHANISM						
Mechanism	Credit Type	Tenure	Age-Restricted	Credit	Bonus	Total
95 County Road	Inclusionary	Rental	No	1	1	2
Total				1	1	2

**Third Round RDP Mechanisms**

Demarest proposes two mechanisms to satisfy the Third Round RDP.

**95 County Road**

As stated above, the remaining credit and bonus for the proposed development on 95 County Road will be applied to the Third Round RDP.

**127 Hardenburgh Avenue**

This Borough-owned 0.537-acre lot is identified as Block 23, Lot 13 and also includes Lot 14 according to online tax records. 127 Hardenburgh Avenue is located within the “downtown” area of the Borough, which was designated as an Area in Need of Rehabilitation in 2018. (See Appendix H for the resolution.)

The site is in the R-D Residential Zone, which requires 10,000 square feet of area. However, to the immediate east of the site is the Business Zone. Surrounding uses include commercial and residential uses to the north across Hardenburgh Avenue. To the west is a two-family home. To the south is the municipal building and to the east is a bank and commercial uses.

The Borough is preparing a Redevelopment Plan (see Appendix I) that will permit 127 Hardenburgh Avenue to be developed with an inclusionary development. The Borough envisions the site to be developed with at least 16 residential units with a 50% set-aside. The Redevelopment Plan will permit stand-alone multi-family residential uses as a conditional use, with the following conditions:

- Minimum lot area – 0.50 acres
- Maximum front yard setback – 15 feet
- Minimum side yard setback – 10 feet
- Minimum rear yard setback – 30 feet
- Maximum building coverage – 70%
- Maximum impervious coverage – 90%
- Maximum permitted density– 40 units per acre.
- A minimum of 50% of the units shall be reserved for affordable households.
- Surface parking may be located under the building or on the ground floor of the building. If parking is located on the ground floor of the building, it shall be screened from public view.

Once the site is rezoned, the Borough will issue a Request for Proposals (hereinafter “RFP”) to solicit developers. It is anticipated that the RFP will be issued after the Borough receives its Judgment of Compliance and Repose. The RFP will be mailed to at least five known affordable housing developers, posted on the Borough’s website and advertised in two prominent newspapers. Approximately two weeks after the release of the RFP, a pre-proposal conference will be held along with a site visit. Roughly two weeks thereafter will be the deadline for respondent questions. The Borough will provide responses within three weeks. One month after the Borough distributes the responses, the RFP will be due. The Borough anticipates it will take approximately one to two months to review the submissions received and schedule interviews. After the interviews, the Borough will make a selection if a viable and reasonable proposal is received.

Additionally, the Borough is willing to incentivize the construction of affordable housing on this site by offering an incentive per affordable unit constructed. The Spending Plan also allocates money for a very-low income unit and for soft costs associated with the application process. The money will come from the Borough’s Affordable Housing Trust Fund.

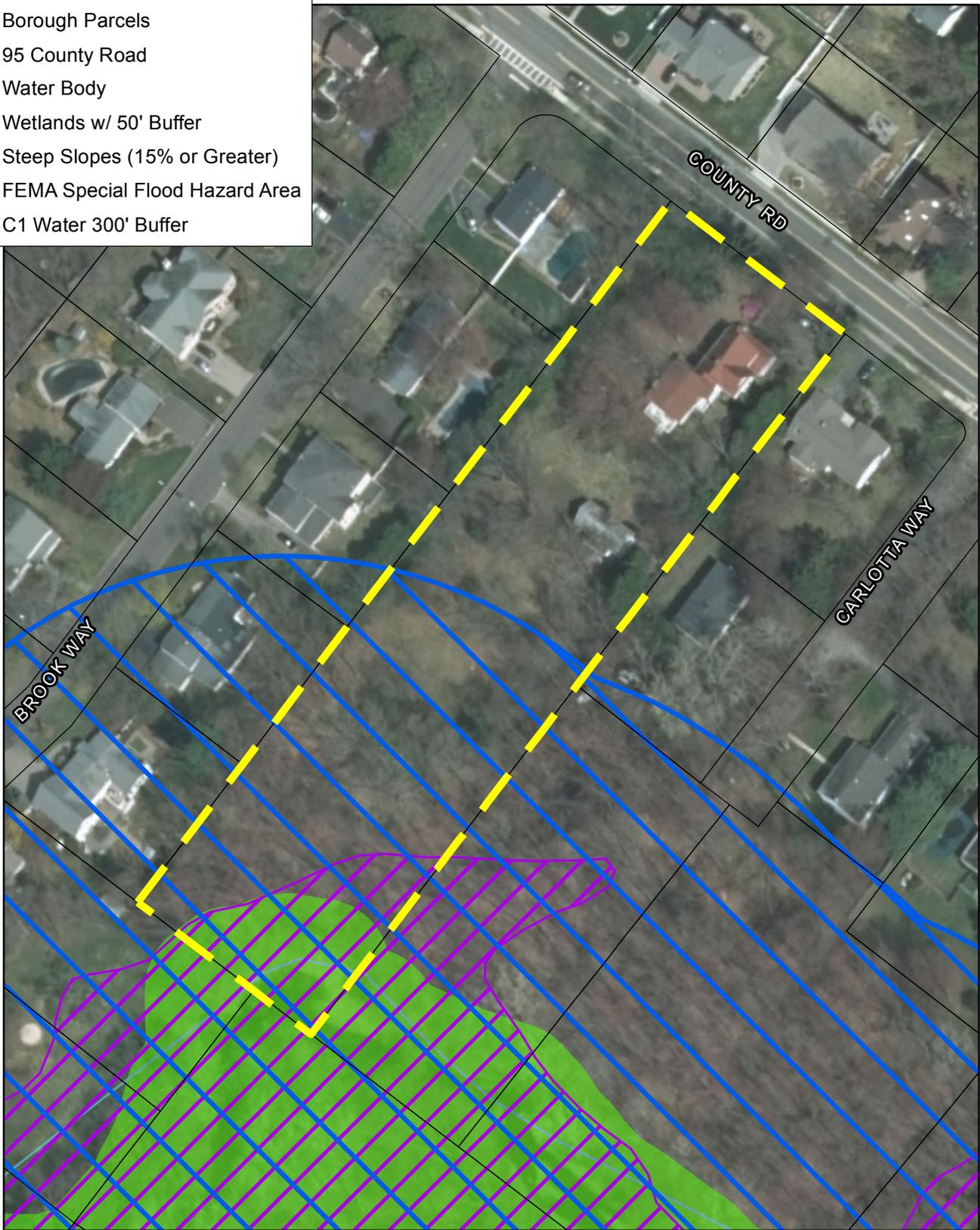
Based on the above information, 127 Hardenburgh Avenue is eligible for crediting under N.J.A.C. 5:93-5.6, inclusionary zoning.

