

Housing Element  
and  
Fair Share Plan

Roseland Borough  
Essex County

**Adopted : June 19, 2006**

**Housing  
Element**

**Roseland Borough  
Essex County**

**RESOLUTION OF THE PLANNING BOARD OF THE BOROUGH OF  
ROSELAND, COUNTY OF ESSEX, NEW JERSEY ADOPTING MASTER  
PLAN - HOUSING ELEMENT AND FAIR SHARE PLAN PURSUANT TO  
N.J.S.A. 40:55D-1, ET SEQ.**

**WHEREAS**, the Planning Board of the Borough of Roseland, County of Essex, State of New Jersey (hereinafter "Planning Board"), had previously adopted its current Master Plan pursuant to N.J.S.A. 40:55D-28; and

**WHEREAS**, the Master Plan includes a Housing Element pursuant to N.J.S.A. 40:55D-28b(3); and

**WHEREAS**, N.J.A.C. 5:94-2.2(a) requires the adoption of the Housing Element by the Planning Board and endorsement by the Governing Body; and

**WHEREAS**, N.J.A.C. 5:94-4.1(a) requires the preparation of a Fair Share Plan in accordance with the Housing Element of the Master Plan; and

**WHEREAS**, N.J.A.C. 5:94-4.1(b) requires the adoption of the Fair Share Plan by the Planning Board and endorsement by the Governing Body; and

**WHEREAS**, upon notice duly provided pursuant to N.J.S.A. 40:55D-13, the Planning Board held a public hearing on the Housing Element and Fair Share Plan on even date hereof; and

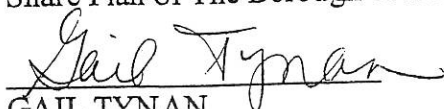
**WHEREAS**, the Planning Board has determined that the Housing Element and Fair Share Plan are consistent with the goals and objectives of the Borough of Roseland's Master Plan as adopted on the date hereof and that adoption and implementation of the Housing Element and Fair Share Plan are in the public interest and protect public health and safety and promote the general welfare.

**NOW THEREFORE BE IT RESOLVED** by the Planning Board of the Borough of Roseland, County of Essex, State of New Jersey, that it hereby adopts the Housing Element and Fair Share Plan, attached hereto and made a part hereof.



\_\_\_\_\_  
LOUIS LASALLE  
Chairman

I hereby certify that this is a true copy of the resolution adopting the Housing Element and Fair Share Plan of The Borough of Roseland, Planning Board, on June 19, 2006.

  
GAIL TYNAN  
Planning Board Secretary

RESOLUTION #175-2006

GOVERNING BODY RESOLUTION PETITIONING WITH AN ADOPTED  
HOUSING ELEMENT AND FAIR SHARE PLAN

**WHEREAS**, the Planning Board of the Borough of Roseland, Essex County, State of New Jersey, adopted the Housing Element of the Master Plan on June 19, 2006; and

**WHEREAS**, a true copy of the resolution of the Planning Board adopting the Housing Element is attached pursuant to N.J.A.C. 5:95-2.2(a)2; and

**WHEREAS**, the Planning Board adopted the Fair Share Plan on June 19, 2006; and

**WHEREAS**, a true copy of the resolution of the Planning Board adopting the Fair Share Plan is attached pursuant to N.J.A.C. 5-95-2.2(a)2.

**NOW, THEREFORE BE IT RESOLVED** that the Governing Body of the Borough of Roseland, Essex County, State of New Jersey, hereby endorses the Housing Element and Fair Share Plan as adopted by the Borough of Roseland Planning Board; and

**BE IT FURTHER RESOLVED** that the Governing Body of the Borough of Roseland pursuant to the provisions of N.J.S.A. 52:27D-301 et seq. and N.J.A.C. 5:95-3.2, submits this petition for substantive certification of the Housing Element and Fair Share Plan to the Council on Affordable Housing for review and certification; and

**BE IT FURTHER RESOLVED** that a list of names and addresses for all owners of site in the Housing Element and Fair Share Plan has been included with the petition; and

**BE IT FURTHER RESOLVED** that notice of this petition for substantive certification shall be published in a newspaper of countywide circulation pursuant to N.J.A.C. 5:95-3.5 within seven days of issuance of the notification letter from the

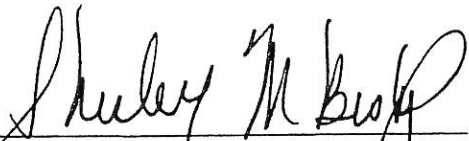


## PLANNING BOARD

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  - Richard Reynolds
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  - Steven G. Levenson, Mayor's Alternate
- Attorney: George T. Hanley, Esq.
  - Secretary: Gail Tynan

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  - Richard Reynolds
  - Michele Bucci
  - Diane V. Christiana
  - John Derites
  - Michele Tolli
- Attorney: David I. Fox, Esq.
  - Administrator: Thomas Kaczynski



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It is certified that all copies of this document are in conformance with the one signed and sealed by Shirley M. Bishop, P.P.

Prepared by:  
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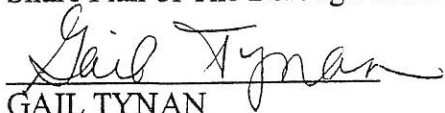
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Chairman

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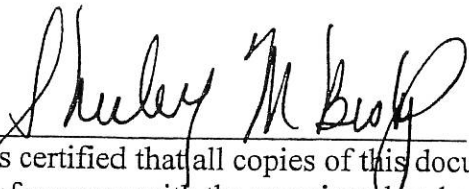
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**ROSELAND BOROUGH/ESSEX COUNTY  
HOUSING ELEMENT**

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**ROSELAND BOROUGH/ESSEX COUNTY  
HOUSING ELEMENT**

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ROSELAND BOROUGH  
ESSEX COUNTY

HOUSING ELEMENT

PREFACE

The Borough of Roseland in Essex County is bounded by West Caldwell and Essex Falls to the north, by West Orange on the east and by Livingston to the south. All are located in western Essex County. East Hanover in Morris County forms the border to the west. The borough consists of approximately 3.66 square miles or 2,344.48 acres.

