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Amended Third Round  
Housing Plan Element  
and  
Fair Share Plan

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Borough of Chester  
Morris County, New Jersey

May 2019

Adopted by Land Use Board: May 23, 2019  
Endorsed by Mayor and Council: June 6, 2019

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The original of this report was signed and sealed in accordance with N.J.A.C. 13:41-1.3

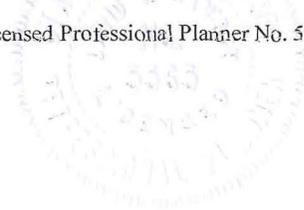


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## **Introduction**

This is Chester Borough's fourth Round 3 Housing Plan Element and Fair Share Plan ("HPE&FSP", "Housing Plan" or the "affordable housing plan"), which has been amended to address Chester Borough's Third Round affordable housing obligations. In accordance with the NJ Supreme Court's March 10, 2015 ruling, entitled, In Re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (2015) (commonly referred to as "Mount Laurel IV"), Chester Borough entered the Court process by filing a declaratory judgment action ("DJ Action") with Morris County Superior Court on July 2, 2015 to bring itself under the jurisdiction of the Court and in order to facilitate voluntary compliance with its Round 3 affordable housing obligations.

At the conclusion of two and one-half years of planning and negotiating in this litigation, Chester Borough resolved its Third Round affordable housing obligations by entering into two settlement agreements: (1) with Larison's Corner, LLC (LC) and Turkey Farms Acquisitions, LLC, ("TF"), collectively referred to as the "Developer", on October 4, 2018; and (2) with Fair Share Housing Center (FSHC), dated 1 November, 2018 (the "Agreement" - Appendix A). The Court Master assigned by the Court prepared a Fairness Report, dated December 10, 2018 with a finding that the settlement agreements adequately addressed the Borough's affordable housing obligations (Appendix B). A Fairness Hearing was held on December 14, 2018 resulting in a finding that both agreements are reasonable and adequately protect the interests of low- and moderate-income persons with the Municipality's housing region based upon the criteria set forth in East/West Venture v. Borough of Fort Lee, 286 N.J. Super. 311 (App. Div. 1996). . In addition, the Court preliminarily found that the Agreement provides a realistic opportunity for the Municipality to meet its obligations under Mount Laurel IV and that the Agreement and the Borough's plan for addressing its affordable housing obligations is facially constitutionally compliant (Fairness Order – Appendix C). This amended Housing Plan Element and Fair Share Plan implements the compliance techniques in the Court-approved FSHC Settlement Agreement.

## **Chester Borough's History Of Voluntary Mount Laurel Compliance**

As demonstrated by the following facts, since former Governor Kean signed the FHA into law on July 2, 1985, Chester Borough has consistently demonstrated its commitment to comply voluntarily through the COAH process with its Mount Laurel obligations:

- On February 21, 1989, Chester Borough obtained First Round substantive certification from the New Jersey Council on Affordable Housing ("COAH") with respect to its first round or first cycle affordable housing obligation.
- On October 1, 1997, the Borough obtained Second Round substantive certification from COAH with respect to its second round or second cycle affordable housing obligation.

- On August 25, 2005, Chester Borough adopted its first Round 3 Housing Plan Element and Fair Share Plan and the Borough petitioned COAH for Round 3 substantive certification under the first iteration of COAH's Third Round rules (N.J.A.C. 5:94-1 et seq. and N.J.A.C. 5:95-1 et seq.) in October 2005.
- Before COAH acted on the Borough's 2005 Round 3 petition for substantive certification, the Appellate Division overturned the Chapter 94 (COAH's first iteration of Round 3 rules) in In re Adoption of N.J.A.C. 5:94 and 5:95, decided on January 25, 2007 and ordered COAH to prepare revised Round 3 rules.
- On May 13, 2010 the Borough Planning Board adopted an amended Round Housing Plan Element and Fair Share Plan (the "2010 HPE & FSP") under the second iteration of COAH's Third Round rules (N.J.A.C. 5:96-1 et seq. and N.J.A.C. 5:97-1 et seq.) and, on June 1, 2010, the Chester Borough Mayor and Council again petitioned COAH for Third Round substantive certification based on the 2010 HPE & FSP.
- Before COAH acted on the Borough's 2010 HPE & FSP and petition for Round 3 substantive certification, the Appellate Division overturned the second iteration of COAH's Third round Rules in In re Adoption of N.J.A.C. 5:96 and 5:97, which was decided on October 8, 2010.
- On September 26, 2013, the NJ Supreme Court's invalidated all COAH's 2008 regulations and COAH again attempted revised rule-making in 2014 with a new proposed Chapter 99 that was intended to cure the deficiencies identified by the Court in 2013, however, COAH never adopted proposed Chapter 99 because the agency's membership deadlocked in a 3-3 vote to approve the revised regulations in October 2014.
- Recognizing that COAH no longer functioned as the Legislature had intended and that there was no longer an administrative remedy available to address the municipal Mount Laurel constitutional obligations, the NJ Supreme Court ruled in March of 2015 that municipalities would have to demonstrate their constitutional compliance with affordable housing obligations in the Courts.
- On July 2, 2015, Chester Borough entered the Court process by filing a declaratory judgment action with the Superior Court in accordance with the procedures set forth by the Supreme Court in March 2015.
- In August 2015, interveners Turkey Farm, LLC and Larison's Corner, LLC (the "Developers") joined the Borough's declaratory judgment action with a proposal to address a portion of the municipal Fair Share.
- On October 4, 2018, Chester Borough entered into a settlement agreement for the interveners to build 36 affordable rental apartments on the Turkey Farm site at the corner of Route 206 and West Main Street.

- On November 1, 2018, Chester Borough entered into a global settlement with Fair Share Housing Center to address the Borough’s Round 3 affordable housing obligations.
- On December 14, 2018, the Honorable Judge Maryann Nergaard entered an order approving the FSHC Settlement Agreement and finding that it was fair and reasonable to low- and moderate-income households.

This amended Housing Plan Element and Fair Share Plan (HPE/FSP) sets forth the manner in which Chester Borough will voluntarily address its third-round affordable housing obligations agreed to by the Mayor and Council and the Fair Share Housing Center (FSHC).