Pursuant to the rules set forth in N.J.A.C. 5:93-1, 127 Hardenburgh Avenue meets the four prong test as follows:

- Approvable site – The property is located in a designated Area in Need of Rehabilitation. A Redevelopment Plan is being crafted which will permit multi-family inclusionary residential development at a density of 40 units per acre. Once the site is rezoned an as-of-right application could be submitted to the Planning Board.
- Available site – The property is owned by the Borough of Demarest and is currently vacant and undeveloped. The Borough is unaware of any title or encumbrance issues.
- Developable site – The site is located within water and sewer service areas.

**Legend**

-  Borough Parcels
-  95 County Road
-  Water Body
-  Wetlands w/ 50' Buffer
-  Steep Slopes (15% or Greater)
-  FEMA Special Flood Hazard Area
-  C1 Water 300' Buffer



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0 50 100  
Feet  
1 inch = 100 feet

**95 County Road**  
**(Block 145, Lot 5)**  
Borough of Demarest  
Bergen County, New Jersey



**Legend**

-  Borough Parcels
-  127 Hardenburgh Avenue
-  Water Body
-  Wetlands w/ 50' Buffer
-  Steep Slopes (15% or Greater)
-  FEMA Special Flood Hazard Area
-  C1 Water 300' Buffer



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0 30 60  
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1 inch = 60 feet

**127 Hardenburgh Avenue**  
**(Block 23, Lot 13)**  
Borough of Demarest  
Bergen County, New Jersey



- Suitable site – The property is surrounded by residential and commercial uses to the north, commercial uses to the east, the Borough Municipal complex to the south and a two-family residential use to the west. The property does not contain any environmental constraints according to GIS data as shown by the map on page 37.

Based on the above information, 127 Hardenburgh Avenue is eligible for **8 credits and 1 bonus**. It should be noted that 6 credits and the bonus will be applied to the Third Round RDP. The remaining 2 credits will be applied to the Third Round Unmet Need.

**Third Round RDP Proposed Mechanisms Summary**

The table below shows the two mechanisms allocated towards the Third Round RDP. The mechanisms are anticipated to generate seven credits and two bonuses.

THIRD ROUND RDP PROPOSED MECHANISMS						
Mechanism	Credit Type	Tenure	Age-Restricted	Credit	Bonus	Total
95 County Road	Inclusionary	Rental	No	1	1	2
127 Hardenburgh Ave.	Inclusionary	Rental	No	6	1	7
Total				7	2	9

**Prior and Third Round Unmet Need Mechanisms**

Pursuant to the Settlement Agreement executed on January 23, 2018, the Borough’s 43-unit Prior Round Unmet Need has been consolidated with its 300-unit Third Round Unmet Need for a total Unmet Need of 343 units. There are five mechanisms allocated towards the combined Unmet Need.

**127 Hardenburgh Avenue**

As stated above, two credits from the 127 Hardenburgh Avenue development will be applied to the Unmet Need.

Based on this information, this site is eligible for **2 credits**.

**Accessory Apartment Ordinance**

The Borough has an existing accessory apartment ordinance within Chapter 175, Zoning. Accessory apartments are permitted on a lot within the A, BB or B zoning districts, that meets the following requirements:

- The lot must fully conform to the minimum lot dimensions specified for the subject zoning district in the schedule entitled Limiting Schedule, District;
- The lot must have direct driveway access either to County Road, Piermont Road, Anderson Avenue and Knickerbocker Road; and
- The lot must have a single-family detached dwelling situated thereon.

In exchange for the minimum ten-year deed restriction, the Ordinance indicates that the Borough will provide the property owner \$10,000 to subsidize the creation of the unit.