Until the late 1950s, Roseland remained a small rural town. However, with the development of approximately 1,000 to 1,200 acres of the Becker Farm after 1964, Roseland is now the center of several large corporate office complexes.

Roseland had a population of 5,298 in 2000 and boasts an elementary school, a public works building, a library, the latest fire fighting equipment and a popular recreation center.

A municipality's Housing Element must be designed to achieve the goal of providing affordable housing to meet the total 1987-2014 affordable housing need comprised of estimated growth share, the remaining balance of Prior Round Obligation from Roseland's 1987-1999 affordable housing obligation that has not been addressed (if any) and the rehabilitation share. The regulations of the Council on Affordable Housing (COAH), N.J.A.C. 5:94 et seq. delineate a municipality's strategy for addressing its present and prospective housing needs, and, as such, each municipality's Housing Element must contain the following:

1. 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;
2. A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for the six years subsequent to the adoption of the housing element, taking into account, but not necessarily limited to, construction permits issued, approvals for development and probable residential development of lands;
3. An analysis of the municipality's demographic characteristics, including, but not limited to, household size, income level and age;
4. An analysis of the existing and probable future employment characteristics of the municipality;

5. 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;
6. 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;
7. A map of all sites designated by the municipality for the production of low and moderate income housing and a listing of each site that includes its owner, acreage, lot and block;
8. The location and capacities of existing and proposed water and sewer lines and facilities relevant to the designated sites;
9. Copies of necessary applications for sewer service and water quality management plans submitted pursuant to Sections 201 and 208 of the Federal Clean Water Act, 33 U.S.C. §1251, et seq.;
10. A copy of the most recently adopted municipal master plan, and where required, the immediately preceding, adopted master plan;
11. For each designated site, a copy of the New Jersey Freshwater Wetlands map where available. When such maps are not available, municipalities shall provide appropriate copies of the National Wetlands Inventory maps provided by the U.S. Fish and Wildlife Service;
12. A copy of appropriate United States Geological Survey Topographic Quadrangles for designated sites; and
13. Any other documentation pertaining to the review of the municipal housing element as may be required by the Council.

## I. INVENTORY OF HOUSING STOCK

### A. Age

More than 63 percent of Roseland's housing stock was built after 1960. Roseland has a total housing stock of 2,187 units. The median year that a structure was built in Roseland was 1968 according to the 2000 census.

**TABLE 1**

**Age of Housing Units**

<b><u>Dates of Construction</u></b>	<b><u>Structures</u></b>	<b><u>Percent of Total</u></b>
1939 or earlier	266	.12
1940 - 1949	209	.10
1950 - 1959	316	.14
1960 - 1969	396	.18
1970 - 1979	464	.21
1980 - 1989	220	.10
1990 - March 2000	316	.14
<b>TOTAL UNITS</b>	<b>2,187</b>	<b>.99*</b>

Source: 2000 Census of Population and Housing

\* Does not add up due to rounding

Units built before 1939 and contain 1.01 or more persons per room are highly correlated with substandard housing indicators. This is an index utilized by COAH in determining the rehabilitation share. In Roseland, there was minimal overcrowding and all units had complete kitchen facilities. This is generally an important indicator in calculating Roseland's rehabilitation share and explains why Roseland's rehabilitation share is zero.

### B. Condition

Rehabilitation Share is the total deficient housing signaled by selected housing unit characteristics unique to each community. It is assumed that units so indicated will be prime candidates for rehabilitation. Characteristics indicating a need for rehabilitation are:

- (1) Persons per Room. 1.01 or more persons per room in housing units built 1939 or before. These are old units that are overcrowded.
- (2) Plumbing Facilities. Inadequate plumbing sufficient for rehabilitation is indicated by incomplete plumbing facilities, i.e., lack of hot and cold piped water, flush toilet or bathtub/shower.

- (3) Kitchen Facilities. Inadequate kitchen facilities signaling rehabilitation are indicated by the non-presence of kitchen facilities within the unit, or the non-presence of one of three components: a sink with piped water, a stove or a refrigerator.

These characteristics of deficient housing are nationally recognized indicators of housing inadequacy. Each one properly identified and not double-counted or multiplied is enough to signal the call for unit rehabilitation. This is true not solely because the characteristic specified is itself debilitating but rather signals a unit that is either old or missing a basic component of normal housing services. These characteristics exist at the municipal level, are reported by the U.S. Census such that they can be isolated and not over counted, and individually indicate the need for structure rehabilitation.

The age of Roseland's housing stock has been presented in Table 1. Tables 2 through 4 address the other surrogates of deficient housing.

**TABLE 2**

**Persons Per Room**

<b>Persons Per Room</b>	<b>Occupied</b>	<b>Owner Occupied</b>	<b>Renter Occupied</b>
1.01 to 1.50	18	10	8
1.51 to 2.00	10	0	10
2.01 or more	0	0	0
<b>TOTAL</b>	<b>28</b>	<b>10</b>	<b>18</b>

Source: 2000 Census of Population and Housing

**TABLE 3**

**Plumbing Facilities**

Complete plumbing facilities	2,179
Lacking complete plumbing facilities	8

Source: 2000 Census of Population and Housing

**TABLE 4**

**Kitchen Facilities**

Complete kitchen facilities	2,187
Lacking complete kitchen facilities	0

Source: 2000 Census of Population and Housing

Based on the above, COAH has determined that Roseland has zero housing units that are substandard and occupied by low and moderate income households.

### C. Purchase and Rental Value

Approximately 69 percent of the owner-occupied housing units in Roseland had values between \$200,000 and \$399,999. The median value was \$289,500.

