

Housing Element and Fair Share Plan

Borough of Garwood
Union County, New Jersey

Prepared by:

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1. September 13, 2018 correspondence from Philip B. Caton, PP, FAICP to Honorable Karen M. Cassidy, A.J.S.C., Re: IMO application of the Borough of Garwood, Docket No. UNN-L-2406-15.	
2. September 13, 2018 correspondence from Elizabeth C. McKenzie, PP to Honorable Karen M. Cassidy, A.J.S.C., Re: In re Borough of Garwood, Docket No. UNN-L-2406-15.	
3. Amendment to Settlement Agreement, dated September 14, 2018.	
4. March 28, 2017 correspondence from Kevin D. Walsh, Esq. to Robert F. Renaud, Esq. and Christopher H. Minks, Esq. Re: In the Matter of the Borough of Garwood, County of Union, Docket N. UNN-L-2406-15.	
5. Planning Board Resolution Adopting the July 2018 Housing Element and Fair Share Plan.	
6. Adopted Resolution No. 18-172 Resolution Endorsing the July 2018 Housing Element and Fair Share Plan.	
7. Vacant Land Adjustment for the Borough of Garwood, prepared by Michael Mistretti, PP of Harbor Consultants, Inc., dated January 17, 2017.	
8. Adopted Ordinance No. 17-22 Development Fee Ordinance.	
9. Adopted Ordinance No. 17-23, Garwood Mall Overlay Zoning Ordinance.	
10. Adopted Ordinance No. 17-29, An Ordinance to Amend § 106-94 (Central Business District) of the Code of the Borough of Garwood to provide for an affordable housing set-aside in the Central Business District.	
11. Adopted Resolution No. 18-181 Borough of Garwood, County of Union Adopting the Affirmative Fair Housing Marketing Plan for the Borough of Garwood.	
12. Adopted Ordinance N. 17-21 Affordable Housing Ordinance.	

13. Adopted Ordinance No. 18-05 An Ordinance to Amend Article XIV (Affordable Housing) in Chapter 106 (Land Use) of the Code of the Borough of Garwood to further address the requirements of the Fair Housing Act and the Uniform Affordability Controls (UHAC) regarding compliance with the Borough's affordable housing obligations.
14. Adopted Ordinance No. 18-24 An An Ordinance to Amend Article XIV (Affordable Housing) in Chapter 106 (Land Use) of the Code of the Borough of Garwood to further address the requirements of the Fair Housing Act and the Uniform Affordability Controls (UHAC) regarding compliance with the Borough's affordable housing obligations.
15. Adopted Resolution No. 17-241 for the retention of professional services for Affordable Housing Administrative Agent Services.
16. Adopted Resolution No. 18-037 Resolution of the Borough of Garwood regarding any shortfalls associated with the provision of affordable housing as set forth in the Borough's Affordable Housing Element and Fair Share Plan.
17. Adopted Ordinance No. 18-13 Ordinance of the Borough council of the Borough of Garwood, County of Union, New Jersey adopting an amendment to the South Avenue – Transit Orient Redevelopment Plan, pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40-A: 12A-1 et seq.*
18. Adopted Ordinance No. 18-12 Ordinance of the Borough Council of the Borough of Garwood, County of Union, New Jersey adopting an amendment to the South Avenue Area II Redevelopment Plan concerning certain affordable housing language, pursuant to the Local Redevelopment Housing Law, *N.J.S.A. 40A: 12A-1 et seq.*
19. Adopted Ordinance No. 18-20 Ordinance of the Borough Council of the Borough of Garwood, County of Union, New Jersey adopting the "Garwood Paperboard Redevelopment Plan – Block 211, Lot 6 – North Avenue," pursuant to the Local Redevelopment Housing Law, *N.J.S.A. 40A: 12A-1 et seq.* (Including the Paperboard Redevelopment Plan)
20. Adopted Ordinance No. 18-25 Ordinance of the Borough of Garwood, County of Union, New Jersey Approving the Application for a long term tax exemption and authorizing the execution of a financial agreement with Garwood Paperboard Urban Renewal Associates, LLC.

Housing Element

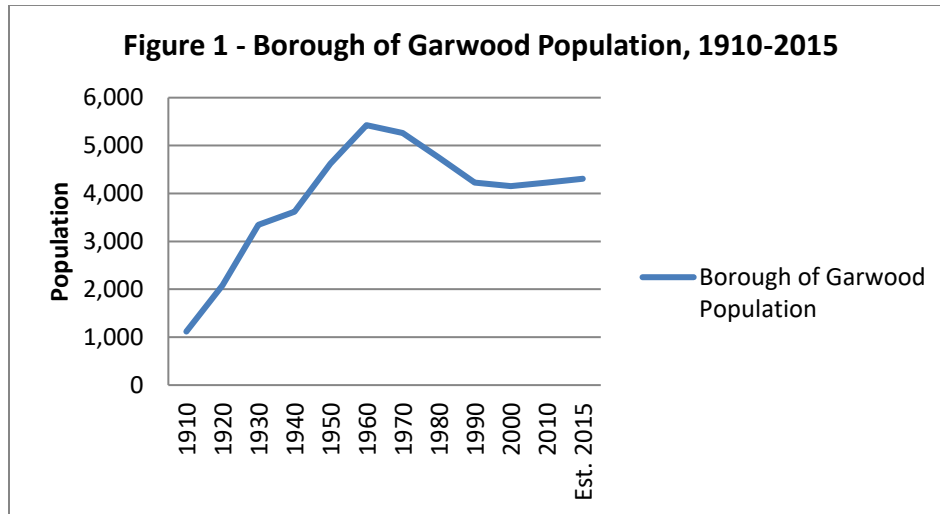
Population Demographics

The total population of the Borough of Garwood in 2015 was estimated to be 4,306, according to the 2015 American Community Survey (U.S. Census Bureau 5-Year Survey), indicating an increase of 80 persons from the 2010 population of 4,226 (Borough of Garwood)¹. Over the past century, the Borough population has increased 278% from 1,118 persons in 1910. Between 1960 and 2000, the Borough experienced a continuous loss of population during each Census period (10 years) and has remained fairly steady, albeit increasing slightly, since 1990. Figure 1 and Table 1 below show the population and percent change each decade since 1910, as well as the 2015 ACS Estimate.