The Borough will amend the existing accessory apartment ordinance to expand the areas where accessory apartments will be permitted. The amended ordinance will add Residence C and D Zones to the list of zones permitting accessory apartments and remove the specific street requirement. The revised ordinance will also increase the payment to \$20,000.

The amended accessory apartment ordinance can be found in Appendix J. Based on the information above, this mechanism is eligible for credit pursuant to N.J.A.C. 5:93-5.9, accessory apartments.

Based on the information above, this mechanism may yield up to **10 credits**.

### **Downtown Rehabilitation Area**

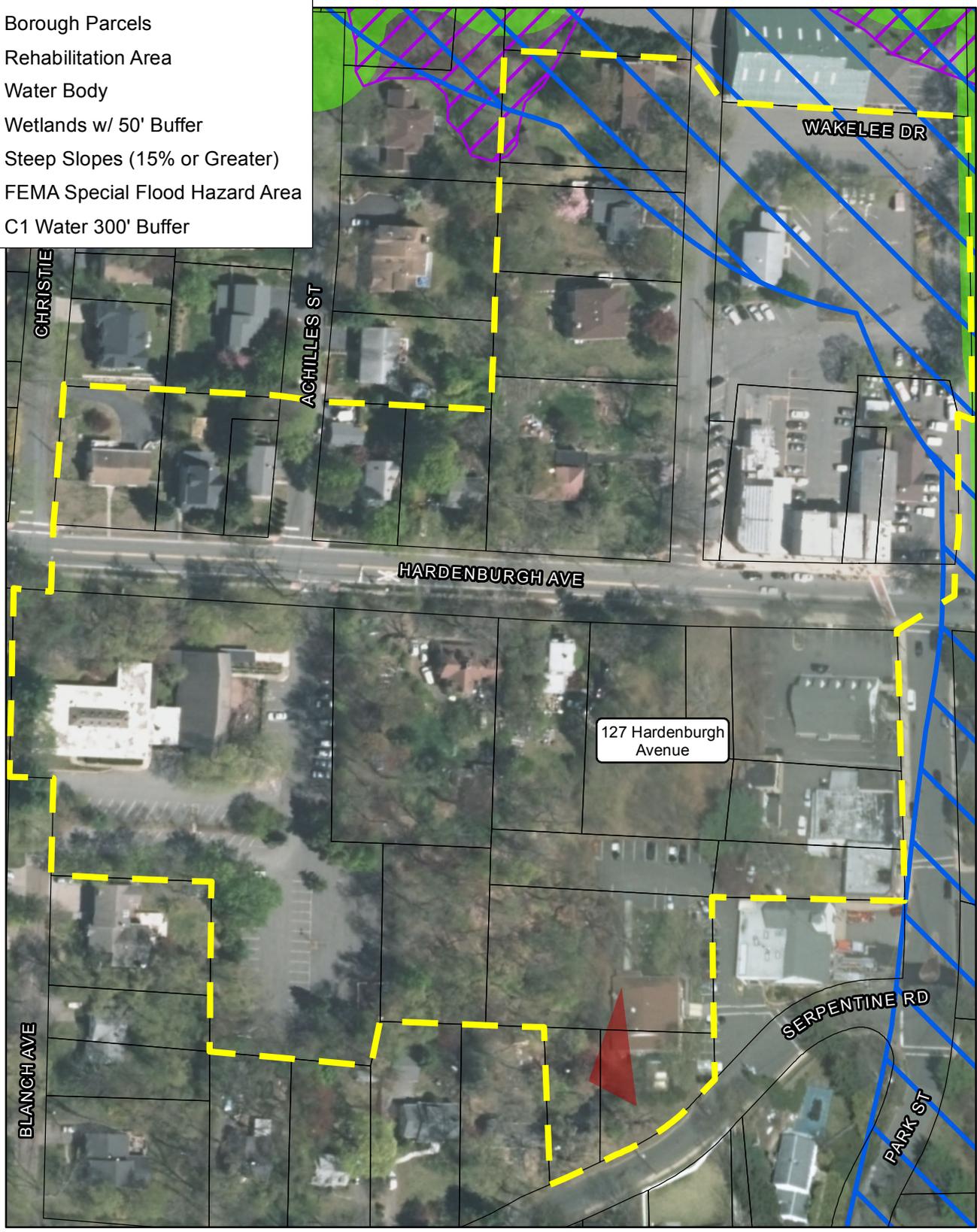
The Borough has designated the “downtown” area along Hardenburgh Avenue and Park Street as an Area in Need of Rehabilitation (see the map on the following page). The Rehabilitation Area totals 11.23 acres. The Rehabilitation Area is bound by Borough-owned property and residences. The eastern boundary is located along Park Street and the railroad right-of-way, while Christie Street creates the western boundary.