**TABLE 5**

**Owner-Occupied Housing**  
**Unit Values**

	<u>Units</u>	<u>Percent</u>
Less than \$59,999	0	0
\$60,000 - \$69,999	32	.02
\$70,000 - \$99,999	0	0
\$100,000 - \$124,999	7	0
\$125,000 - \$149,999	40	.02
\$150,000 - \$174,999	44	.03
\$175,000 - \$199,999	96	.06
\$200,000 - \$249,999	351	.21
\$250,000 - \$299,999	358	.21
\$300,000 - \$399,999	465	.27
\$400,000 - \$499,999	188	.11
\$500,000 - \$749,999	109	.06
\$750,000 - \$999,999	8	0
\$1,000,000 or more	7	0
<b>TOTAL</b>	<b>1,705</b>	<b>.99*</b>

Median Value                      \$289,500

Source: 2000 Census of Population and Housing

\* Does not add up due to rounding

Of the 429 rental units with cash rent in Roseland, 378 had rents of \$1,000 or more per month. The median contract rent was \$1,216 per month.

TABLE 6

Contract Rent Values

<b><u>With cash rent:</u></b>	
\$0 - \$ 99	0
\$100 - \$149	8
\$150 - \$199	0
\$200 - \$249	0
\$250 - \$299	0
\$300 - \$349	0
\$350 - \$399	0
\$400 - \$449	0
\$450 - \$499	0
\$500 - \$549	0
\$550 - \$599	0
\$600 - \$649	0
\$650 - \$699	10
\$700 - \$749	0
\$750 - \$999	16
\$1,000 - \$1,249	17
\$1,250 - \$1,499	189
\$1,500 - \$1,999	111
\$2,000 - or more	70
Total	8
	429
No cash rent	8
Median contract rent	\$1,216

Source: 2000 U.S. Census of Population and Housing

#### D. Occupancy Characteristics and Types

Approximately 79 percent of the housing in Roseland is owner occupied. Approximately 20 percent of the housing stock is rental.

TABLE 7

#### Tenure and Vacancy

	Housing Units
Total Occupied	2,142
Occupied:	
Owner Occupied	1,705
Renter Occupied	437
Vacant:	45
For rent	0
For sale only	16
Rented or sold, not occupied	0
For seasonal, recreational, or occasional use	29
For migrant workers	0
Other vacant	0

Source: 2000 Census of Population and Housing

#### E. Units Affordable to Low and Moderate Income Households

Units are affordable to low and moderate-income households if the maximum sales price or rent is set within a COAH specified formula. A moderate income household is a household whose gross family income is more than 50 percent of median income, but less than 80 percent of median income for households of the same size within the housing region. A low-income household is a household whose gross family income is equal to or less than 50 percent of median gross household income for a household of the same size within the housing region for Roseland. Roseland is in Region 2, which encompasses Essex, Morris, Union and Warren counties.

Using current regional income limits adopted by COAH, a four-person Essex County median household income is estimated at \$84,297. A moderate-income four-person household would earn a maximum of \$67,438 (80 percent of regional median) and a four person low-income household would earn a maximum of \$42,149 (50 percent of regional median).

Income levels for one, two, three and four person households as of 2006 are given below:



TABLE 8

**2006 Low and Moderate Regional Incomes**

<b>Income</b>	<b>1 person</b>	<b>2 persons</b>	<b>3 persons</b>	<b>4 persons</b>
Median	\$59,008	\$67,438	\$75,867	\$84,297
Moderate	\$47,206	\$53,950	\$60,694	\$67,438
Low	\$29,504	\$33,719	\$37,934	\$42,149

Source: COAH, 2006 Income Limits

Based on the qualifying formula in N.J.A.C. 5:80-26, the monthly cost of shelter which includes mortgage (principal and interest), taxes, insurance and homeowners or condominium association fees, may not exceed 28 percent of gross monthly household income based on a five percent downpayment. In addition, moderate-income sales units must be available for at least three different prices and low-income sales units available for at least two different prices. The maximum sales prices must now be affordable to households earning no more than 70 percent of median income. The sales prices must average 55 percent of median income.

Under COAH regulations, rents including utilities may not exceed 30 percent of gross monthly income. The average rent must now be affordable to households earning 52 percent of median income. The maximum rents must be affordable to households earning no more than 60 percent of median income. In averaging 52 percent, one rent may be established for a low-income unit and one rent for a moderate-income unit for each bedroom distribution. In inclusionary rental developments, 10 percent of the units must be affordable to households earning no more than 35 percent of median income. The utility allowance must be consistent with the utility allowance approved by HUD and utilized in New Jersey.

Roseland currently has the following low and moderate income housing that qualifies for COAH credit.

<u>NAME</u>	<u>TYPE</u>	<u>NUMBER</u>	<u>COMPLETED</u>
Eagle Rock	Sales	18	1995
Roseland Glen	Sales	22	1997
Roseland Green	Sales	32	Under Construction (10 remaining)

## II. PROJECTION OF HOUSING STOCK

### A. Building Permits

According to the New Jersey Department of Labor, Residential Building Permits Issued, (1990-April 2005), there were 138 new building permits issued in Roseland from 2000 to November 2005.

### B. Approvals of Development Applications

Projection of Municipal Growth Share Obligation addresses this section.

### C. Probable Residential Development

Projection of Municipal Growth Share Obligation addresses this section.

### D. Future Construction of Low and Moderate Income Housing

Roseland will address the future construction of low and moderate income housing in the Fair Share Plan.

## III. DEMOGRAPHIC CHARACTERISTICS

### A. Population

The population in Roseland increased by nine percent between 1990 and 2000. Table 9 illustrates the figures.

**TABLE 9**

**Population**

<b>Year</b>	<b>Population</b>
1990	4,847
2000	5,298

Sources: 1990 and 2000 Census of Population and Housing

**TABLE 10**

**Population Characteristics**

**SELECTED POPULATION CHARACTERISTICS**

Approximately 49 percent of Roseland residents are between the ages of 25 and 59 years. Interestingly, 1,402 residents or nearly 26 percent of the population are 60 or older.