TABLE 1 – POPULATION GROWTH		
Year	Population	Percent Change
1910	1,118	—
1920	2,084	86.4%
1930	3,344	60.5%
1940	3,622	8.3%
1950	4,622	27.6%
1960	5,426	17.4%
1970	5,260	-3.1%
1980	4,752	-9.7%
1990	4,227	-11.0%
2000	4,153	-1.8%
2010	4,226	1.8%
Change, 1910-2010	—	278.0%
Est. 2015	4,306	1.9%

Source: Borough of Garwood; 2015 ACS, U.S. Census Bureau.

¹ Numbers for the Borough of Garwood 2010 Population vary by source. In this case, the Borough’s statistic of 4,226 persons is used, but is occasionally replaced with the North Jersey Transportation Planning Authority (NJTPA) or 2010 U.S. Census number, based on the rest of the dataset.



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According to the North Jersey Transportation Planning Authority (NJTPA) population forecast, as shown in Table 2, the Borough is expected to have a population of 5,500 in the year 2040, with an annualized percent population change of 0.90% - approximately a 30.0% change overall. Similarly, the number of households is expected to increase from 1,780 in 2010 to 2,310 in 2040 (0.90% annualized change) and employment will increase from 2,070 to 2,650 in 2040 (0.80% annualized change).

TABLE 2 – POPULATION, HOUSEHOLD, AND EMPLOYMENT PROJECTIONS								
Population			Households			Employment		
2010 Population	2040 Population	Annualized % Population Change 2010-2040	2010 Population	2040 Population	Annualized % Change 2010- 2040	2010 Population	2040 Population	Annualized % Change 2010- 2040
4,230	5,500	0.90%	1,780	2,310	0.90%	2,070	2,650	0.80%

Source: NJTPA. <http://www.njtpa.org/data-maps/demographics/forecasts>

Age Distribution

According to the 2010 U.S. Census and 2015 ACS data, as shown in Table 3, the total population has increased slightly, but most significantly among the population under 9 years old and 20 to 24 years old. The population of the age cohorts “Under 5 Years”, “5 to 9 years”, “20 to 24 years”, “35 to 39 years”, “60 to 64 years”, “75 to 79 years”, and “85 years and over” have increased, while all other age cohorts have decreased in population.

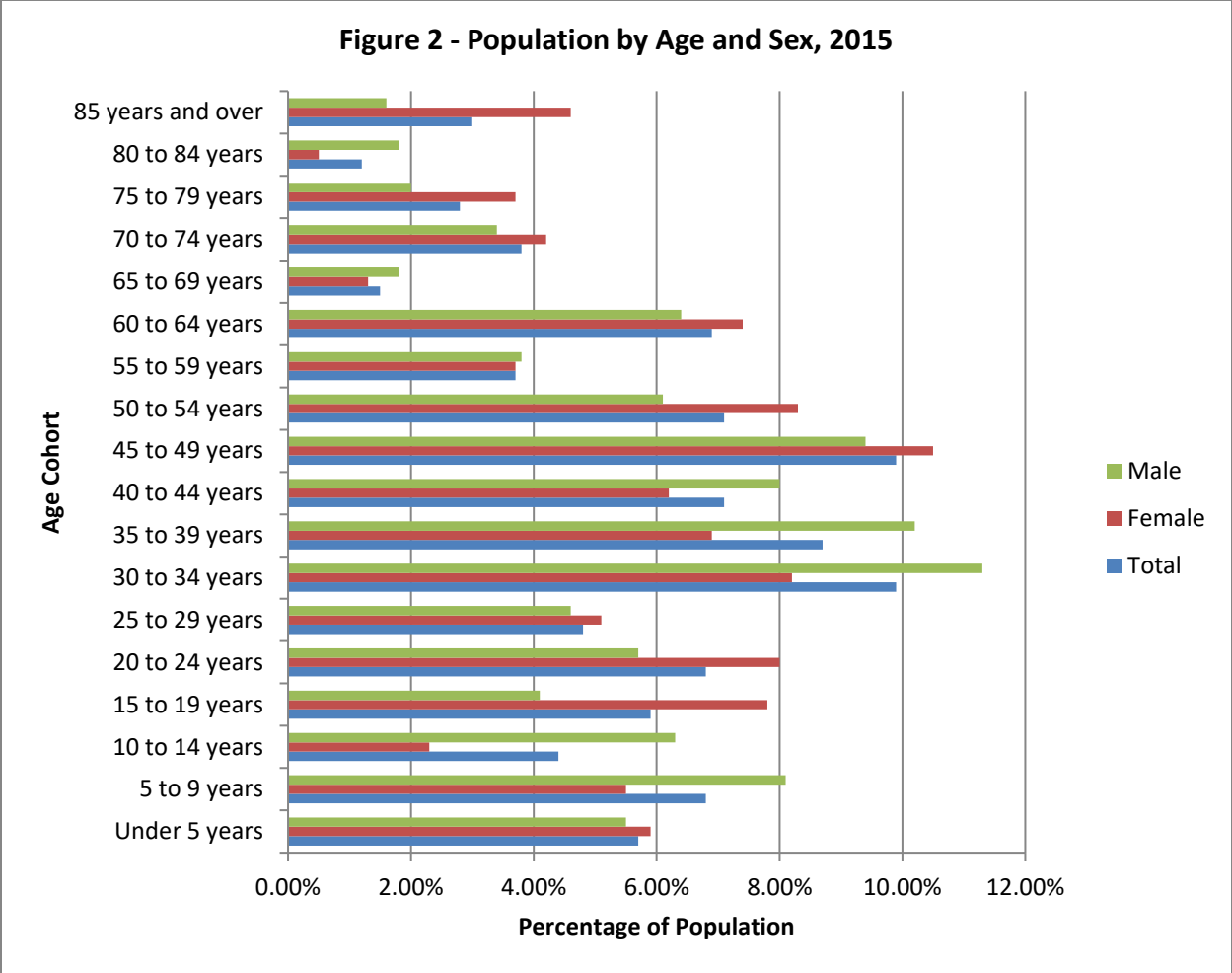
TABLE 3 – POPULATION BY AGE AND SEX						
Age	2010			2015		
	Total	Female	Male	Total	Female	Male
Total population	4,175	2,093	2,082	4,306	2,050	2,256
Under 5 years	2.70%	3.30%	2.00%	5.70%	5.90%	5.50%
5 to 9 years	3.80%	3.00%	4.60%	6.80%	5.50%	8.10%
10 to 14 years	6.30%	5.60%	7.00%	4.40%	2.30%	6.30%
15 to 19 years	6.00%	7.60%	4.40%	5.90%	7.80%	4.10%