Currently, the Rehabilitation Area contains 23 tax lots which are occupied by a variety of uses. It should be noted that there are 23 tax lots according to the tax records, but the County MOD-IV GIS tax data indicates there are 28 “parcels” within the Rehabilitation Area. Where more than one parcel is located on a tax card, the parcels are listed on the same line below. The following tax lots comprise the Study Area:

- Block 23, Lot 9 – 109 Hardenburgh Ave.
- Block 23, Lot 10 – 119 Hardenburgh Ave.
- Block 23, Lot 12 – 123 Hardenburgh Ave.
- Block 23, Lot 13 & 14 – 127 Hardenburgh Ave.
- Block 23, Lot 15 – 129 Hardenburgh Ave.
- Block 23, Lot 16 – 39-41-43 Park St.
- Block 23, Lot 17.01 – 27 Park St.
- Block 23, Lots 17.02, 19, 20 & 23 – 118 Serpentine Rd.
- Block 23, Lot 21 – 110 Serpentine Rd.
- Block 46, Lot 664 – 2 Christie St.
- Block 46, Lot 760 – 108 Hardenburgh Ave.
- Block 46, Lot 764 – 112 Hardenburgh Ave.
- Block 49, Lot 39.01 – 3 Wakelee Dr.
- Block 49, Lot 40.01 & 41.02 – 7 Wakelee Dr.
- Block 49, Lot 41.01 – 15 Wakelee Dr.
- Block 49, Lot 50 – 122 Hardenburgh Ave.
- Block 49, Lot 51 – 118 Hardenburgh Ave.
- Block 49, Lot 52 – 114 Hardenburgh Ave.
- Block 49.01, Lot 43.01 – Wakelee Dr.
- Block 49.01, Lot 43.02 – 126-132 Hardenburgh Ave.
- Block 49.01, Lot 44 – 140 Hardenburgh Ave.
- Block 49.01, Lot 45 – 134 Hardenburgh Ave.
- Block 49.01, Lot 47.02 – Wakelee Dr.

**Legend**

-  Borough Parcels
-  Rehabilitation Area
-  Water Body
-  Wetlands w/ 50' Buffer
-  Steep Slopes (15% or Greater)
-  FEMA Special Flood Hazard Area
-  C1 Water 300' Buffer



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0      65      130  
  
 Feet  
 1 inch = 130 feet

**Designated Rehabilitation Area**

Borough of Demarest  
 Bergen County, New Jersey



The Borough is preparing a Redevelopment Plan for this area that will permit multi-family residential units on the upper floors at the following densities:

- 25 units per acre for lots containing less than 12,000 square feet,
- 30 units per acre for lots containing 12,000 to 20,000 square feet, and
- 35 units per acre for lots greater than 20,000 square feet

Properties south of Hardenburgh Avenue shall be limited to three stories and 35 feet. Properties north of Hardenburgh Avenue between Christie Street and Wakelee Drive are limited to a maximum of 2.5 stories and 30 feet. Lastly, properties north of Hardenburgh Avenue and east of Wakelee Drive shall be a maximum of three stories and 35 feet.

Where multi-family housing development occurs, an affordable housing set-aside will be required. The set-aside will be 15% for rental units and 20% for for-sale units. The multi-family uses will be located above the first-floor non-residential uses to provide for mixed-use development opportunities.

The Redevelopment Plan can be found in Appendix I. As per the rules, this mechanism is eligible for crediting under N.J.A.C. 5:93-5.6, inclusionary development.

Pursuant to the rules set forth in N.J.A.C. 5:93-1, the Rehabilitation Area meets the four prongs as follows:

- Approvable site – Demarest will adopt a Redevelopment Plan that will permit inclusionary residential development on the upper floors of a mixed-use building. The Redevelopment Plan is currently being drafted. After adoption, property owners can submit as-of-right applications to the Planning Board.
- Available site – The site has been designated as an Area in Need of Rehabilitation and a Redevelopment Plan is being drafted. The Borough envisions redevelopment to occur through the sale of properties between a willing seller and buyer or by existing property owners. The Borough is unaware of any title or encumbrance issues on the parcels.
- Developable site – The parcels are located within water and sewer service areas.
- Suitable site – The Rehabilitation Area is located in the Borough’s “downtown” area. Surrounding the area is the Borough’s recreation fields and playground and single-family residential uses to the north, open space to the east and single-family residential uses to the south and west. Most of the Rehabilitation Area does not contain any environmental constraints. However, according to GIS data, Block 49, Lots 40.01, 41.01 and 41.02 and Block 49.01 Lots 43.01 and 44 are affected by approximately 1.64 acres of a C1 water buffer area. Additionally, Block 49.01, Lot 43.01 contains approximately 2,350 square feet of wetlands while a SFHA extends 2,550 square feet into Block 49, Lot 41.01. Finally, a 0.05 acre area of slopes greater than 15% is located within Lots 19, 20 and 21 of Block 23. See the map on page 39 for additional detail.

Based on the information above and the pending Redevelopment Plan, this mechanism has the potential to yield affordable housing credits.

## Sylco

Identified as Block 119, Lots 1.05, 1.06, and 1.07 and Block 120, Lots 1.03 and 1.04, Sylco encompasses approximately 18 acres. The property is located in the Residential A Zone and is surrounded by single-family residential uses to the north, east, southeast, and northwest and the Alpine Country Club to the southwest. See map on page 43.

According to GIS mapping and the approved Final Major Subdivision Plan for Frick Estates – Section II, the site is encumbered by multiple environmental constraints including Category 1 water buffer, wetlands with a 50-foot buffer, and steep slopes. In 2018, a series of deed restrictions and easements were filed on the properties as a result of negotiations with NJDEP. These restrictions reduce the buildable area to roughly 4.2 acres on Lots 1.03 and 1.04.