	<u>Number</u>	<u>Percentage</u>
<u>TOTAL POPULATION</u>	5,298	100
<u>SEX</u>		
Male	2,501	.47
Female	2,797	.53
<u>AGE</u>		
	<u>Male</u>	<u>Female</u>
Under 5 years	155	175
5 to 17 years	376	365
18 to 20 years	54	46
21 to 24 years	86	53
25 to 44 years	689	709
45 to 54 years	385	419
55 to 59 years	177	207
60 to 64 years	163	203
65 to 74 years	249	341
75 to 84 years	124	222
85 years and over	43	57

Source: 2000 Census of Population and Housing

**B. Household Size and Type**

A household profile of Roseland shows that there were 2,145 households with a total household population of 5,298 in 2000. The average number of persons per household was 2.47.

**TABLE 11**

**Household Profile 2000**

	<b><u>Total Number</u></b>
Households	2,145
Population of households	5,298
Persons per household	2.47

Source: 2000 Census of Population and Housing

**TABLE 12**

**Household Type and Relationship**

Total		5,298
In family households:	4,587	
householder:		1,495
Male		1,256
Female		239
Spouse		1,287
child:		1,510
Natural born/adopt		1,492
step		18
grandchild		32
other relatives		43
non-relatives		67
In non-family households:	711	
householders living alone		543
householders not living alone		82
Non-relatives		86
In group quarters:		0
Institutionalized population		0
Non-institutionalized population		0

Source: 2000 Census of Population and Housing

**TABLE 13****Type of Housing Units by Structure**

<b>Units in Structure</b>	<b>Total Units</b>
1, detached	1,437
1, attached	331
2	47
3 or 4	48
5 to 9	155
10 to 19	88
20 to 49	0
50 or more	81
Mobile home or trailer	0
Other	0
<b>TOTAL</b>	<b>2,187</b>

Source: 2000 Census of Population and Housing

**C. Income Level**

Approximately, 66 percent of the households in Roseland earned at least \$60,000 or more according to the 2000 census.

**TABLE 14**  
**Household Income**

<b><u>Household Income</u></b>	<b><u>Number</u></b>	<b><u>Percent</u></b>
\$0 -9,999	43	.02
\$10,000-\$14,999	32	.02
\$15,000-\$19,999	95	.04
\$20,000-\$24,999	59	.03
\$25,000-\$29,999	29	.01
\$30,000-\$34,999	81	.04
\$35,000-\$39,999	59	.03
\$40,000-\$44,999	46	.02
\$45,000-\$49,999	90	.04
\$50,000-\$59,999	182	.09
\$60,000-\$99,999	580	.27
\$100,000-\$149,999	480	.23
\$150,000-\$199,999	171	.08
\$200,000 or more	173	.08
TOTAL	2,120	100

Median Household Income    \$82,499

Source: 2000 Census of Population and Housing

#### **D. Age**

The age of the Roseland population has been discussed under Section III, Demographic Characteristics, A. Population.

#### **E. Marital Status**

In 2000, there were more women than men over the age of 15 years in Roseland. There were slightly more males that never married. Of those widowed, 77 percent were females.

TABLE 15

**Sex by Marital Status - Persons 15 Years and over**

Marital Status	Total	Male	Female
Total	4,367	2,020	2,347
Never Married	887	464	423
Now Married	2,712	1,341	1,371
Widowed	474	107	367
Divorced	294	108	186

Source: 2000 Census of Population and Housing

#### IV. EXISTING AND PROBABLE FUTURE EMPLOYMENT CHARACTERISTICS

Of the 2,685 Roseland residents employed in the civilian labor force, 54 percent are in educational, health and social service occupations or construction, manufacturing, wholesale trade, retail trade and transportation fields.

**TABLE 16**  
**Occupation**  
**Employed Persons 16 Years and Over**

	<b>Male</b>	<b>Female</b>	<b>Total</b>
Finance, insurance, real estate	212	128	340
Construction, manufacturing, wholesale trade, retail trade, transportation	551	266	817
Information	58	66	124
Arts, entertainment, recreation, accommodation and food services	66	97	163
Professional, scientific and technical services	267	139	406
Educational, health and social services	131	513	644
Public administration	76	30	106
Other services	46	39	85
<b>Total</b>	<b>1,407</b>	<b>1,278</b>	<b>2,685</b>

Source: 2000 U.S. Census of Population and Housing

As to future employment activity within Roseland, that is addressed in the Projection of Growth Share section.

According to the New Jersey State Data Center, Roseland had a covered employment number of 473 in 2003.



**V. DETERMINATION OF TOTAL OBLIGATION FROM PRIOR ROUNDS**

**A. REHABILITATION SHARE**

Roseland has a zero rehabilitation obligation.

**B. RE-CALCULATED TOTAL OBLIGATION FROM PRIOR ROUNDS**

Roseland has a 211-unit obligation from prior rounds.

## VI. PROJECTION OF MUNICIPAL GROWTH SHARE OBLIGATION

### A. PROJECTION OF RESIDENTIAL GROWTH SHARE OBLIGATION

**STEP 1:** The projections in Table R-1 were provided by the Metropolitan Planning Organization (MPO) and will be utilized until the Plan Projections for 2015 in the final State Development and Redevelopment Plan are released. The MPO growth projections show household projections in five-year intervals from 2000 through 2025. These projections show total households, not just the households projected to reside in market rate units. To determine how many affordable units will be provided to address residential growth, the increase in households was determined by subtracting the households in the year 2005 from the households in the year 2015. This provided a 10-year household increase that closely parallels the 2004 to 2014 period on which the growth share is based. This resulted in a total number of 30 new households, which is the number of new housing units that are projected as shown in Table R-1 below. This is the figure that will be compared to the total net residential growth as projected by Roseland in Steps 5 and 6.