Chester Borough’s affordable housing obligations, settlement agreement with FSHC and this amended "Third Round" Housing Plan to address the Borough’s Round 3 Mount Laurel obligations received Court approval and a conditional judgment of compliance and repose from the Court in an order signed by Judge Nergaard on December 14, 2018 (Appendix C). The approved settlement agreement with FSHC is the basis of this Housing Plan Element and Fair Share Plan.

**Round 3 Affordable Housing Obligations:**

The Round 3 affordable housing obligations agreed to by Chester Borough and FSHC and approved by the Court for Chester Borough are identified, as follows:

Rehabilitation Share	12
Prior Round Obligation pursuant to N.J.A.C. 5:93	16
Third Round (1999-2025) Prospective Need	111

In accordance with the Borough’s November 1, 2018 Fair Share Housing Center Settlement Agreement:

“For the purposes of Chester Borough’s agreement with Fair Share Housing Center, the “Round 3 regional need” (also referenced as the “Third Round Prospective Need”) shall be deemed to include the Gap Period Present Need, which is a measure of households formed from 1999 to 2015 that need affordable housing, that was recognized by the Supreme Court in In re Declaratory Judgment Actions filed by Various Municipalities, 227 N.J. 508 (2017).

Pursuant to N.J.A.C. 5:93-4.2 Chester’s total Round 3 Realistic Development Potential (hereinafter “RDP”) is 66 units as calculated in Exhibit A.” (see pages 25 & 26 for calculation and map)

Realistic Development Potential or RDP, is an adjustment to the municipal affordable

housing obligation that is calculated by identifying available developable land, applying an assumed development density to the amount of available developable land and then applying an assumption that 20% of the total units calculated from that methodology is the RDP for the community. Procedures are established in COAH's regulations, and have been applied to Chester to identify an RDP of 66 affordable housing units for Chester Borough. The affordable housing planning obligation in the Fair Share Plan is to establish a realistic development opportunity to fully address the RDP.

The difference between the affordable housing obligation assigned to the municipality and the RDP is referred to as "Unmet Need". For Chester Borough, the unmet need is 45 (111 affordable units – 66 RDP units). As part of the Borough's Third Round settlement agreement, the Fair Share Plan sets forth additional affordable housing strategies to address a portion of the Unmet Need.

This Plan is Chester Borough's compliance plan to address the three components of affordable housing need identified above and includes additional strategies to address Unmet Need. The Fair Share Plan includes Chester Borough's inventory of existing affordable housing that has been produced during each of the three rounds, including during the period of COAH's third round regulatory uncertainty. New development shall be permitted to address the remaining portions of affordable housing obligation that are not addressed by existing affordable housing units in the Borough.

### **Fair Share Plan**

The Borough's affordable obligations consist of three components of Need: (1) Rehabilitation Obligation, (2) Prior Round Obligation, and (3) Third Round (1999-2025) Prospective Need.

1. **Satisfaction of the Rehabilitation Obligation:** The Borough has a 12-unit rehabilitation obligation, and will work with Morris County Office of Community Development to implement an indigenous need rehabilitation program to address this component of its fair share. Morris County operates a homeowner rehabilitation program funded through Community Development Block Grants funded through U.S. Department of Housing and Urban Development (HUD). The Borough's 12-unit obligation does not appear to be consistent with the condition of the municipal housing stock. Chester Borough conducted a structural conditions survey as provided in Appendix C of N.J.A.C. 5:93-1 et seq, dated May, 2019. The Structural Conditions Survey identified an adjusted Rehabilitation Obligation of 3 rehabilitation units. The Borough will satisfy the rental component of its rehabilitation through the Morris County program or any other program as may be necessary
2. **Satisfaction of the Prior Round Obligation:** The Borough has a 16-unit Prior Round obligation, which is satisfied as follows:

<u>Project</u>	<u>Type</u>	<u>Status</u>	<u>Units or Bedrooms</u>	<u>Bonus</u>	<u>Total</u>	<u>Description</u>
Project Hope	Supportive	Existing	6	4	10	91 Oakdale Road, Block 110, Lot 13
Trematore	Family Rental	Existing	1	-	1	76 Main Street, LLC, Block 129, Lot 9
CASH	Senior Rental	Existing	4	-	4	Chester Area Senior Housing, Corp. ("CASH") (245 Main Street, Block 110, Lot 48; 19-age-restricted apts.
Asdal Development, LLC		Existing	1	-	1	267 Main Street) Block 110, Lot 38; inclusionary apt in 9-unit apt. - 8 market-rate plus one (1) affordable unit.
Total					16	

1. Project Hope, 91 Oakdale Road, Block 110, Lot 13. This is a 6-bedroom special needs and supportive housing group home for the developmentally disabled.
  2. Trematore apartment is owned and operated by 76 Main Street, LLC, on Block 129, Lot 9 at 76 Main Street. This is a mixed-use commercial / residential building. The existing affordable rental apartment is Unit B-1 and is available to LMI households within the region.
  3. "CASH" is an acronym for "Chester Area Senior Housing", which is an existing age-restricted apartment complex comprised of 38 age-restricted apartments located at 245 Main Street on Block 110, Lot 48. The project was constructed as a partnership between Chester Borough and the Township with each of the municipalities eligible to claim credit for 19 of the age-restricted units.
  4. Asdal Development, LLC is Black River Apartments, located at 267 Main Street on Block 110, Lot 38. The apartment complex is age-restricted, however, the affordable apartment is deed restricted and available to LMI households within the region.
3. **Satisfaction of the Total RDP:** The Borough has a 66-unit RDP as calculated in **Exhibit A** and shall satisfy that obligation as follows:

<u>Project</u>	<u>Type</u>	<u>Status</u>	<u>Units or Bedrooms</u>	<u>Bonus</u>	<u>Total</u>	<u>Description</u>
<b>CASH (Senior)</b>	Senior	Existing	15	NA	15	Existing Senior Affordable

<b>TF (Family Rental)</b>	Family Rental	Proposed	36	17	5	Mixed Commercial, Townhomes and Family Affordable Rental at the Turkey Farm and Mill Ridge Site
<b>Little Italian Kitchen</b>	Supportive	Proposed	4	NA	4	Proposed Supportive Housing
<b>Total</b>			55	17	72	