20 to 24 years	1.80%	1.10%	2.50%	6.80%	8.00%	5.70%
25 to 29 years	5.00%	3.70%	6.40%	4.80%	5.10%	4.60%
30 to 34 years	10.70%	12.50%	8.80%	9.90%	8.20%	11.30%
35 to 39 years	8.00%	9.80%	6.30%	8.70%	6.90%	10.20%
40 to 44 years	9.90%	7.50%	12.20%	7.10%	6.20%	8.00%
45 to 49 years	12.90%	11.80%	14.00%	9.90%	10.50%	9.40%
50 to 54 years	10.00%	10.80%	9.30%	7.10%	8.30%	6.10%
55 to 59 years	3.90%	3.10%	4.70%	3.70%	3.70%	3.80%
60 to 64 years	2.90%	3.20%	2.50%	6.90%	7.40%	6.40%
65 to 69 years	4.40%	6.00%	2.80%	1.50%	1.30%	1.80%
70 to 74 years	3.80%	2.40%	5.10%	3.80%	4.20%	3.40%
75 to 79 years	2.30%	2.50%	2.10%	2.80%	3.70%	2.00%
80 to 84 years	2.60%	2.40%	2.80%	1.20%	0.50%	1.80%
85 years and over	2.90%	3.50%	2.40%	3.00%	4.60%	1.60%

Source: 2010 U.S. Census; 2015 ACS. U.S. Census Bureau.

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Overall, the female population decreased to 2,050 between 2010 and 2015, while the male population increased to 2,256. The change in population between sexes and age cohorts is inconsistent, but overall, the population of both sexes increased in the age cohorts under 9 years, 20 to 24 years, and 60 to 64 years. The female population increase was concentrated under the age of 29 years and over 55 years, while the male population increase was concentrated below 39 years. Table 3 shows increases in population highlighted in yellow, decreases in red, and stable in gray. Figure 2 below shows a graph of the age distribution of the total population and by sex for the year 2015.



Source: 2010 U.S. Census; 2015 ACS. U.S. Census Bureau.

Housing Characteristics

Table 4 below shows the housing units by tenure and occupancy status for the Borough of Garwood between 2010 and 2015, according to the U.S. Census Bureau. The total number of housing units decreased by 111 units between 2010 and 2015 and the total occupied units decreased by 145 units,

leaving 143 vacant units in 2015 (increase of 34 units). Both the number of owner-occupied and renter-occupied units decreased, as well as the number of vacant units available for rent; whereas units listed as “Other Vacant” increased from 9 to 82.

TABLE 4 – HOUSING UNITS BY TENURE AND OCCUPANCY STATUS	2010	2015
Total Occupied Units	1,778	1,633
Owner Occupied Units	1,120	1,013
Renter Occupied Units	658	620

Total Vacant Units	109	143
Vacant for Rent	71	53
Vacant for Sale	0	8
Rented or Sold, Not Occupied	29	0
For Seasonal, Rec., or Occasional Use	0	0
Other Vacant	9	82
Total Housing Units	1,887	1,776

Source: 2010 U.S. Census; 2015 ACS. U.S. Census Bureau.

The total number of housing units and occupied units decreased between 2010 and 2015 and, similarly, the total number of occupied 1-unit detached, 1-unit attached, 2-unit, and 3- or 4-unit structures – although, the amount of renter-occupied 1-unit detached structures increased. Structures with 50 or more units also decreased from 11 to 0. However, structures with 5 to 49 units increased and were entirely renter-occupied as of 2015. All structures with 3 or 4 units are also entirely renter-occupied. Table 5 below shows the changes in housing units by units in structure and by tenure for 2010 and 2015.

TABLE 5 – HOUSING UNITS BY UNITS IN STRUCTURE										
Unit Type	2010					2015				
	Total Units	Vacant Units	Occupied Units			Total Units	Vacant Units	Occupied Units		
			Total	Owner	Renter			Total	Owner	Renter
Units in Structure	1,918	109	1,809	1,094	715	1,776	143	1,633	1,013	620
1, detached			898	849	49			868	772	96
1, attached			81	55	26			67	57	10
2			567	179	388			460	176	284
3 or 4			180	11	169			92	0	92
5 to 9			27	0	27			66	0	66
10 to 19			0	0	0			18	0	18
20 to 49			45	0	45			54	0	54
50 or more			11	0	11			0	0	0
Mobile home			0	0	0			0	0	0
Boat, RV, van, etc.			0	0	0			0	0	0

Source: 2010 U.S. Census; 2015 ACS. U.S. Census Bureau.

Value of Housing Stock

According to the 2010 U.S. Census and 2015 ACS data, the median value of owner-occupied housing units has fallen -\$37,000 between 2010 and 2015. There are more homes that are valued \$1,000,000 or more (up 17 units from 0), but also more homes valued between \$150,000 and \$299,999 (up by 101

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units). Additionally, the number of homes valued between \$300,000 and \$999,999 has fallen by 12 units. Table 6 below shows the changes in owner-occupied housing units by number of units.