TABLE R-1				
MPO Residential Growth Projection				
2015		2005		
MPO	-	MPO	=	HouseholdChange
Household		Household		=
2,200	-	2,170	=	30
				= 30

**STEP 2:** Next, there is a review of the historic data for the last 10 years that were collected on certificates of occupancy and demolitions issued. Table R-2 provides the 10-year historic certificate of occupancy (CO) and demolition permit data that were collected. This assists in projecting likely future growth and also provides for actual growth since January 1, 2004. COs issued minus demolitions that have taken place since January 1, 2004 comprise the first component of the growth share calculation. Roseland recorded minimal residential demolitions and the residential COs in 1997 included an inclusionary development containing 22 low and moderate income units. The COs in 2003, 2004 and 2005 also reflect an inclusionary development, known as Roseland Green, that will contain 42 affordable units once completed in 2007. All 42 affordable units came on line after July 2004.

Actual figures are used for growth in 2004 and 2005 and projections are used for growth from 2006 to 2014.

**TABLE R-2**

10-year Historic Trend of Certificates of Occupancy and Demolition Permits

	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04	'05
COs Issued	N/A	55	88	19	6	2	6	19	30	76	42
Demolitions	N/A	1	0	0	2	2	0	1	1	3	2
<b>Net</b>	N/A	54	88	19	4	0	6	18	29	73	40

**STEP 3:** This section includes projections from the housing element of future residential construction based on a site-specific analysis of development applications, both approved and anticipated. Developments that are expected to be constructed before 2014 were utilized to project residential growth. Yield calculations gave consideration to wetlands, steep slopes, access to utilities, etc. Also included in this projection were all anticipated development, including affordable housing developments from the second round certified affordable housing plan that have not yet been constructed as well as future housing projects that will be approved and will have COs issued by 2014. Table R-3 lists those developments and provides an estimate of the number of units that could be constructed and the year COs would be issued.

Table R-3 represents other development that is anticipated to occur based in part upon the historic rate of development. This category also reflects single-family building permits, which contribute to growth share but would not be captured in the other components of the growth projection. By looking at CO and demolition permit historic trends, it is noted that Roseland had minimal demolitions and the increase in COs from 2003 to present was due to an inclusionary development, Roseland Green. The borough is a built-up community and the only new residential development will be the result of demolition, rebuilding and infill.

**TABLE R-3**  
Anticipated Developments & Number of Residential Units  
by the Year that COs are Anticipated to be Issued

	'06	'07	'08	'09	'10	'11	'12	'13	Total
<b>Approved Development Applications</b>									
Roseland Green	50	25							75
99 Laurel Avenue	2								2
20 Passaic Avenue	1								1
32 Glen Avenue	3								3
17 Godfrey Avenue	2								2
<b>Anticipated Development Applications</b>									
Britt Realty – Annin Flag (age – restricted)			82						82
<b>Other Projected Development (Isolated Lots)</b>	0	2	2	2	2	2	2	2	14
<b>Total</b>	58	27	84	2	2	2	2	2	179

**STEP 4:** Anticipated demolitions are subtracted from the total COs projected, as shown in Table R-4:

**TABLE R-4**  
Projected Miscellaneous COs and Demolition Permits

	'06	'07	'08	'09	'10	'11	'12	'13	Total
Total COs Issued (from Table R-3)	58	27	84	2	2	2	2	2	179
Demolitions	1	0	0	0	0	0	0	0	1
<b>Net</b>	57	27	84	2	2	2	2	2	178

**STEP 5:** The actual net residential growth from 2004 (Table R-2) is added to the projected net residential growth from 2005 to 2014 (Table R-4) to arrive at the total 10-year total residential growth as shown in Table R-5:

**TABLE R-5**

Total Net Residential Growth (Sum of Actual and Projected Growth)

	Actual →		Projected →								Total
	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	
Total COs Issued (from Table R-3)	76	42	58	27	84	2	2	2	2	2	297
Demolitions	3	2	1	0	0	0	0	0	0	0	6
<b>Net</b>	<b>73</b>	<b>40</b>	<b>57</b>	<b>27</b>	<b>84</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>291</b>

**STEP 6:** The net residential growth from Step 5 is compared to the MPO housing unit growth as projected in Step 1. Because the net residential growth of 291 units is greater than the MPO household growth projection of 30, the projection has a presumption of validity in the petition for substantive certification.

**STEP 7:** From the total net residential growth, affordable housing units are subtracted that were included in the second round certified plan that have received or are projected to receive COs after January 1, 2004. In addition to affordable units, market-rate residential units in an inclusionary development that were part of a second round certified plan were also subtracted. One site is listed in Table R-6, Roseland Green. Roseland Green is an inclusionary development that contains 230 total units of non-age-restricted, for-sale units of which 42 are low and moderate income units. The 42 affordable units (31 in 2004; one in 2005 and 10 in 2006) are excluded. In addition, there are 151 market rate units that came or are coming on line after 2004 and they are excluded at a rate of 3.60 times the number of affordable housing units created on-site. Therefore, the 42 affordable units and market-rate units (42+151=193) would exclude a total of 193 units.

**TABLE R-6**

Second Round Affordable and Market-Rate Units in Inclusionary Developments  
To Be Excluded from Growth Projection, by the Year that COs are Anticipated to be Issued

	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	Total
Roseland Green:											
Affordable	31	1	10	0							42
Market	45	41	40	25							151
<b>Total</b>	76	42	50	25							<b>193</b>

**STEP 8:** The total number of second round units to be excluded from the growth projection as calculated in Step 7 (Table R-6) is subtracted from the net residential growth projection as calculated in Step 5 (Table R-5). Table R-7 shows the net residential growth projection after excluding all allowable second round affordable and market-rate units.

**TABLE R-7**

Net Residential Growth Projections After Subtracting  
Second Round Affordable and Inclusionary Market-Rate Units

	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	Total
Net Residential Growth (Table R-5)	73	40	57	27	84	2	2	2	2	2	291
Second Round Units (Table R-6)	76	42	50	25	0	0	0	0	0	0	193
<b>Final Net Growth</b>	-3	-2	7	2	84	2	2	2	2	2	<b>98</b>

**STEP 9:** The net projected residential growth of 99 units is divided by eight, with a resulting growth share obligation of 12.25 affordable units or 12.