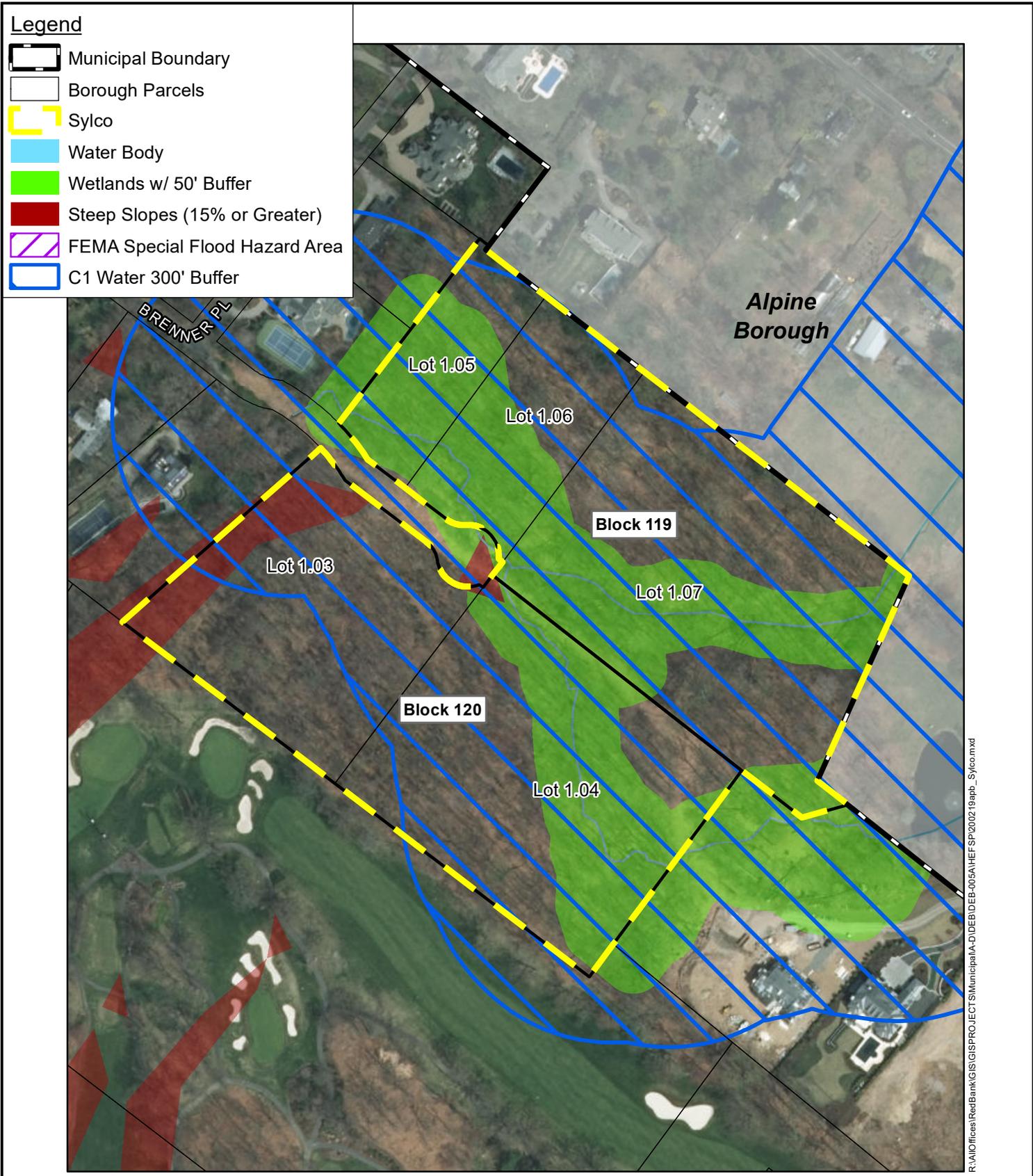
In June of 2019, a Notice of Motion to Intervene was filed on behalf of Sylco, the owner of Block 119, Lots 1.05, 1.06, and 1.07 and Block 120, Lots 1.03 and 1.04. On September 27, 2019, Judge Farrington entered a consent order granting intervention to Sylco. Following that order, the Borough mediated several times with Sylco to reach a mutual agreement. On February 13, 2020 the Council authorized the execution of the Settlement Agreement between the Borough and Sylco. The Planning Board authorized the execution of the agreement on May 6, 2020. The Settlement Agreement permits a maximum of 24 townhomes to be built on the property (See Appendix C for a copy of the Settlement Agreement). Sylco will contribute five affordable units via a payment in lieu of \$1 million. The payment in lieu will be provided in three installments, \$250,000 when site work commences, \$250,000 when the first building permit is issued, and \$500,000 when the tenth Certificate of Occupancy is issued.

Demarest will rezone Sylco's parcels to permit the 24 townhomes. A copy of the ordinance can be found in Appendix K.

Based on the above, Sylco is a permissible mechanism pursuant to N.J.A.C. 5:93-8.10(c), fee in lieu of building low and moderate income units.