TABLE 6 – VALUE OF OWNER-OCCUPIED HOUSING UNITS		
Value	2010	2015
Less than \$50,000	22	22
\$50,000 to \$99,999	26	9

\$100,000 to \$149,999	0	0
\$150,000 to \$199,999	0	49
\$200,000 to \$299,999	83	135
\$300,000 to \$499,999	842	664
\$500,000 to \$999,999	121	117
\$1,000,000 or more	0	17
Median (dollars)	397,700	360,700

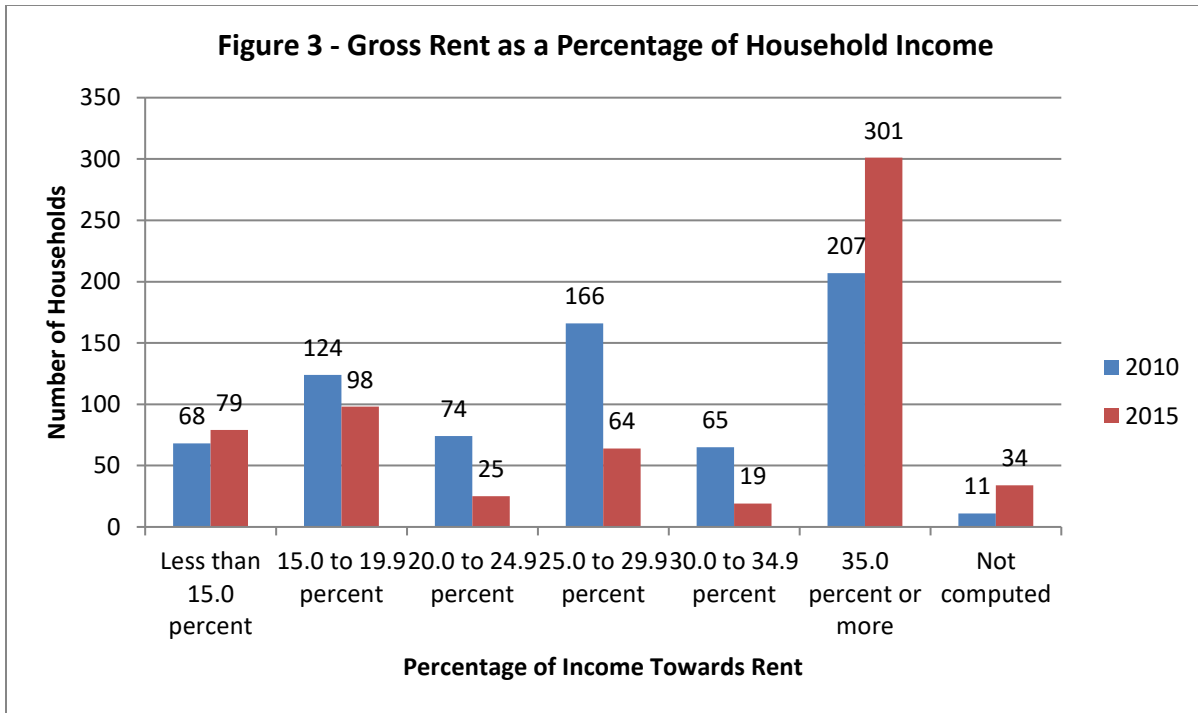
Source: 2010 U.S. Census; 2015 ACS. U.S. Census Bureau.

As there are fewer housing units and fewer occupied housing units, there are also fewer renter-occupied units paying rent in 2015 than in 2010, according to the U.S. Census Bureau. In 2015 there were 586 units paying rent and 34 paying no rent; whereas, there were 704 units paying rent in 2010 and 11 paying no rent. Meanwhile, the median rent has increased from \$1,309 to \$1,400, or 7%, despite the number of units in each rent category decreasing, as shown in Table 7 below.

TABLE 7 – RENT OF RENTER-OCCUPIED UNITS		
GROSS RENT	2010	2015
Occupied units paying rent	704	586
Less than \$500	10	0
\$500 to \$999	70	49
\$1,000 to \$1,499	401	317
\$1,500 or more	223	220
No rent paid	11	34
Median (dollars)	1,309	1,400

Source: 2010 U.S. Census; 2015 ACS. U.S. Census Bureau.

Figure 3 below shows the gross rent as a percentage of household income and the change between the year 2010 and 2015. There was an increase of over 45% of people paying 35% or more of their household income on rent in 2015 (from 207 to 301 households). On the other hand, households paying less than 15% of their income on rent increased and those paying 15% to 34.9% decreased.



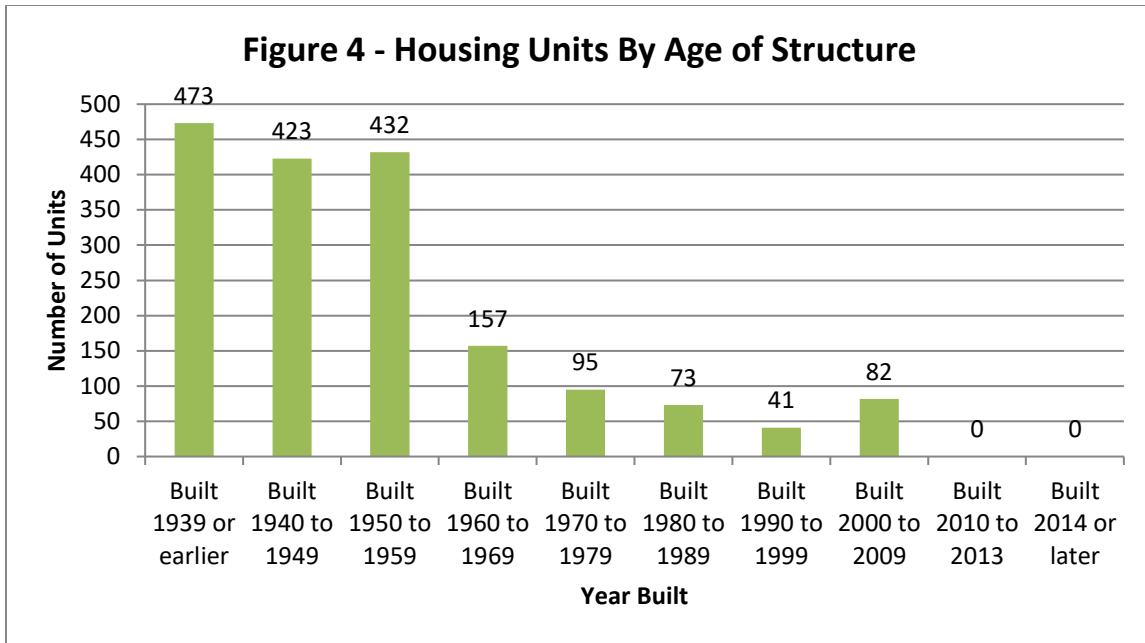
Source: 2010 U.S. Census; 2015 ACS. U.S. Census Bureau.