**TABLE R-8**

Affordable Housing Unit Growth Projections

	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	Total
Table R-7 Total	-3	-2	7	2	84	2	2	2	2	2	98
Divided by Eight	-.38	-.25	.88	.25	10.5	.25	.25	.25	.25	.25	12.25

Therefore, the total affordable housing obligation generated by residential development is 12 new construction units over the 10-year certification period.

## **B. NON-RESIDENTIAL GROWTH SHARE OBLIGATION**

**STEP 1:** The projections in Table NR-1 were provided by the MPO and will be utilized until the Plan Projections for 2015 in the final State Development and Redevelopment Plan are released. The MPO growth projections show employment projections in five-year intervals from 2000 through 2025. To determine how many affordable units will be provided to address non-residential growth, the increase in employment is determined by subtracting the number of jobs in the year 2005 from the number of jobs in the year 2015. This provides a 10-year employment increase that closely parallels the 2004 to 2014 period on which growth share is based. This figure is then compared for consistency to the employment growth projected for Roseland in Step 6. See the example shown in Table NR-1 below:

<b>TABLE NR-1</b>			
MPO Non-Residential Growth Projection			
2015 MPO	2005 MPO	Employment	
Employment	Employment	= Change	
<b>14,150</b>	<b>14,080</b>	<b>=</b>	<b>70</b>

**STEP 2:** The historic data for the last 10 years that were collected on COs and demolitions issued were reviewed. Table NR-2 provides the 10-year historic CO and demolition permit data that was collected. This assisted in projecting likely future growth and also provided actual growth since January 1, 2004. COs issued minus demolitions that have taken place since January 1, 2004 comprise the first component of the growth share calculation.

Actual figures are used for growth in 2004 and 2005 and projections are used for growth from 2006 to 2014.

**TABLE NR-2**  
10-year Historic Trend of Certificates of Occupancy  
and Demolition Permits by Square Feet

*	'95 Sq Ft	'96 Sq Ft.	'97 Sq Ft	'98 Sq Ft	'99 Sq Ft	'00 Sq Ft	'01 Sq Ft	'02 Sq Ft	'03 Sq Ft	'04 Sq Ft	'05 Sq Ft
COs Issued B- Office	N/A	8,256	1,050	0		229,078	1	0	0	6,131	2,000
COs Issued I - Institution	N/A	9,588	204	0	0	0	0	0	0	0	
COs Issued E- Schools	N/A	0	0	0	11,926	15,000	0	0	0	0	9,500
COs Issued M - Retail	N/A	0	0	0	39,302	61,103	0	0	0	0	
COs Issued A3	N/A	0	0	0	0	322	322	0	0	4,566	
COs Issued S	N/A	0	0	0	0	864	200,000	0	4,008	4,008	
Demolitions R1	N/A	0	0	0	0	0	200,000	0	4,008	0	0
Demolitions B - Office	N/A	0	0	6	0	0	0	1	4	6,131	0
Demolitions - Institution	N/A	1	0	0	0	0	0	0	0	0	0

**STEP 3:** The actual growth that has occurred was then converted into the square footage to jobs using Appendix E. These conversions were made for each of the relevant use groups.

\* Roseland Borough has archived the 1995 files and, in addition, did not track the square footage of non-residential demolitions. As can be seen above, demolition activity has been minimal. As a result, Roseland believes that if the retrieval of this information from old files is to track past trends, then the information is not necessary because Roseland is only calculating known demolition into the future.



**TABLE NR-3**

"B" USE GROUP: Actual Developments  
by Year that COs Were Issued (three jobs per 1,000 square feet)

	'04	Total Sq. Ft.	Jobs	'05	Total Sq. Ft.	Jobs
<b>TOTAL NEW DEVELOPMENT</b>						
Office		6,131	18.39		2,000	6
<b>TOTAL DEMOLITIONS</b>						
		6,131	18.39			

**TABLE NR-4**

"A4" USE GROUP: Actual Developments  
by Year that COs Were Issued (three jobs per 1,000 square feet)

	'04	Total Sq. Ft.	Jobs
<b>TOTAL NEW DEVELOPMENT</b>			
Institutional		4,566	13.70
<b>TOTAL DEMOLITIONS</b>		0	

**TABLE NR-4A**

"S" USE GROUP: Actual Developments  
by Year that COs Were Issued (.2 jobs per 1,000 square feet)

	'04	Total Sq. Ft.	Jobs
<b>TOTAL NEW DEVELOPMENT</b>			
Storage		4,008	.80
<b>TOTAL DEMOLITIONS</b>			

**TABLE NR-4B**

"E" USE GROUP: Actual Developments  
by Year that COs Were Issued (one job per 1,000 square feet)

	'05	Total Sq. Ft.	Jobs
<b>TOTAL NEW DEVELOPMENT</b>			
Education		9,500	9.5
<b>TOTAL DEMOLITIONS</b>			

**STEP 4:** Projections from the housing element of future non-residential construction based on a site-specific analysis of development applications, both approved and anticipated are included. Developments that are expected to be constructed before 2014 are used to project non-residential growth. Yield calculations gave consideration to wetlands, steep slopes, access to utilities, etc. Included in this projection were all anticipated development, including future developments that will be approved and will have COs issued by 2014. Table NR-5 lists those developments and provides an estimate of the square footage anticipated and the year COs would be issued. Table NR-5 includes a row for Other Projected Development, which represents other development that is anticipated to occur based in part upon the historic rate of development.

By looking at the historic trends, it is noted that Roseland had non-residential growth between 1999 and 2001 and had a minimal amount of non-residential growth between 2002 and 2004. However, Roseland anticipates a new retail shopping center, an office complex and two expansions of existing uses.

These projections were made for each of the relevant use groups.

Any adjustment to the non-residential growth projections by demolitions that resulted in job loss calculation was based upon the most recent use group of the building prior to its demolition.