1. CASH – The CASH units are part of an existing 38 age-restricted rental apartment housing complex that is located on Main Street in the Borough. The 15 units to be applied to the Borough’s Third Round Prospective Need are surplus affordable housing units from the Prior Round that will address a portion of the Borough’s Third Round Prospective Need.
2. TF – Family Rental Project                      This project will be constructed at the former Larison’s Turkey Farm site located at the corner of US Route 206 and County Route 513 (West Main Street). The site is made available by the intervener’s in the Borough’s Settlement Agreement for affordable housing and nonresidential development of the site, which consists of approximately 24.5-acres of upland. Approximately 12 acres of the TF site is situated within the NJ Highlands Regional Master Plan (RMP) -designated “Existing Community Zone”, which is a designation that the Highlands Council attaches to land that exhibits clearing and development characteristics that are suitable for new development and redevelopment. The site requires wastewater treatment collection and treatment facilities that the intervenor has pledged to develop through the Borough’s settlement agreement and indicated is developable under NJDEP water quality management plan policies, but for consistency with the Highlands RMP. While the site is not currently designated a sewer service area, Chester Borough is a “conforming” municipality under the NJ Highlands Plan Conformance process and the Borough is pursuing a Highlands Center Designation that will include the TF site, which will establish consistency between RMP policies for development served by centralized wastewater collection and treatment facilities and NJDEP WQMP policies. The Borough has designated the site a Redevelopment Area in accordance with the New Jersey Local Redevelopment and Housing Law (LRHL). By coordinating the various policies and functions of government to facilitate redevelopment including 36 affordable rental units LMI households within the region, the TF site is approvable.
3. Little Italian Kitchen                      This site is .75-acres and primarily upland located at 235 Route 206. It formerly contained a bungalow with a garage that was occupied by the Little Italian Kitchen restaurant. The restaurant went bankrupt, was closed and remained vacant for an extended period of time. The property fell into tax delinquency and was ultimately acquired by the Borough for affordable housing development. During the time the restaurant was closed, the owner prior to the Borough developed a new septic system on the site and new parking with drainage improvements for a commercial use. The Borough cleared the site of the

buildings remaining on site to make the site available to a private, non-profit developer with whom the Borough entered a development agreement to provide the land at no cost and Affordable Housing Trust Fund funding for construction of a two (2) 2-bedroom apartments. The site is suitable for development in view of the existing site improvements and its location adjoining public open space owned by Chester Borough. Local zoning was amended to allow for construction of municipally sponsored, 100% affordable housing development (Sec. 163-79.1) with generous setback and zoning requirements to maximize flexibility to develop the site. A design for the two 2-bedroom apartment building received approval from the Chester Borough Land Use Board in April 2018. Since that time, the private, non-profit developer specializing in housing services to US Veterans had decided to assign its development agreement with the Borough to another experienced developer of housing for US Veterans, “Soldier On, Inc.” that is currently developing housing for US Veterans in New Jersey. The Borough completed a new development agreement with Soldier On and the project has changed slightly from two (2) 2-bedroom apartments to four (4) 1-bedroom apartments – still yielding 4 units of affordable housing credit.

The plan components shown in the above table fully satisfy the minimum and maximum parameters for the Total RDP, inclusive of maximum age-restricted units (25% of RDP less RCAs, of which there are none), minimum rental units (25% including at least half available to families), and maximum rental bonus credits (equal to rental obligation or 25% of the RDP), which is detailed in the table below.

Parameter	Units Provided in Fair Share Plan	
Max. age-restricted (25% - 16 units)	15	15 – CASH units
Min. rental units (25% - 17 units)	55	15 – CASH units 36 – Turkey Farm units 4 – Little Italian Kitchen units
Min. Family rental units (12.5% - 9 units)	36	36 – Turkey Farm units
Max. rental bonuses <sup>1</sup> (25% - 17 bonus)	17	17 – Turkey Farm units

**Addressing the Remaining “Unmet Need”:** This Fair Share Plan calls for Chester Borough to address the 45-unit (111-66=45) remaining portion of its allocation of the Prior Round and Round 3 regional need or “unmet need” through the following mechanisms:

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<sup>1</sup> Under COAH’s Prior Round regulation (NJAC 5:93), a municipality is entitled to one bonus credit per affordable unit up to 25% of its Round 3 obligation, or, in the case of vacant land towns, its RDP. Under this system of bonus credits, rental housing and age-restricted housing generate bonus credits, however, there is a 25% cap on the number of bonus credits that are allowable as credits toward the Municipal obligation. It is noteworthy note that every existing and planned affordable unit in Chester Borough would generate a bonus credit of one type or another were it not for the 25% bonus cap.

a) The Borough's settlement agreement calls for designation of an overlay zone on Block 133, Lot 5, as identified on the Borough's Tax Map (hereinafter the "Chester Mall" Site). This site is 7.25-acres in area and includes a fully developed shopping center, parking and an on-site wastewater treatment plant. The plant discharges to surface water (tributary to the Lamington River) and will require upgrading to accommodate new development. Any affordable units generated by the overlay zoning of this site will be applied towards satisfying "unmet need." The overlay zone (see site map – **Exhibit B**) will permit mixed use and shall permit a residential density of 10 units per acre, with a required affordable housing set-aside of 20 percent, irrespective of whether residential units constructed on the site are rental or for sale (see **Appendix H-1**).

b) In addition, the Borough's settlement agreement calls for adoption of a mandatory affordable housing set aside for all new multifamily and single-family attached residential developments of five (5) units or more at a density of six or more units per acre for developments not specifically referenced in this Fair Share Plan. The mandatory set aside for rental developments shall be fifteen percent (15%) and the set aside for for-sale developments shall be twenty percent (20%). These provisions will only apply to new developments of 5 or more dwelling units at 6 or more dwelling units per acre and will not apply to residential expansions, additions, renovations, replacement, or any other type of residential development (See draft overlay ordinance – **Appendix H-2**).