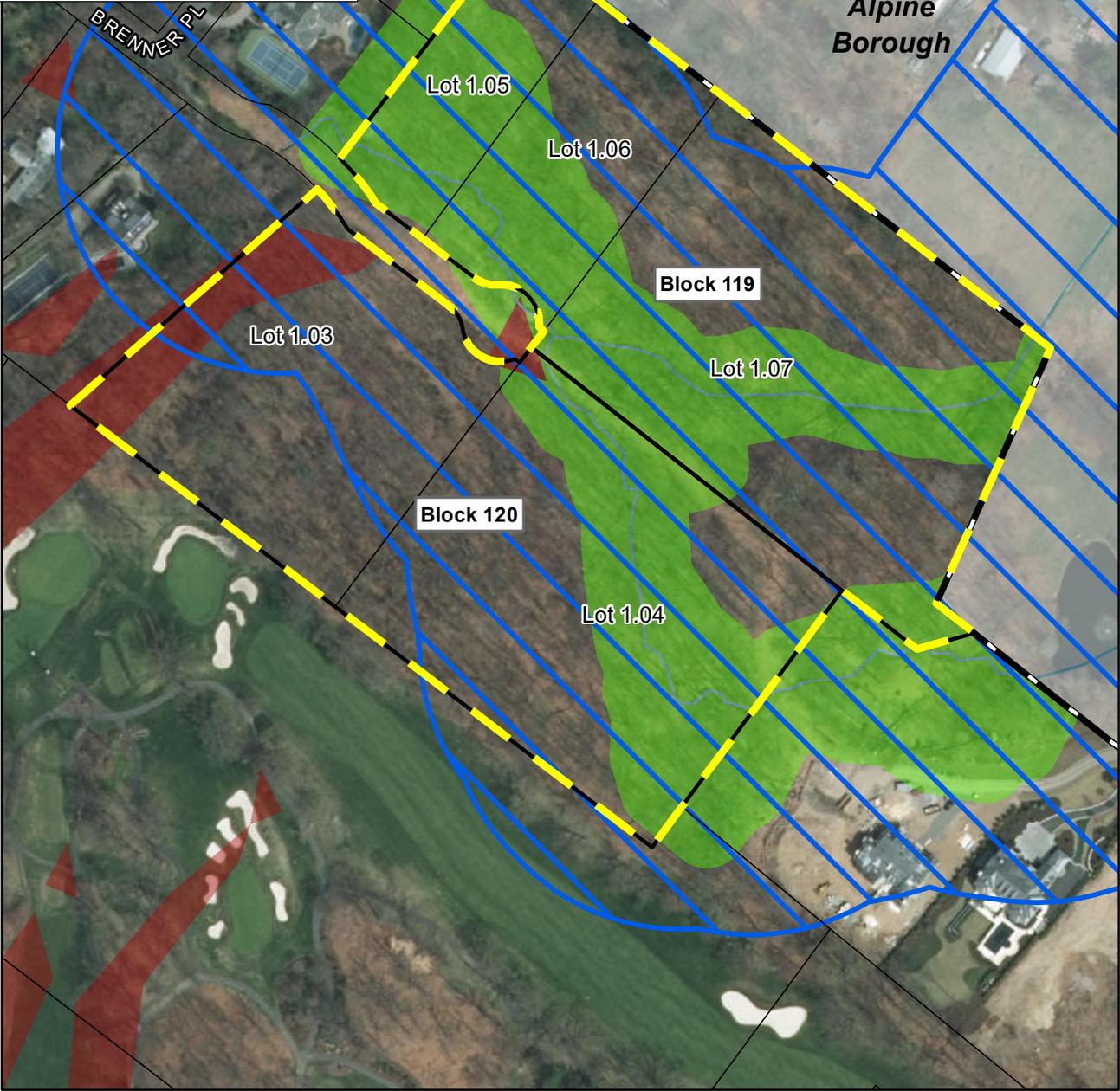
The property meets the four prongs of the rules as follows:

- Approvable Site – Demarest will rezone the site to permit the construction of a maximum of 24 townhouse units, which requires the payment in lieu. Once the ordinance is adopted, Sylco can submit an application to construct the townhouse development as-of-right.
- Available Site – Sylco owns the sites and has indicated their willingness to build the development. Each of the lots within the Sylco site have conservation easements and/or deed restrictions, but roughly 4.2 acres is buildable. The Borough is unaware of any title issues.
- Developable Site – The site is within a sewer and water service area.
- Suitable Site - The property is surrounded by single-family detached dwellings except to the southwest where the Alpine Country Club is located. As for environmental constraints, 15.9 acres of C1 water buffer area, 6.7 acres of wetlands, and 0.7 acres with slopes greater than 15% affecting the property, based on GIS mapping and the approved Final Major Subdivision Plan for Frick Estates – Section II. Despite these mapped features, the developer has easements/restrictions with NJDEP, which has indicated 4.2 acres of the parcels is developable. The site has frontage on Duane Lane.