Condition of Housing Stock

The majority of Garwood’s housing stock – 1,328 of the 1,776 units – was built prior to 1960, according to the U.S. Census Bureau. According to the 2015 ACS, no new units were built between 2010 and 2015. Figure 4 and Table 8 below show the number of housing units by age of structure.

TABLE 9 – HOUSING UNITS BY AGE OF STRUCTURE	
YEAR STRUCTURE BUILT	2015 ESTIMATE
Total housing units	1,776
Built 2014 or later	0
Built 2010 to 2013	0
Built 2000 to 2009	82
Built 1990 to 1999	41
Built 1980 to 1989	73
Built 1970 to 1979	95
Built 1960 to 1969	157
Built 1950 to 1959	432
Built 1940 to 1949	423
Built 1939 or earlier	473

Source: 2015 ACS. U.S. Census Bureau.



Source: 2015 ACS. U.S. Census Bureau.

Table 9 below shows some of the housing unit characteristics in the Borough and the change between 2010 and 2015. The number of occupied housing units with more than one person per room increased from 0 to 34, although units lacking complete plumbing facilities decreased to 0 and units lacking complete kitchen facilities and telephone service also decreased.

TABLE 10 – HOUSING UNIT CHARACTERISTICS		
Type of Structure	2010	2015
Occupied Housing Units	1,809	1,633
Units with more than one person per room	0	34
Lacking complete plumbing facilities	11	0
Lacking complete kitchen facilities	21	8
No telephone service available	71	53

Source: 2015 ACS. U.S. Census Bureau.

Household Type and Size

Table 11 shows the households in the Borough of Garwood by type in 2010 and 2015, including family households, married couple families, female householders with no husband present, nonfamily households, householders living alone, householders 65 years and older, and other households with children under 18 and individuals 65 and over. Since 2010, the number of total households has decreased to 1,633 and the number of family households, married couple families, and nonfamily households has also fallen. However, the number of female householders with no husband present has increased and accounts for 7.7% of household types, households with own children and individuals under 18 years has increased in all cases. In 2010, it was estimated that there were more male householders with no wife than female householder with no husband and there were also more male

householders in that category with children under 18 years than females. However, this reversed in 2015, with 125 female householders with no husband and 79 with children versus 5 males, of which 6 had children under 18 years.

TABLE 11 – HOUSEHOLD BY TYPE				
Household by Type	2010		2015	
	Number	% Total HH	Number	% Total HH
Total Households	1,809	100.0%	1,633	100.0%
Family Households (families)	1,135	62.7%	1,045	64.0%
With own children under 18 years	392	21.7%	518	31.7%
Married-couple family	913	50.5%	862	52.8%
With own children under 18 years	365	20.2%	433	26.5%
Female householder, no husband present	101	5.6%	125	7.7%
With own children under 18 years	8	0.4%	79	4.8%
Nonfamily households	674	37.3%	588	36.0%
Householder living alone	541	29.9%	488	29.9%
Householder 65 years & over	62	3.4%	148	9.1%
Households with individuals under 18 years	703	38.9%	897	54.9%
Households with individuals 65 & over	405	22.4%	400	24.5%

Source: 2010 U.S. Census; 2015 ACS. U.S. Census Bureau.

The average household size and family size in the Borough of Garwood has increased between 2010 and 2015, to 2.64 persons and 3.33 persons, respectively, as shown in Table 12. Between 2010 and 2015, the number of 1-person, 3-person, 4-person, and 7-or-more person owner-occupied households increased, while 2-person and 5-person owner-occupied households decreased. On the other hand, 1-person and 2-person renter-occupied households decreased and 3-to-5 person renter-occupied units increased.

TABLE 12 – HOUSEHOLD SIZE						
Household Size	2010			2015		
	Owner	Renter	Total	Owner	Renter	Total
1-person household	202	339	541	226	262	488
2-person household	484	250	734	265	139	404
3-person household	157	34	191	246	105	351
4-person household	165	80	245	192	96	288
5-person household	86	12	98	70	18	88
6-person household	0	0	0	0	0	0
7-or-more person household	0	0	0	14	0	14
Total	1094	715	1809	1013	620	1633
Average Household Size	2.58	1.89	2.31	2.83	2.32	2.64
Average Family Size			2.94			3.33

Source: 2010 U.S. Census; 2015 ACS. U.S. Census Bureau.

Income Characteristics

According to the U.S. Census Bureau, the median household income has increased only \$1,670 from \$72,254 to \$73,924. As shown in Table 13 below, 20.7% of households in the Borough are earning \$150,000 per year (up 11.4%). The percentage of households earning between \$50,000 and \$149,000

has decreased in each segment of income range. On the other hand, households earning less than \$49,999 have generally increased.

The highest percentage of households earn between \$50,000 and \$74,999 per year (21.7%), followed by \$150,000 or more (20.7%), and \$100,000 to \$149,000 (17.0%).

TABLE 13 – PERCENTAGE OF HOUSEHOLDS BY HOUSEHOLD INCOME		
Income Range	Percentage of Households	
	2010 Census	2015 Estimate
Less than \$5,000	1.80%	0.40%
\$5,000 to \$9,999	0.70%	1.30%
\$10,000 to \$14,999	1.80%	0.00%
\$15,000 to \$19,999	1.90%	2.10%
\$20,000 to \$24,999	6.30%	6.70%
\$25,000 to \$34,999	3.70%	4.10%
\$35,000 to \$49,999	11.50%	14.60%
\$50,000 to \$74,999	23.80%	21.70%
\$75,000 to \$99,999	20.70%	11.40%
\$100,000 to \$149,999	18.50%	17.00%
\$150,000 or more	9.30%	20.70%
Median household income (dollars)	72,254	73,924

Source: 2010 U.S. Census; 2015 ACS. U.S. Census Bureau.

Employment Demographics

The 2010 Census and 2015 ACS data show the estimated employment by industry within the Borough of Garwood, as shown in Table 15. Cells are highlighted yellow to indicate growth, red to indicate a loss, and gray for neutral. This indicates the number of jobs in Garwood, but not necessarily where residents of Garwood are employed. Often, employees of industries may live in neighboring or regional towns and commute to their place of employment. The numbers below show that there has been a loss of employment among the majority of industry sectors in the Borough and the total employment has also decreased since 2010 by 74 jobs.