In accordance with the Borough's settlement agreement with FSHC, the "Borough's RDP shall not be revisited by FSHC or any other interested party absent a substantial changed circumstance and, if such a change in circumstance occurs with the RDP, the Borough shall have the right to address the issue without negatively affecting its continuing entitlement to immunity from all Mount Laurel lawsuits through July 6, 2025." Thus, barring any unforeseen change in circumstances for the Borough, the RDP will remain unchanged through the Third Round.

#### Compliance Parameters and General Requirements

The Borough's settlement agreement with FSHC identifies a series of compliance parameters and general requirements for the Borough's Fair Share Plan. These are standard conditions in all Third Round settlement agreements and are threshold conditions for settlement by the FSHC. The compliance parameters are achieved in the Borough's Fair Share Plan, as follows:

Very low-income (VLI) Requirement: Paragraph 11 of the settlement agreement provides that 13% of all the affordable units referenced in this plan, with the exception of units constructed prior to July 6, 2008, and units subject to preliminary or final site plan approval prior to July 1, 2008, to be very low income units (defined as units affordable to households earning 30 percent or less of the regional median income by household size), with half of the very low income units being available to families.

VL-I Compliance: All existing affordable units in Chester Borough are rental units and were built and occupied prior to the July 6, 2008 date, including:

- (1) Community Hope group home 91 Oakdale Road -Mar 26, 1997,
- (2) the Trematore apartment on Main Street -13 May, 2008,
- (3) CASH, 245 Main Street -Apr 1994, and
- (4) Asdal apartment 267 Main Street -May 22, 2008.

The Borough Fair Share Plan for the Third Round includes the following affordable units:

- (1) CASH units, all of which are low- and very low-income affordable units,
- (2) the “Little Italian Kitchen” group home proposed for 235 Route 206, which will be very low-income housing for US Veteran’s, and
- (3) the Turkey Farm family rental apartments, of which five (5) apartments will be very low-income family rental units.

Bonus credits: Paragraph 12 of the settlement agreement limits Chester Borough to applying “rental bonus credits” in accordance with N.J.A.C. 5:93- 5.15(d), which is bonus credits from 25% of the units addressing the rental obligation. This is documented in the paragraph explaining bonus credits and the table listing bonus credits above.

50% Low- and Very Low-Income Requirement: Paragraph 13 of the settlement agreement requires that “At least 50 percent of the units addressing the Borough’s Third Round Prospective Need shall be affordable to a combination of very-low-income and low-income households, while the remaining affordable units shall be affordable to moderate-income households.” The Borough’s Fair Share Plan identifies a total of 55 units addressing the Third Round Prospective Need, of which the following 37 units are low-income units.

Compliance:

--Turkey Farm Apartments: At least 50% of the 36-units in the Turkey Farm rental apartment project shall be low-income rental apartments (18) units, of which five (5) rental apartments shall be V L-I rental apartments. All apartments will be available to LMI households within the region (i.e. family rental affordable apartments).

--Little Italian Kitchen – US Veteran’s group home – four (4) 1-bedroom apartments: The four 1-bedroom apartments for US Veterans to be constructed by Soldier On, Inc, shall be deed restricted to occupancy by low-income individuals that have been recruited as homeless Veterans within the region, placed in transitional housing where they have received mental and physical healthcare, substance abuse rehabilitation and job training. Prospective tenants will typically be US Veterans in need of permanent housing from the Project Hope transitional housing facility at Lyons VA Hospital campus. The deed restriction on all four of these units will establish a low-income occupancy requirement, however, according to the project sponsor, the occupants’ income will typically fall below the very low-income limit for households within Region 2.

--CASH - The 15 CASH apartments addressing a portion of the Third Round Prospective Share are primarily occupied by elderly persons that meet the very low-

income limits for Region 2 (86% very low-income or 33 of the existing 38 units in the complex).

**Minimum Rental Housing Requirement:** Paragraph 14 of the Borough's settlement agreement requires that "At least twenty-five percent of the Borough's Third Round Prospective Need shall be met through rental units, including at least half in rental units available to families."

**Compliance:**

--25% (17 units) required vs. 100% (55 units) provided. All 55 affordable units in the Borough's amended Third Round Fair Share Plan are rental units.

--12.5% (9 units) required vs. 54% (36 units) provided. A total of 36 Turkey Farm rental apartments will be available to the general public (i.e. families), which accounts for 54% of the 66 unit RDP and 65% of the units addressing the Third Round obligation.

**Family Affordable Unit Requirement:** Paragraph 15 of the Borough's settlement agreement requires that "At least half of the units addressing the Borough's Third Round Prospective Need in total must be available to families."

**Compliance:**

50% (23 units) required (50% of 55 units addressing the Borough's 66 unit RDP) vs. (36 units) provided. 36 affordable rental units available to the general public (family units) are provided in the Borough's Third Round Fair Share Plan.

**25% Age-restricted Unit Cap:** Paragraph 16 of the Borough's settlement agreement with FSHC provides that "The Borough agrees to comply with COAH's Round 2 age-restricted cap of 25 percent, and to not request a waiver of that requirement. This shall be understood to mean that in no circumstance may the Borough claim credit toward its fair share obligation for age-restricted units that exceed 25 percent of all units developed or planned to meet its Prior Round and Third Round fair share obligations."

**Compliance:** 33 units permitted.

--15 CASH age-restricted units are applied to the Borough's 66-unit RDP for the Third Round.

--This is a continuing condition of compliance with Third Round obligations and this maximum of 25% addressing the Third Round obligation cannot be exceeded with other age-restricted units.

### **Mandatory & Statutory Contents of the Housing Plan Element and Fair Share Plan**

- Municipal Land Use Law (N.J.S.A. 40:55D-28b.(3))
- NJ Fair Housing Act (N.J.S.A. 52:27D-310. a. – f.)