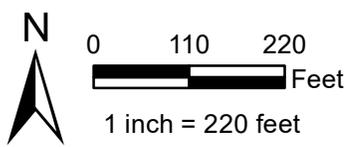


**Legend**

-  Municipal Boundary
-  Borough Parcels
-  Sylco
-  Water Body
-  Wetlands w/ 50' Buffer
-  Steep Slopes (15% or Greater)
-  FEMA Special Flood Hazard Area
-  C1 Water 300' Buffer



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Environmental Constraints for Blocks 119 & 120 are referenced from the approved Final Major Subdivision Plan for Frick Estates - Section II, prepared by Hubschman Engineering P.A., dated 6-28-2007.

**Sylco**  
 (Block 119, Lots 1.05, 1.06, & 1.07  
 and Block 120, Lots 1.03 and 1.04)  
 Borough of Demarest  
 Bergen County, New Jersey



**Borough-Wide Set-Aside Ordinance**

Pursuant to the Settlement Agreement executed on January 23, 2018, the Borough will adopt an Ordinance requiring a mandatory affordable housing set-aside for all new multi-family residential developments of five or more units that are developed at a density of six or more units per acre that occur as a result of a use or density variance, rezoning or new redevelopment plan. The set-aside will be a minimum of 20% for for-sale developments and 15% for rental developments. This Ordinance does not give any developer the right to any such rezoning, variance, redevelopment designation or other relief. This ordinance does not apply to sites zoned for inclusionary development.

The draft ordinance is located in Appendix L inside of the Affordable Housing Ordinance.

Based on the information above, the Borough-wide Set-Aside Ordinance could provide affordable housing credits.

**Prior and Third Round Unmet Need Proposed Mechanisms Summary**

The above-mentioned proposed mechanisms have the potential to produce affordable housing credits, which can then be applied to the Borough’s Prior Round and Third Round combined Unmet Need.

PRIOR AND THIRD ROUND UNMET NEED PROPOSED MECHANISMS						
Mechanism	Credit Type	Tenure	Age-Restricted	Credit	Bonus	Total
127 Hardenburgh Ave. (B 23, L 13)	Inclusionary	Rental	No	2	0	2
Accessory Apartment Ordinance	Accessory Apartment	Rental	No	10	0	10
Downtown rehabilitation Area	Inclusionary	TBD	TBD	TBD		TBD
Alpine Country Club Overlay Zone (B 120, L 13)	Inclusionary	TBD	TBD	TBD		TBD
Sylco (Block 119, Lots 1.05, 1.06, & 1.07 and Block 120, Lots 1.03 & 1.04)*	Payment in Lieu					
Borough-Wide Set-Aside Ordinance	Inclusionary	TBD	TBD	TBD		TBD
				Total	TBD	TBD

\* Sylco to provide a payment in lieu of 5 affordable units.

**SUMMARY OF MECHANISMS & CREDITS**

The table on the following page provides a summary of the mechanisms, credits and bonuses this HEFSP proposes.

EXISTING & PROPOSED CREDITS				
Mechanism	Credit Type	Credit	Bonus	Total
<b>Prior Round RDP</b>				
RCA to Hoboken	RCA	9		9
Alpine Country Club	Inclusionary	4		4
Advancing Opportunities, Inc.	Alternative Living Arrangement	4	4	8
95 County Road (B 145, L 5)	Inclusionary	1	1	2
	<b>Total</b>	<b>18</b>	<b>5</b>	<b>23</b>
<b>Third Round RDP</b>				
95 County Road (B 145, L 5)	Inclusionary	1	1	2
127 Hardenburgh Ave. (B 23, L 13)	Inclusionary	6	1	7
	<b>Total</b>	<b>7</b>	<b>2</b>	<b>9</b>
<b>Prior and Third Round Unmet Need</b>				
127 Hardenburgh Ave. (B 23, L 13)	Inclusionary	2	0	2
Accessory Apartment Ordinance	Accessory Apartment	10	0	10
Downtown rehabilitation Area	Inclusionary	TBD		TBD
Alpine Country Club Overlay Zone (B 120, L 13)	Inclusionary	TBD		TBD
Sylco (Block 119, Lots 1.05, 1.06, & 1.07 and Block 120, Lots 1.03 & 1.04)***	Payment in Lieu			
Borough-Wide Set-Aside Ordinance	Inclusionary	TBD		TBD
	<b>Total</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>

\*Under Construction

\*\*Proposed/Zoned

\* Sylco to provide a payment in lieu of 5 affordable units.

## X. IMPLEMENTATION SCHEDULE

The table on the next page provides an anticipated implementation schedule for the mechanisms that are proposed within the Borough of Demarest.

IMPLEMENTATION SCHEDULE																								
Mechanism	2020				2021				2022				2023				2024				2025			
	Q1	Q2	Q3	Q4																				
<b>95 County Road (B 145, L 5)</b>																								
Application Review and Approval																								
Construction																								
Occupancy																								
<b>127 Hardenburgh Avenue (B 23, L 13)</b>																								
Adopt Amended Redevelopment Plan																								
Solicit Developers																								
Apply for/Seek Funding																								
Application Review and Approval																								
Construction																								
Occupancy																								
<b>Accessory Apartment Ordinance</b>																								
Application Review and Approval*																								
Construction*																								
Occupancy*																								
<b>Downtown Rehabilitation Area</b>																								
Adopt Amended Redevelopment Plan																								
Application Review and Approval*																								
Construction*																								
Occupancy*																								
<b>Sylco (B119, L1.05, 1.06, &amp; 1.07 and B120, L1.03 &amp; 1.04)</b>																								
Prepare & Adopt Ordinance																								
Application Review and Approval																								
Outside Agency Review and Approval																								
Construction																								
Occupancy																								
<b>Borough-Wide Set-Aside Ordinance</b>																								
Application Review and Approval*																								
Construction*																								
Occupancy*																								

\* Ongoing

## XI. SETTLEMENT TERMS

As outlined in the January 23, 2018 Settlement Agreement, the Borough of Demarest agrees to the following terms. Below each term is a description of how each item will be implemented, highlighted in bold.