Once tabulated, the appropriate use group factor listed in Appendix E to the projected net gross square footage of new non-residential development is applied to determine the projected job growth. Appendix E was the standard used to determine jobs per square feet.

**TABLE NR-5**

**"B" USE GROUP: Developments and Anticipated Developments**  
by the Year that COs are Anticipated to be Issued (three jobs per 1,000 square feet)

	'06	'07	'08	'09	'10	'11	'12	'13	<b>Total Sq. Ft.</b>	<b>Jobs</b>
<b>Approved Development Applications</b>	0	0	0	0	0	0	0	0	0	0
St. Nicholas Church		5,188							5,188	15.56
<b>Pending Development Applications</b>	0	0	0	0	0	0	0	0	0	0
Roseland Commerce Park			192,540						192,540	577.62
<b>Anticipated Development Applications</b>	0	0	0	0	0	0	0	0	0	0
Commerce Bank (Eagle Rock Commons)	4,111								4,111	12.33
<b>Other Projected Development</b>	0	0	0	0	0	0	0	0	0	0
<b>TOTAL NEW DEVELOPMENT</b>	4,111	5,188	192,540	0	0	0	0	0	201,839	605.51
<b>TOTAL DEMOLITIONS</b>	0	0	0	0	0	0	0	0	0	0

**TABLE NR-6**

"M" USE GROUP: Developments and Anticipated Developments  
by the Year that COs are Anticipated to be Issued (one job per 1,000 square feet)

	'06	'07	'08	'09	'10	'11	'12	'13	Total Sq. Ft.	Jobs
<b>Approved Development Applications</b>	0	0	0	0	0	0	0	0	0	0
<b>Anticipated Development Applications</b>										
Walgreen's Drugstore (Eagle Rock Commons)	14,359								14,359	14.36
Retail (Eagle Rock Commons)	9,903								9,903	9.90
<b>Demolitions</b>										
<b>Other Projected Development</b>										
<b>TOTAL NEW DEVELOPMENT</b>	24,262	0	0	0	0	0	0	0	24,262	24.26
<b>TOTAL DEMOLITIONS</b>	0	0	0	0	0	0	0	0	0	0

**TABLE NR-7**

"A2 – A4" USE GROUP: Developments and Anticipated Developments  
by the Year that COs are Anticipated to be Issued (three jobs per 1,000 square feet)

	'06	'07	'08	'09	'10	'11	'12	'13	<b>Total Sq. Ft.</b>	<b>Jobs</b>
<b>Approved Development Applications</b>									0	0
St. Nicholas Hall & Gym			17,280						17,280	51.84
<b>Pending Development Applications</b>									0	0
<b>Anticipated Development Applications</b>									0	0
Restaurants (Eagle Rock Commons)	9,146								9,146	27.44
<b>TOTAL NEW DEVELOPMENT</b>	9,146		17,280						26,426	79.28
<b>TOTAL DEMOLITIONS</b>	0	0	0	0	0	0	0	0	0	0

**TABLE NR-7A**

"E" USE GROUP: Developments and Anticipated Developments  
by the Year that COs are Anticipated to be Issued (one job per 1,000 square feet)

	'05	'06	'07	'08	'09	'10	'11	'12	'13	<b>Total Sq. Ft.</b>	<b>Jobs</b>
<b>Approved Development Applications</b>										0	0
St. Nicholas School Rooms				8,532						8,532	8.53
<b>Pending Development Applications</b>										0	0
<b>Anticipated Development Applications</b>										0	0
Essex County Environmental Center				5,000						5,000	5
Noecker School				28,000						28,000	28
<b>TOTAL NEW DEVELOPMENT</b>				41,532						41,532	41.53
<b>TOTAL DEMOLITIONS</b>	0	0	0	0	0	0	0	0	0	0	0

**TABLE NR-7B**

**"F" USE GROUP: Developments and Anticipated Developments**  
 by the Year that COs are Anticipated to be Issued (two jobs per 1,000 square feet)

	'06	'07	'08	'09	'10	'11	'12	'13	<b>Total Sq. Ft.</b>	<b>Jobs</b>
<b>Approved Development Applications</b>										
<b>Anticipated Development Applications</b>										
<b>Demolitions</b>										
<b>Other Projected Development</b>										
<b>TOTAL NEW DEVELOPMENT</b>										
<b>TOTAL DEMOLITIONS</b>	73,370								73,370	146.74

Annin  
Flag

As Roseland is a built up community, there is minimum vacant land and future new non-residential development will be the result of redevelopment.

**STEP 5:** Tables NR-5 through 7 were merged once the number of jobs created (new construction) or lost (demolitions) by use group was determined. Jobs lost (as evidenced by demolitions) were subtracted from jobs created (new construction) to arrive at net projected employment growth.

**TABLE NR-8**  
Net Projected Employment Growth

	'06	'07	'08	'09	'10	'11	'12	'13	Total
Table NR-5 TOTAL NEW DEVELOPMENT	0	15.56	589.95	0	0	0	0	0	605.51
Table NR-6 TOTAL NEW DEVELOPMENT	0	0	24.26	0	0	0	0	0	24.26
Table NR-7 TOTAL NEW DEVELOPMENT	0	0	79.28	0	0	0	0	0	79.28
Table NR-7A TOTAL NEW DEVELOPMENT	0	0	41.53	0	0	0	0	0	41.53
<b>Subtotal New Development</b>	0	15.56	735.02	0	0	0	0	0	750.58
Table NR-5 TOTAL DEMOLITIONS									
Table NR-6 TOTAL DEMOLITIONS									
Table NR-7B TOTAL DEMOLITIONS		146.74							146.74
<b>Subtotal Demolitions</b>	0	146.74	0	0	0	0	0	0	146.74
<b>Total Projected Net Employment Growth</b>	0	-131.18	735.02	0	0	0	0	0	<b>603.84</b>

**STEP 6:** The actual net non-residential growth from 2004 was added to the projected net non-residential growth from 2005 to 2014 to arrive at the total 10-year net non-residential (employment) growth as shown in TABLE NR-9.