At N.J.S.A. 40:55D-28.b(3), the Municipal Land Use Law identifies the following requirements for a Housing Plan Element:

(3) A housing plan element pursuant to section 10 of P.L.1985, c.222 (C.52:27D-310), including, but not limited to, *residential standards and proposals for the construction and improvement of housing*;

The Fair Housing Act at N.J.S.A 52:27D-310, Essential components of a municipality's housing element, states that: "A municipality's housing 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, and shall contain at least:

*(b) A municipal housing 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 and shall contain at least:*

*a. 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; , and in conducting this inventory the municipality shall have access, on a confidential basis for the sole purpose of conducting the inventory, to all necessary property tax assessment records and information in the assessor's office, including but not limited to the property record cards;*

*b. 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;*

*c. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;*

*d. An analysis of the existing and probable future employment characteristics of the municipality;*

*e. A determination of the municipality's present and prospective fair share for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing; and*

*f. 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.*

These mandatory requirements of the M.L.U.L and the Fair Housing Act are addressed in below:

## Inventory of Municipal Housing Units

The primary source of information for the inventory of the Borough's housing stock is the 2010 U.S. Census, with data reflecting conditions in 2010. While many of the datasets used in this analysis reflect the traditional 2010 data, the Census now provides data based on the American Community Survey 1, 3 and 5 year estimates. These sets are used particularly for physical housing characteristics. Because of the new data reporting methods, some differences in table totals may occur.

According to the 2010 Census, the Borough had 600 housing units, of which 559 (93%) were occupied. Table 1 identifies the units in a structure by tenure; as used throughout this Plan Element, "tenure" refers to whether a unit is owner-occupied or renter-occupied. While the Borough largely consisted of one-family, detached dwellings (68% of the total, compared to 66.5% in the County), there were 194 units in attached or multi-family structures. The Borough had a relatively low percentage of renter-occupied units, 23%, compared to 24.1% in Morris County and 36% in the State.

**Table 1: Units in Structure by Tenure**

Units in Structure	Total Units	Vacant Units	Occupied Units		
			Total	Owner	Renter
1, detached	406	14	392	358	34
1, attached	42	0	42	36	6
2	17	0	17	0	17
3 or 4	17	0	17	2	15
5+	66	7	59	0	59
Other	0	0	0	0	0
Mobile Home	52	20	32	31	1
Total	600	41	559	427	132

*Source: 2010 ACS 5 year estimates DP-04 and B25032*

Table 2 indicates the year housing units were built by tenure, while Table 3 compares the Borough to Morris County and the State. The age of Chester's housing stock depicted a fairly new housing stock with 65.8% of the housing built after 1960. Prior to the 1960's, the housing stock showed modest increases between the 1940's and 1950's with 23% of the housing stock was produced prior to the 1940's, depicting the nature of the historic areas within the Borough. Owner-occupied units follow the same pattern as the year structures were built with the majority of owner occupied units being built after the 1970's and prior to 1940. Renter occupied units were typically built after 1960. The presence of an older housing stock is one of the factors which correlates highly with filtering. Filtering is a downward adjustment of housing need which recognizes that the housing requirements of lower-income groups can be served by supply additions to the higher-income sections of the housing market. This trend also reflects the historic nature of the Borough.

**Table 2: Year Structure Built by Tenure**

Year Built	Total Units	% of Total	Vacant Units	Occupied Units		
				Total	Owner	Renter
2000-2010	29	4.8	0	29	23	6
1990 – 1999	107	17.9	13	94	63	31
1980 – 1989	54	9	14	40	35	5
1970 – 1979	116	19.3	0	116	87	29
1960 – 1969	89	14.8	7	82	69	13
1950 – 1959	42	7	0	42	40	2
1940 – 1949	25	4.1	0	25	15	10
Pre-1940	138	23	7	131	95	36

Source: 2010 ACS 5 year estimates DP-04 and B25036

Table 3 compares the year of construction for all dwelling units in the Borough to Morris County and the State. Chester had a larger percentage of units built prior to 1940 than did the State and a smaller percentage of units built between 1940 and 1960 and since 2000.

**Table 3: Comparison of Year of Construction for Borough, County, and State**

Year Built	%		
	Chester Borough	Morris County	New Jersey
2000 – 2010	4.8	8.7	8.4
1990 – 1999	17.8	11.9	8.9
1980 – 1989	9	12.6	11.6
1970 – 1979	19.3	15.4	13
1960 – 1969	14.8	15.8	14.2
1940 – 1959	11.2	21.4	25
Pre-1940	23	14.1	18.9
Median Year	1971	1969	1965

Source: 2010 ACS 5 year estimates DP-04

The 2010 Census documented household size in occupied housing units by tenure, and the number of bedrooms per unit by tenure; these data are reported in Tables 4 and 5, respectively. Table 4 indicates that renter-occupied units generally housed smaller households, with 69% of renter-occupied units having 2 persons or fewer compared to 55% of owner-occupied units. Table 5 indicates that renter-occupied units generally had fewer bedrooms, with 79% having two bedrooms or fewer, compared to 13% of owner-occupied units.

**Table 4: Household Size in Occupied Housing Units by Tenure**

Household Size	Total Units	Occupied Units	
		Owner-occupied Units	Renter-occupied Units
1 person	159	81	78
2 persons	202	176	26
3 persons	75	62	13
4 persons	95	77	18
5 persons	58	48	10
6 persons	16	13	3
7+ persons	10	7	3
Total	615	464	151

Source: 2010 U.S. Census, SF-1.

**Table 5: Number of Bedrooms per Unit by Tenure**

Number of Bedrooms	Total Units	(%)	Occupied Units		
			Total	Owner	Renter
No bedroom	6	1	6	0	6
1 bedroom	95	15.8	81	13	68
2 bedrooms	109	18.2	96	50	46
3 bedrooms	158	26.3	144	132	12
4 bedrooms	207	34.5	207	207	0
5+ bedrooms	25	4.2	25	25	0

Source: 2010 ACS 5 year estimates DP-04 and B25042

Table 6 compares the Borough's average household size for all occupied units, owner-occupied units, and renter-occupied units in 2010 to those of the County and State. The Borough's average household size for owner-occupied occupied units was higher than those of the County and State.

**Table 6: Average Household Size for Occupied Units for Borough, County, and State**

Jurisdiction	All Occupied Units	Owner-occupied units	Renter-occupied units
Chester Borough	2.65	2.90	1.95
Morris County	2.68	2.85	2.25
New Jersey	2.72	2.81	2.43

Source: 2010 ACS 5 year estimates DP-04

The distribution of number of bedrooms per unit is shown in Table 7. The Borough had considerably fewer units with two or three bedrooms and higher four or more than the State and County in 2010.