1. The Borough agrees to require 13% of all units referenced in this plan, with the exception of units already constructed or approved as of July 1, 2008, to be very-low income units, with half of the very-low income units being available to families. Based upon the agreed-upon Third Round RDP of 9, there is a requirement for 1 unit to be reserved for a very-low income household. The municipality will comply with this requirement as follows:
  - a. **One very-low income unit at 95 County Road.**
  - b. **One very-low income unit at 127 Hardenburgh Avenue.**



updated by the Borough annually within 30 days of the publication of determinations of median income by HUD.

- a. This will be implemented through the Borough's affordable housing ordinance and site plan review. The Borough will update the income limits as needed.**
5. All new construction units shall be adaptable in conformance with P.L.2005, c.350/N.J.S.A. 52:27D-311a and -311b and all other applicable law.
  - a. The Borough will enforce this requirement during site plan review.**
6. As an essential term of this settlement, within 120 days of the Court's approval of this Settlement Agreement, the Borough shall adopt a final Housing Element and Fair Share Plan incorporating the terms of this Settlement Agreement and introduce ordinances providing for the amendment of the Borough's Affordable Housing Ordinance and Zoning Ordinance to implement the terms of this settlement agreement and the zoning contemplated herein.
  - a. The Borough has drafted these documents and will adopt them after the Planning Board's approval and the Mayor and Council's endorsement of the HEFSP.**
7. The Borough shall also prepare and adopt a spending plan within 120 days of the Court's approval of this Settlement Agreement. On the first anniversary of the "Judgment of Compliance and Repose" or "the judicial equivalent of substantive certification", and every anniversary thereafter through the end of the repose period, the Borough agrees to provide annual reporting of trust fund activity to the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to Fair Share Housing Center and posted on the municipal website, using forms developed for this purpose by the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services. The reporting shall include an accounting of all housing trust fund activity, including the sources and amounts of funds collected and the amount and purpose for which any funds have been expended.
  - a. The Borough has prepared a Spending Plan that will be adopted after the HEFSP is approved. Monitoring requirements can be found in the Affordable Housing Ordinance and will be completed by the Borough's Municipal Housing Liaison.**
8. On the first anniversary of the "Judgment of Compliance and Repose" or "the judicial equivalent of substantive certification", and every anniversary thereafter through the end of this repose period, the Borough agrees to provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website with a copy of such posting provided to Fair Share Housing Center, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC.
  - a. Monitoring requirements can be found in the Affordable Housing Ordinance and will be completed by the Borough's Municipal Housing Liaison.**
9. The Fair Housing Act includes two provisions regarding action to be taken by the Borough during the ten-year period of protection provided in this agreement. The Borough agrees to comply with those provisions as follows:
  - a. For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, the Borough will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its**

implementation of its Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether any mechanisms to meet unmet need should be revised or supplemented. Any interested party may by motion request a hearing before the court regarding these issues. **The Municipal Housing Liaison, working with the Borough Planner will prepare this review.**

- b. For the review of very-low income housing requirements required by N.J.S.A. 52:27D-329.1, within 30 days of the third anniversary of the "Judgment of Compliance and Repose" or "the judicial equivalent of substantive certification", and every third year thereafter, the Borough will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its satisfaction of its very-low income requirements, including the family very-low income requirements referenced herein. **Monitoring requirements can be found in the Affordable Housing Ordinance and will be completed by the Borough's Municipal Housing Liaison.**

## **XII. APPENDIX**

- A. 2010 Third Round Substantive Certification
- B. January 23, 2018 Settlement Agreement
- C. 2020 Settlement Agreement with Sylco
- D. Vacant Land Adjustment
- E. Alpine Country Club Deed Restriction
- F. Advancing Opportunities Paperwork
- G. Avery Settlement Agreement and Zoning Ordinance
- H. Council Rehabilitation Designation
- I. Hardenburgh Avenue Redevelopment Plan
- J. Accessory Apartment Ordinance
- K. Sylco Ordinance
- L. Affordable Housing Ordinance
- M. Spending Plan
- N. Spending Plan Resolution
- O. Development Fee Ordinance
- P. Municipal Housing Liaison Resolution
- Q. Administrative Agent Resolution
- R. Affirmative Marketing Plan
- S. Affirmative Marketing Plan Resolution
- T. Operating Manual
- U. Operating Manual Resolution
- V. Intent to Bond Resolution
- W. Planning Board HEFSP Resolution
- X. Council HEFSP Resolution
- Y. 127 Hardenburgh Information