Losses were recorded in the following sectors: Construction; Wholesale Trade; Retail Trade; Transportation and Warehousing, and Utilities; Information; Finance and Insurance, and Real Estate and Rental and Leasing; Other Services, except Public Administration; and Public Administration; Sales and Office occupations; Natural Resources, Construction, and Maintenance occupations; and Production, Transportation, and Material Moving occupations. The greatest losses in total number jobs were in Sales and Office Occupations with 265 and Natural Resources, Construction, and Maintenance Occupations with 149.

There are a few sectors that have seen an increase in employment in Garwood between 2010 and 2015, which include: Manufacturing; Professional, scientific, and management, and administrative and waste management services; Educational services, and health care and social assistance; Arts, entertainment, and recreation, and accommodation and food services; Management, business, science, and arts occupations; and Service occupations. The largest increase was in the Management, business, science, and arts occupations with 352 added jobs. There remain no jobs in the agriculture industry.

TABLE 15 – EMPLOYMENT BY INDUSTRY		
Industry	2010 Estimate	2015 Estimate
Total:	2,326	2,252
Agriculture, forestry, fishing and hunting, and mining	0	0
Construction	263	100
Manufacturing	190	301
Wholesale trade	126	52
Retail trade	382	221
Transportation and warehousing, and utilities	185	144
Information	82	37
Finance and insurance, and real estate and rental and leasing	184	163
Professional, scientific, and management, and administrative and waste management services	152	302
Educational services, and health care and social assistance	335	529
Arts, entertainment, and recreation, and accommodation and food services	220	248
Other services, except public administration	118	86
Public administration	89	69
Management, business, science, and arts occupations	624	976
Service occupations	337	438
Sales and office occupations	804	539
Natural resources, construction, and maintenance occupations	302	153
Production, transportation, and material moving occupations	259	146

Source: 2010 U.S. Census; 2015 ACS. U.S. Census Bureau.

Table 16 below shows that the total population 16 years and over has remained almost the same between 2010 and 2015, although the percent of the population in the labor force fell by 2.7% to a total of 69.5%. The employment rate fell from 65.8% to 63.7%, despite the fall in the unemployment rate from 8.9% to 8.4%.

TABLE 16 – LABOR FORCE AND EMPLOYMENT, POPULATION 16 YEARS AND OVER				
Year	Total	In labor force	Employed	Unemployment rate
2010	3,534	72.20%	65.8%	8.9%
2015	3,538	69.50%	63.7%	8.4%

Source: 2010 U.S. Census; 2015 ACS. U.S. Census Bureau.

Fair Share Plan

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 (Mt. Laurel I), was reinforced and refined in the second Mt. Laurel decision in 1983 (Mt. Laurel II) and eventually became the basis for the July 2, 1985 Fair Housing Act. This act created the New Jersey Council on Affordable Housing (COAH), a state administrative agency charged with providing a voluntary alternative to the builder's remedy lawsuits authorized by Mt. Laurel .

As part of its initial charge, COAH adopted Substantive Rules (N.J.A.C.5:92 and later N.J.A.C. 5:93)) and Procedural Rules (N.J.A.C.5:91) to guide municipalities seeking to satisfy their affordable housing responsibilities and be insulated from "Mt. Laurel" litigation. These two sets of COAH rules governed two rounds of state estimated low and moderate income housing needs and municipal fair share allocations. The first round covered the years 1987 to 1993, and the second round covered the years 1993 to 1999. New rules were adopted by COAH governing a third round running from January 1, 2004 through December 31, 2014, as well as the obligation generated between 1999 and 2004. These rules were challenged and invalidated by the Appellate Division in 2007. The rules were subsequently amended by COAH and readopted (twice) in 2008. The Borough of Garwood prepared its third round housing element and fair share plan in 2010 and petitioned for substantive certification on March 15, 2010. The submission was never deemed complete.

COAH's second set of 2008 rules was again challenged and invalidated by the Appellate Division in 2010. In 2013, the Supreme Court upheld the Appellate Division's decision and ordered COAH to adopt new valid rules. COAH failed to do this.

On March 10, 2015 the New Jersey Supreme Court removed jurisdiction over affordable housing from COAH and sent it back to the courts. The courts, not COAH, were given the power to determine municipal fair share obligations and to adjudicate municipal compliance with such fair share obligations. Municipalities that had participated in the COAH process were afforded an opportunity to seek a declaration from the trial court as to their compliance with their affordable housing obligations. The Supreme Court established a procedure for the approximately 300 municipalities, including the Borough of Garwood, that had "participating" status with COAH could seek a court declaration that their affordable housing plans are valid. These towns were permitted to submit their amended and supplemented housing elements and fair share plans to the trial courts for review and approval and were to be granted temporary immunity from exclusionary zoning actions during the review period. The Supreme Court had anticipated that this review could be accomplished within a period of five (5) months, but had not anticipated that the application of the prior round methodology, to the establishment of fair share obligations for the third round, would be as contentious as it has turned out to be.

In January of this year, the Supreme Court ruled that the third round affordable housing obligation must include, in addition to the prospective need for 2015-2025, an expanded calculation for the present need or "gap period" between 1999-2015.

This Housing Element and Fair Share Plan (Fair Share Plan) is designed to address the Borough’s housing fair share obligation, inclusive of its rehabilitation share, its prior round obligation, its “gap period” obligation and its third round prospective need obligation. The Plan has been prepared pursuant to the provisions of the Municipal Land Use Law (MLUL), applicable regulations of the Council on Affordable Housing, the Uniform Housing Affordability Controls (N.J.A.C. 5:80-26.1 et seq.) and the Court approved Settlement Agreement between the Borough of Garwood and Fair Share Housing Center.

Fair Share Plan

Garwood had a Prior Round obligation of 19 affordable housing units for 1987-1999 that remains unfulfilled. Fair Share Housing Center’s updated report (May, 2016) calculated a Third Round present and prospective need (new construction) fair share obligation of 194 affordable housing units for the entire period from 1999-2025 and a rehabilitation share of 27 units for Garwood. Based on these numbers, Garwood has a total new construction affordable housing requirement of 213 units spanning the entire 1987-2025 period. The Settlement Agreement between the Borough of Garwood and Fair Share Housing Center (FSHC) embodies a 30% reduction from FSHC’s calculated Third Round obligation of 194 units, to 136 units. This agreed upon third round fair share obligation encompasses the entire new construction obligation for the period from 1999-2025 including both the prospective need (2015-2025 and the present need new construction (1999-2015 or “gap period”) obligation.