**Table 7: Percentage of All Units by Number of Bedrooms**

Jurisdiction	None or one	Two or Three	Four or More
Chester Borough	16.8	44.5	39.7
Morris County	15.2	48.7	36.1
New Jersey	17.8	58	24.2

Source: 2010 ACS 5 year estimates DP-04

In addition to data concerning occupancy characteristics, the 2010 Census includes a number of indicators, or surrogates, which relate to the condition of the housing stock. These indicators are used by the Council on Affordable Housing (COAH) in calculating a municipality's deteriorated units and indigenous need. The surrogates used to identify housing quality, in addition to age (Pre-1940 units in Table 2), are the following, as described in COAH's rules.

Persons per Room	1.01 or more persons per room is an index of overcrowding.
Plumbing Facilities	Inadequate plumbing is indicated by either a lack of exclusive use of plumbing or incomplete plumbing facilities.
Kitchen Facilities	Inadequate kitchen facilities are indicated by shared use of a kitchen or the non-presence of a sink with piped water, a stove, or a refrigerator.

Table 8 compares the Borough, County, and State for some of the above indicators of housing quality. The Borough had no overcrowding but more inadequate kitchens than the County and State.

**Table 8: Housing Quality for Borough, County, and State**

Condition	%		
	Chester Borough	Morris County	New Jersey
Overcrowding <sup>2</sup>	0	1.2	3.7
Inadequate plumbing <sup>2</sup>	2	.4	.5
Inadequate kitchen <sup>2</sup>	2	.8	.8

Notes: <sup>1</sup>The universe for these factors is occupied housing units.

<sup>2</sup>The universe for these factors is all housing units.

Source: 2010 ACS 5 year estimates DP-04

The last factors used to describe the municipal housing stock are the assessed housing values and gross rents for residential units. In 2010, the median residential housing value was \$523,100 (Table 9) with most of the Borough's housing stock falling in the \$500,000 to \$999,999 price range.

**Table 9: Value of Residential Units**

Value	Number	%
Less than \$50,000	30	7
\$50,000 to \$99,999	17	4
\$100,000 to \$149,999	0	0
\$150,000 to \$199,999	3	.7
\$200,000 to \$299,999	19	4.4
\$300,000 to \$499,999	132	30.9
\$500,000 to \$999,999	212	49.6
\$1,000,000 or more	14	3.3
Median (dollars)	\$523,100	

*Source: 2010 ACS 5 year estimates DP-04*

Table 10 indicates that in 2010 the majority of renter-occupied units rented more than \$1,000 a month.

**Table 10: Gross Rents for Specified Renter-Occupied Housing Units**

Contract Monthly Rent	Number	%
Less than \$200	6	4.7
\$200 to \$299	9	7
\$300 to \$499	17	13.2
\$500 to \$749	23	17.8
\$750 to \$999	6	4.7
\$1,000 to \$1,499	41	31.8
\$1,500 or more	27	20.9
No Cash Rent	3	0
Median (contract rent)	\$1,063	

*Source: 2010 ACS 5 year estimates DP-04*

The data in Table 11 indicate that in 2010 there were 50 households earning less than \$35,000 annually. A figure of 30% is considered the limit of affordability for housing costs.

**Table 11: Household Expense in 2010 by as a Percentage of Household Income in 2010**

Income	Number of Households	Less than 30%	More than 30%
< \$10,000	8	0	8
\$10,000 – 19,999	18	3	15
\$20,000 – 34,999	24	2	22
\$35,000 - \$49,999	33	14	19
\$50,000 - \$74,999	45	27	18
\$75,000 - \$99,999	28	8	20
\$100,000+	271	212	59

*Note:* <sup>1</sup>The universe for this Table is specified occupied housing units.  
*Source:* 2010 ACS 5 year estimates C25095

### **Analysis of Demographic Characteristics**

As with the inventory of the municipal housing stock, the primary source of information for the analysis of the demographic characteristics of the Borough's residents is the 2010 U.S. Census. The Census data provide a wealth of information concerning the characteristics of the Borough's population in 2010.

The 2010 Census indicates that the Borough had 1,649 residents, or 14 more residents than in 2000, representing a population increase of approximately 1%. The Borough's 1% increase in the 2000's compares to a 5% increase in Morris County and an 4% increase in New Jersey.

The age distribution of the Borough's residents is shown in Table 12. There is a larger male population in the 20-34 age range with female predominance in the remaining categories.

**Table 12: Population by Age and Sex**

Age	Total Persons	Male	Female
0 – 4	83	43	40
5 – 19	395	196	199
20 – 34	174	96	78
35 – 54	490	242	248
55 – 69	308	150	158
70 +	199	87	112
Total	1,649	814	835

Source: 2010 U.S. Census, SF-1.

Table 13 compares the Borough to the County and State by age categories. The principal differences among the Borough, County, and State occur in the 70+ age categories where the Borough had a smaller proportion than the State. The Borough had fewer persons in the 0-4 and 20-34 age category, than the County and State.

**Table 13: Comparison of Age Distribution for Borough, County, and State (% of persons)**

Age	Chester Borough	Morris County	New Jersey
0 - 4	5	5.6	6.2
5 - 19	23.9	20.5	19.9
20 - 34	10.5	15.3	18.8
35 - 54	29.8	32	29.8
55 - 69	18.7	16.9	15.9
70 +	12.2	9.6	36.5
Median	43.1	41.3	39

Source: 2010 U.S. Census, SF-1.

Table 14 provides the Census data on household size for the Borough, while Table 15 compares household sizes in the Borough to those in Morris County and the State. The Borough differed from the County and State in terms of the distribution of household sizes by having fewer households of three or four persons and more one or two person households than the County and State.

**Table 14: Persons in Household**

Household Size	Total Units
1 person	159
2 persons	202
3 persons	75
4 persons	95
5 persons	58
6 persons	16
7+ persons	10
Total	615

Source: 2010 U.S. Census, SF-1.

**Table 15: Comparison of Persons in Household for Borough, County, and State  
(% of households)**

Household Size	Borough	County	State
1 person	25.9	23.5	25.2
2 persons	32.8	30.6	29.8
3 persons	12.2	17.2	17.4
4 persons	15.4	17.6	15.7
5 persons	9.4	7.5	7.2
6 persons	2.6	2.3	2.7
7 or more persons	1.6	1.2	1.9
Persons per household	2.65	2.68	2.68

*Source: 2010 U.S. Census, SF-1.*

Table 16 presents a detailed breakdown of the Borough's population by household type and relationship. There were 1,427 persons in family households in the Borough and 203 persons in non-family households; a family household includes a householder living with one or more persons related to him or her by birth, marriage, or adoption, while a non-family household includes a householder living alone or with non-relatives only.

**Table 16: Persons by Household Type and Relationship**

	Total
<b>In family Households:</b>	<b>1427</b>
Spouse	369
Child	528
<b>In Non-Family Households:</b>	<b>203</b>
Male householder:	68
Living alone	59
Not living alone	9
Female householder:	109
Living alone	100
Not living alone	9
<b>In group quarters:</b>	<b>19</b>
Institutional	0
Non-institutional	19

*Source: 2010 U.S. Census, SF-1.*

Table 17 provides 2010 income data for the Borough, County, and State. The Borough's per capita and median incomes were higher than those of the State and County.

**Table 17: 2009 Income for Borough, County, and State**

Jurisdiction	Per Capita Income	Median Income	
		Households	Families
Chester Borough	\$51,728	\$101,705	\$144,911
Morris County	\$48,814	\$98,633	\$117,683
New Jersey	\$36,027	\$71,629	\$87,347

*Source: 2010 U.S. Census ACS 5 Year Estimates DP-03*

Table 18 addresses the lower end of the income spectrum, providing data on poverty levels for persons and families in 2010. According to the data in Table 18, the Borough had proportionately fewer persons qualifying for poverty status than the State or County.

**Table 18: Poverty Status for Persons and Families for Borough, County, and State (% with 2010 income below poverty)**

Jurisdiction	Persons (%)	Families (%)
Chester Borough	3.8	.7
Morris County	4.4	3.0
New Jersey	10.4	7.9

*Source: 2010 ACS 5 year estimates DP-03*

The U.S. Census includes a vast array of additional demographic data that provide insights into an area's population. For example, Table 19 provides a comparison of the percent of households who moved into their current residents in 1999; this is a surrogate measure of the mobility/stability of a population. The data indicate that the percentage of the year 2010 Borough residents residing in the same house as in 1999 exceeded that of the State but not the County.

**Table 19: Comparison of Place of Residence for Borough, County, and State**

Jurisdiction	Percent living in same house in 1999
Chester Borough	43.4
Morris County	44.8
New Jersey	40.2

*Source: 2010 ACS 5 year estimates DP-04*

Table 20 compares the educational attainment for Borough, County, and State residents over age 25. The data indicate that more Borough residents achieved a high school diploma or higher or a bachelor's degree or higher than the County and State.

**Table 20: Educational Attainment for Borough, County, and State Residents  
(Persons 25 years and over)**

Jurisdiction	Percent (%) high school graduates or higher	Percent (%) with bachelor's degree or higher
Chester Borough	94.2	56.3
Morris County	93.5	50
New Jersey	88.1	35.8

*Source: 2010 ACS 5 year estimates DP-02*

The 2010 Census also provides data on the means of transportation which people use to reach their place of work. Table 22 compares the Census data for the Borough, County, and State relative to driving alone, carpooling, using public transit, and using other means of transportation. The Borough had a relatively high percentage of those who drive alone, and a relatively low percentage of workers who carpool or use public transit. Of the 15.3% of workers who resided in the Borough and used other means of transportation to reach work, 61 workers worked from home.

**Table 21: Means of Transportation to Work for Borough, County and State Residents  
(Workers 16 years old and over)**

Jurisdiction	Percent who drive alone	Percent in carpools	Percent using public transit	Percent using other means
Chester Borough	72.3	7.9	4.5	15.3
Morris County	79.3	8.2	4.6	8
New Jersey	71.9	8.4	10.8	8.9

*Source: 2010 ACS 5 year estimates DP-03*

The 2010 Census also provided information on resident employment by industry. The most predominate industry of Borough residents is education and health care services followed by professional, scientific and management sector employment.

**Table 22: Employment by Industry**

Industry	Persons	%
Civilian employed population 16 years and over	717	
Agriculture, forestry, fishing and hunting, and mining	6	.8
Construction	23	3.2
Manufacturing	83	11.6
Wholesale trade	22	3.1
Retail trade	80	11.2
Transportation and warehousing, and utilities	11	1.5
Information	33	4.6
Finance and insurance, and real estate and rental and leasing	66	9.2
Professional, scientific, and management, and administrative and waste management services	90	12.6
Educational services, and health care and social assistance	149	20.8
Arts, entertainment, and recreation, and accommodation and food services	103	14.4
Other services, except public administration	35	4.9
Public administration	16	2.2

Source: 2010 ACS 5 year estimates DP-03

The employment rate, according to the 2010 census shows that the Borough had a higher percentage of people in the labor force than the State, as well as higher employment of those in the labor force than the State.

**Table 23: Labor Force and Employment**

Jurisdiction	Percent in Labor Force	Employed	Unemployed
Chester Borough	67.4	62.6	4.8
Morris County	69.2	64.1	5.1
New Jersey	66.6	59.7	6.7