Garwood is a fully developed municipality. To document this, the Borough undertook a vacant land analysis which yielded a Realistic Development Potential (RDP) of 0 units, based on vacant land alone.

The Borough then looked at existing affordable housing credits and current redevelopment proposals and has determined that it can meet an RDP yield of 99 units leaving an Unmet Need of 37 units.

Below is the summary narrative of the Borough of Garwood’s Plan to address its Rehabilitation Share, its Prior Round obligation and its 99 unit Third Round RDP and 37 unit Unmet Need.

- **Rehabilitation**
The Borough will participate in the Union County Community Development Block Grant Program Home Improvement Program for the rehabilitation of 27 units. The County’s program is available to owner occupied one and two family dwellings, which could include a rental unit in a two family dwelling.

§ **100% Affordable Housing**
Westfield Senior Housing Complex

Completed in 2014, this senior citizen housing complex consists of 72 apartments of which 71 are available to low and very low income senior citizens. One apartment is retained as a living unit for the site manager. No more than 25% of each period’s affordable housing requirement may consist of affordable senior citizen (age-restricted) housing units.

The Prior Round obligation permits 4 age restricted units (maximum of 25% of 19). The Plan proposes to dedicate 4 of these affordable age-restricted rental housing units to fulfillment of the Prior Round obligation.

The Third Round obligation permits 24 age restricted units (maximum of 25% of the 99 unit RDP). The Plan proposes to dedicate 24 of these affordable age-restricted rental housing units to fulfillment of the Third Round RDP. Up to 9 more units could be used to address the Unmet Need provided each age-restricted unit applied to the Unmet Need is matched by 3 family units addressing the Unmet Need.

A total of 28 age-restricted rental housing units will be dedicated to meeting the Prior Round obligation and the Third Round RDP. This is less than 25% of the combined total of 19 + 99 units or 118 units.

§

Inclusionary Housing

§ South Avenue Redevelopment Project I
400 and 450-90 South Avenue
Block 401, Los 1-5

On October 13, 2015, the Borough of Garwood formally deemed this 5.286 acre site an Area in Need of Redevelopment. A concept plan has been prepared that proposes a 56+ unit/acre development resulting in 298 units of housing. The formal Redevelopment Plan permitting said 298 units will require 30 of these units to be made available as rental units to very low/low/moderate income family households. The plan proposes to allocate 10 of these affordable units and 5 rental bonuses to the Prior Round Obligation. These 15 credits, along with the 4 allocated age restricted rental units, will meet the Borough's Prior Round Obligation of 19 units.

The plan proposes to dedicate the remaining 20 of these affordable units and 20 rental bonuses, a total of 40 credits, to the Third Round RDP.

Municipalities shall designate sites that are available, suitable, developable and approvable, as defined in N.J.A.C. 5:93-1. The subject site is "suitable," as it 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; it is "available," as it has clear title and is free of encumbrances which preclude development for low and moderate income housing; it is "approvable," as 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; and it is a "developable site" as the site has access to appropriate water and sewer infrastructure, and is consistent with the applicable areawide water quality management plan (including the wastewater management plan).

The subject site is located on South Avenue, which has seen significant mixed residential and commercial development along its length starting in the Town of Westfield. It is located in the heart of the Garwood local downtown which consists of mixed commercial/residential uses as well as stand alone commercial uses. In addition, the subject site is located across and to the north of the South Avenue II redevelopment site

on which is proposed an inclusionary residential development and municipal offices/services. It is south of the railroad right-of-way. It is in close proximity to the Garwood train station and approximately 1 mile from the Westfield train station which provides access to a major commuter rail line and parking.

The proposed mixed commercial and residential redevelopment plan is consistent with the forms of existing development.

- South Avenue Redevelopment Project II
423-453 South Avenue and 424-440 Willow Avenue
Block 403, Lots 1-6 and Lots 19-22

The 1.74 acre site was declared an Area in Need of Redevelopment by the Garwood Planning Board. A formal Redevelopment Plan has been prepared that, at 30 units/acre, will result in an inclusionary development of 73 rental apartment units, of which 11 units will be reserved for very low/low/moderate income family households. These units will be rental units and will be dedicated to meeting the Borough's Third Round RDP.

Municipalities shall designate sites that are available, suitable, developable and approvable, as defined in N.J.A.C. 5:93-1. The subject site is "suitable," as it 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; it is "available," as it has clear title and is free of encumbrances which preclude development for low and moderate income housing; it is "approvable," as 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; and it is a "developable site" as the site has access to appropriate water and sewer infrastructure, and is consistent with the applicable areawide water quality management plan (including the wastewater management plan).

The subject site is located on South Avenue, which has seen significant mixed residential and commercial development along its length starting in the Town of Westfield. In addition, the subject site is surrounded by existing single family and two family residential development to its south, the South Avenue I mixed commercial and residential redevelopment site to its north, municipal property to its east and commercial development to its west. The subject site is in close proximity to the Garwood train station and approximately 1 mile from the Westfield train station which provides access to a major commuter rail line and parking. The proposed residential redevelopment plan is compatible with the surrounding development form.

- Garwood Paperboard Redevelopment Site
75 North Avenue
Block 211, Lot 6

On October 13, 2015, the Borough of Garwood formally deemed this 4.5 acre site an Area in Need of Redevelopment. A formal Redevelopment Plan has been negotiated that, at 27 units/acre, will result in an inclusionary development of 124 units of which 14.5% or 18 units will be for affordable housing rental units. Seventeen units will be reserved for very low/low/moderate income family rental households. One two-bedroom unit will be reserved and dedicated for use by two special needs adults. As a result, the total affordable housing units is 19 units.

The Borough proposes to apply these 19 units (17 family very low/low/moderate units and 1 two bedroom unit for 2 special needs individuals) to its Third Round RDP.

Municipalities shall designate sites that are available, suitable, developable and approvable, as defined in N.J.A.C. 5:93-1. The subject site is "suitable," as it 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; it is "available," as it has clear title and is free of encumbrances which preclude development for low and moderate income housing; it is "approvable," as 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; and it is a "developable site" as the site has access to appropriate water and sewer infrastructure, and is consistent with the applicable areawide water quality management plan (including the wastewater management plan).