Source: 2010 ACS 5 year estimates DP-03

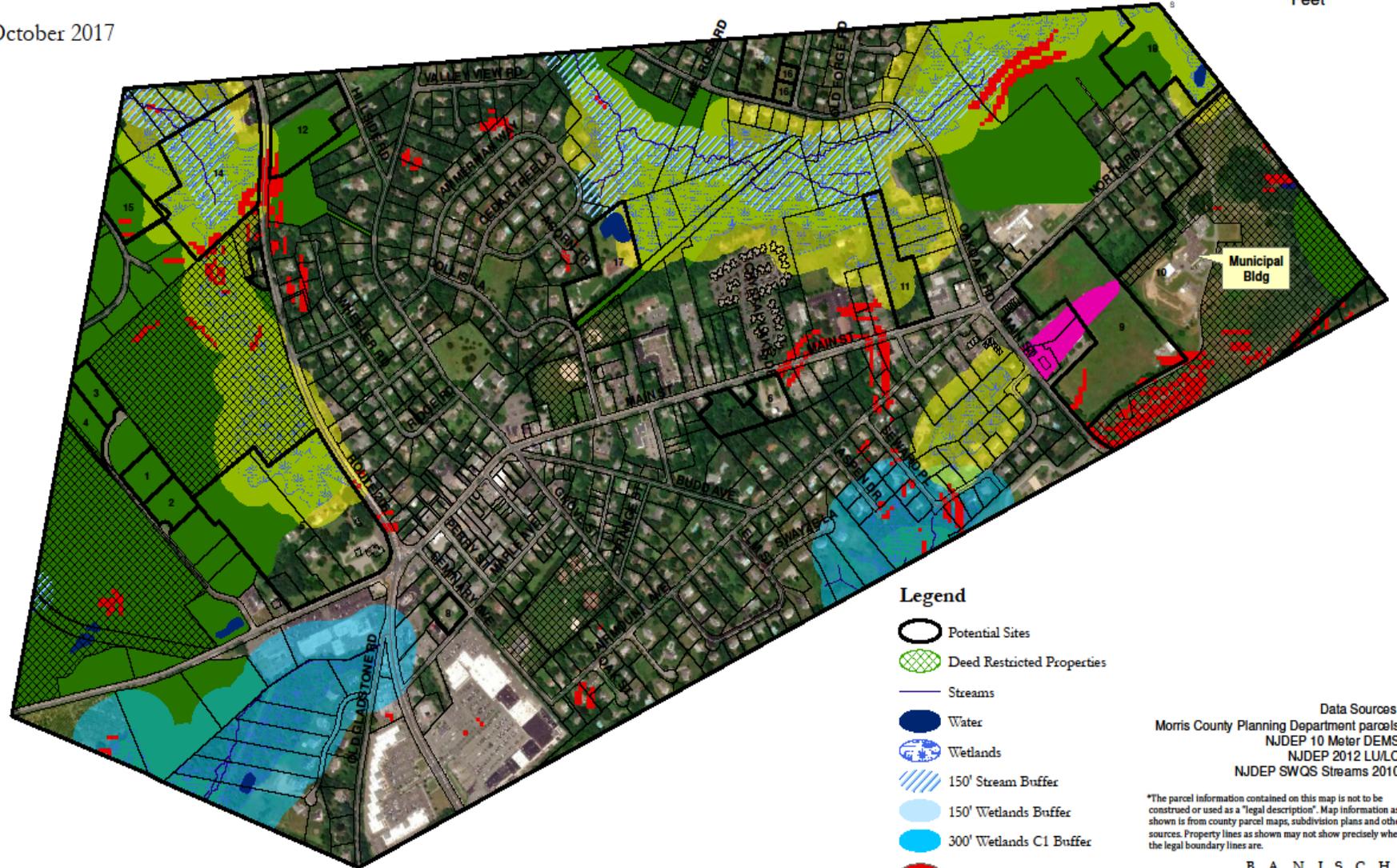
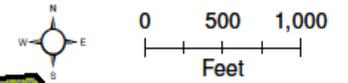
**EXHIBIT A**

<p align="center"><b>Vacant Land Adjustment - Chester Borough's RDP Calculation -</b></p>						
Parcel ID	Bl./Lot / Name	Gross Acres	Combined Constrained Areas -Ac.	Unconstrained Acres	Density	FSHC & Boro
#1 - #4	110/ Lots 12.07, .08, .10, .11 (Mill Ridge Lane)	8.6	3.78	4.82	8	38.56
#5	110/ Lots 13, 14, 15 & 16 (Turkey Farm)	24	10.7	13.3	8	106.4
#6	119/8 - 300 Main St. Boro-old mun. bldg.	1.95	0.02	1.93	6	11.58
7	119 / 6 -280 Main St. (Braemar at Chester, LLC)	2.55	0	2.55	6	15.3
8	131 / 4 -65 Maple (Meenan Oil)	1.07	0	1.07	6	6.42
#9	119/6 (Borough/Lucent polluted tract)	18.94	1.77	17.17	6	103.02
#10	119/17 (Boro mun.bldg & open space)	56.39	53.5	2.89	6	17.34
11	110/28 -437 Main St. (Chester Realty, LLC)	4.87	4.87	2.24	6	13.44
14	101/9 -313 Rte. 206 (Storms)	15.64	15.64	0	6	0
16	Block 112, Lots 3,4 & 5 (Grace Bible Chapel)	4.16	3.20	.9613	6	5.7678
17	Block 110, Lot 57 (Roskum)	5.6	3.75	1.85	6	11.1
				Total units on RDP sites:		328.927 8
					RDP	<b>65.785 Or 66</b>

Vacant Land and Exclusions as per N.J.A.C. 5:93-4.2  
 Chester Borough, Morris County

ATTACHMENT A

October 2017



- Legend**
- Potential Sites
  - Deed Restricted Properties
  - Streams
  - Water
  - Wetlands
  - 150' Stream Buffer
  - 150' Wetlands Buffer
  - 300' Wetlands C1 Buffer
  - Slopes greater than 15%
  - CEA plume

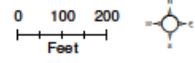
Data Sources:  
 Morris County Planning Department parcels  
 NJDEP 10 Meter DEMS  
 NJDEP 2012 LU/LC  
 NJDEP SWQS Streams 2010

\*The parcel information contained on this map is not to be construed or used as a "legal description". Map information as shown is from county parcel maps, subdivision plans and other sources. Property lines as shown may not show precisely where the legal boundary lines are.

**BANISCH**  
 ASSOCIATES, INC.  
 Planning and Design

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Exhibit B  
Unmet Need Overlay Zone  
Block 133, Lot 5  
Borough of Chester



November 2018



Legend

 Block 133, Lot 5

Data Sources:  
Morris County Planning Department parcels

\*The parcel information contained on this map is not to be construed or used as a "legal description". Map information is derived from Morristown's parcel maps, which include other information. Property lines are shown only and do not necessarily reflect the legal boundary lines.

**R. A. NISCH**  
Planning and Design