The subject site is located on North Avenue, which has a significant amount of commercial development and mixed commercial/residential development in the immediate neighborhood. The surrounding neighborhood consists of the railroad right-of-way to its south, commercial uses to its east and west, mixed commercial uses and residential uses to its north. The subject site is less than 1 mile from the Garwood train station and 2 miles from the Westfield train station a major commuter rail line and parking. The proposed residential redevelopment plan is compatible with the surrounding forms of development.

The identification of other sites proposed for inclusionary development that were not included in the Plan and the provision of the Borough's reasons for not including them, , does not apply to Garwood because all sites that were proposed for inclusionary development have been included in this Plan.

Unmet Need

- The Garwood Mall Overlay Zone
300 South Avenue N.J. Transit Site (Block 402, Lot 5)
21 Center Street Garwood Mall Associates Site (Block 1000, Lot 2)

The subject site is a combined 6.628 acre parcel that is presently developed with a strip mall, a large surface parking lot and N.J. Transit property. Block 402, Lot 5 (300 South Avenue) is owned by Garwood Mall Associates and consists of 6.58 acres. Block 1000, Lot 2 (21 Center Street) is owned by N.J. Transit and consists of 0.048 acres. The Borough of Garwood proposes to adopt an affordable housing overlay zone at a density of 20 units/acre. Future redevelopment of the site would result in an inclusionary development of up to 133 units of which 15% or 20 rental units would be reserved for very low/low and moderate income family households

Municipalities shall designate sites that are available, suitable, developable and approvable, as defined in N.J.A.C. 5:93-1. The subject site is “suitable,” as it 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; it is “available,” as it has clear title and is free of encumbrances which preclude development for low and moderate income housing; it is “approvable,” as 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; and it is a “developable site” as the site has access to appropriate water and sewer infrastructure, and is consistent with the applicable areawide water quality management plan (including the wastewater management plan).

The subject site is located on South Avenue, which has seen significant mixed residential and commercial development along its length starting in the Town of Westfield. In addition, the subject site is surrounded by a mixture of one and two family homes, newer mixed commercial/residential development and commercial uses to its south/southeast/southwest, the railroad right-of-way is to the north, commercial development is located to the east and mixed commercial/residential use to the west. The subject site is less than 1 mile from the Garwood train station and approximately 1.5 miles from the Westfield train station a major commuter rail line and parking. The proposed residential redevelopment plan is compatible with the surrounding forms of development.

- Central Business District Zone (CB)

The plan also proposes to address part of the Unmet Need with affordable housing units to be built as a result of the slightly modified as-of-right zoning in the CB-Central Business District Zone. Development will be subject to the Borough’s Mandatory Set Aside Ordinance with a 15% set-aside requirement for rental units reserved for very low/low and moderate income family households.

- Mandatory Set-Aside Ordinance

The Borough has adopted a Mandatory Set-Aside Ordinance which establishes an affordable housing set-aside requirement of 20% (if the affordable units will be for sale) and 15% (if the affordable units will be for rent, to be imposed on any multi-family residential development created through any Borough or Board action involving a rezoning, use variance, density variance, redevelopment plan or rehabilitation plan permitting redevelopment that provides an incentive in the form of an increase in the residential density on the site, which density is at or above six (6) units per acre and results in the construction or creation of five or more new dwelling units. This requirement does not affect the requirements for the production of affordable housing on sites that are zoned for inclusionary development (or for which an inclusionary redevelopment plan has been adopted) pursuant to the Borough's Court-approved Housing Element and Fair Share Plan. This requirement will not give any developer or property owner the right to any such rezoning, variance or other relief, or establish any obligation on the part of the Borough of Garwood to grant such rezoning, variance or other relief, nor does it suggest that a density of six (6) units per acre provides a sufficient financial incentive for inclusionary residential development in all cases. A property will not be permitted to be subdivided to avoid compliance with the mandatory set-aside requirement. All affordable units created by this mechanism shall be family affordable housing units (i.e., not age-restricted).

The above breakdown shows that Garwood will utilize the Union County Community Development Block Grant Rehabilitation Program to address its Rehabilitation Share of 27 units; will meet its entire Prior Round obligation; will meet its Third Round RDP of 99 units and will address its remaining Third Round Unmet Need of 37 units through a variety of development techniques. The following is the summary of Garwood’s affordable housing obligation as detailed in the approved Settlement Agreement between the Borough of Garwood and Fair Share Housing Center:

Fair Share Housing Center Settlement Agreement

• Rehabilitation Share	27	Units
• Prior Round Obligation (1987-1999)	19	Units
• Third Round Obligation (1999-2025)	136	Units (divided into an 99 unit RDP and a 37 unit Unmet Need)
TOTAL NEW CONSTRUCTION OBLIGATION	155	Units
TOTAL REHABILITATION OBLIGATION	27	Units

The following is the summary of Garwood’s Fair Share Plan based on the Court approved Settlement Agreement between the Borough of Garwood and Fair Share Housing Center.

Prior Round Obligation

•	Age Restricted Rental Housing	4	Age-Restricted Rental Units
•	South Avenue Redevelopment I	10 5	Family Rental Units Rental Bonuses
	Total	19	Units/Credits

Third Round RDP

•	Age Restricted Rental Housing	24	Age Restricted Rental Units
•	South Street Redevelopment I	20 20	Family Rental Units Rental Bonuses
•	South Street Redevelopment II	11	Family Rental Units
•	Garwood Paperboard Redevelopment	17 2 5	Family Rental Units Special Needs Rental Bonuses
	Total	99	Units/Credits

GRAND TOTAL 118 UNITS/CREDITS

Garwood has been granted a Vacant Land Adjustment and, as a result, will have an Unmet Need of 37 units. Garwood will address its Unmet Need through the following strategies:

Unmet Need – Potential Yields

•	Central Business Zone District	± 5	Family Rental Units
•	Mandatory Set-Aside Ordinance	± 14	Family Units
•	Garwood Mall Overlay Zone	20	Family Rental Units
•	Age-Restricted Rental Housing	9	Age-Restricted Rental Units
	Total Potential Yields	48	Units

APPENDIX