**TABLE NR-9**

Total Net Non-Residential (Employment) Growth (Sum of Actual and Projected Growth)

	← Actual		← Projected →								Total
	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	
<b>Total New Development</b>	32.89	15.5	0	15.56	735.02	0	0	0	0	0	798.97
<b>Total Demolitions</b>	18.39	0	0	146.74	0	0	0	0	0	0	165.12
<b>Total Net Employment Growth</b>	14.5	15.5	0	-131.18	735.02	0	0	0	0	0	<b>633.85</b>

**STEP 7:** The net non-residential growth from Step 5 is compared to the MPO employment growth as projected in Step 1. Because the net non-residential growth of 634 jobs is greater than the MPO employment growth projection of 70, the projection has a presumption of validity in the petition for substantive certification.

**STEP 8:** The net non-residential growth of 634 jobs is divided by 25, with a resulting non-residential growth share obligation of 25 affordable units.

**TABLE NR-10**

Affordable Housing Unit Obligation Generated by Non-Residential Development

	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	Total
Table NR-9											
Total	14.5	15.5	0	-131.18	735.02	0	0	0	0	0	633.84
Divided by 25	.58	.62	0	-5.25	29.4	0	0	0	0	0	<b>25.35</b>

Therefore, the total non-residential affordable housing obligation is 25 new residential units over the 10-year certification period.

**FINAL STEP:** The net residential component of growth share projection from Step 9 of the Residential Growth Projection Example is added to the net non-residential growth share projection from Step 8 above and determines Roseland's third round growth share obligation is 38 units.

## **VII. ANALYSIS OF EXISTING AND FUTURE ZONING TO ACCOMMODATE GROWTH PROJECTIONS**

### **A. Availability of Existing and Planned Infrastructure**

Roseland Borough is an established, stable community with a limited number of vacant developable parcels. Water availability continues to be a problem. Essex Fells has been unable to provide additional capacity needed by the borough as part of its service contract and, as a result, Roseland is currently exploring an alternate service when the current contract expires in 2006 or identifying an additional supplier to supplement the Essex Fells water.

The sanitary system continues to have infiltration and inflow (I&I) problems system-wide. An I&I study was done for the entire system and recommendations were made for remediation. The main pump station, which was upgraded, has alleviated some of the existing problems and now provides sufficient capacity for new development in the borough.

In addition to the water and sanitary issues, it should be noted that Roseland's roadways experience significant traffic flows and many of the intersections operate at marginal levels of service.

### **B. Anticipated Demand for Types of Uses Permitted by Zoning Based on Present and Anticipated Future Demographic Characteristics**

As Roseland is a built-up community, there is minimal vacant land and future new development will most likely result from redevelopment. As Roseland's population ages, the borough should consider developing an age-restricted community and/or senior related support facilities to accommodate this population demographic. If development does not occur through the redevelopment process, the borough may wish to revisit its zoning in order to address senior housing.

### **C. Anticipated Land Use Patterns**

Roseland is undergoing changes in land use patterns. As empty-nesters age, they begin to move away and families with school-age children purchase the homes. The recycling of single-family homes results in a secondary trend affecting land use. Adding on and renovating has become common practice and is increasing the residential square footage on already small lots. In addition, the new housing has been predominantly multi-family with an increase in small households and empty nesters.

Given the borough's significant residential development, new development should encourage additional ratables and uses less dependent on the Roseland school system and its community facilities.

#### **D. Economic Development Policies**

Roseland is encouraging additional non-residential development to provide sewers and shopping for both the new residents and the daytime population of the borough's offices. There are no formal economic development policies in place.

#### **E. Constraints on Development**

1. State and federal regulations: Roseland is not in the Pinelands, Highlands area or CAFRA and there are no known constraints.
2. Land ownership patterns: The borough is one of the smaller communities in Essex County and consists of approximately 3.66 square miles or 2,344.48 acres. A mix of land use ownership presently exists throughout the borough of which 80 percent is owner-occupied and 20 percent is renter-occupied.
3. Incompatible land uses: The existing manufacturing zones, in many cases, are located directly adjacent to a residential subdivision, and/or environmentally sensitive lands. These types of zones may no longer represent the vision for community, and the permitted land uses may be generally inappropriate for the future of the borough based upon recent development trends. While the borough has not identified any sites for redevelopment, in order to remove any incompatibilities, permitted uses within the manufacturing zones should be revisited. In some cases, the borough may seek to revisit the zoning district boundaries in order to accomplish more compatible land uses.
4. Sites needing remediation: The Eagle Rock Commons site, located on Woodland Court, is a site that is currently in litigation that is in need of remediation. Once the issues are resolved, the site may be developed as an office complex.
5. Environmental constraints: Drainage problems have been aggravated as new development both inside and outside of the borough has increased. Substantial flooding occurs in the Crest Area drainage system primarily because of development and lack of adequate storm water management in communities to the east of Roseland.
6. Existing or planned measures to address any constraints: The borough is retrofitting the area with the types of storm water management controls presently required for new construction but not installed when this area was developed.

# **FAIR SHARE PLAN**

**ROSELAND BOROUGH  
ESSEX COUNTY**

**FAIR SHARE PLAN**  
**Roseland Borough/Essex County**  
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Exhibit A: Proforma for Rental Development

## IX. PREFACE

A municipality's affordable housing obligation is cumulative, and includes affordable housing need for the period 1987 to 2014. The affordable housing obligation consists of three components:

- Rehabilitation Share (2000)
- Prior Round Obligation (1987-1999)
- Growth Share (1999-2014)

Under growth share, municipalities determine their 1999 to 2014 new construction or "growth share" obligation, by applying the following ratios:

- For every eight market-rate residential units constructed from January 1, 2004 to January 1, 2014, a one-unit affordable housing obligation is generated.
- For every 25 jobs resulting from new or expanded non-residential construction within the municipality from January 1, 2004 to January 1, 2014, based on the conversion factors found in Appendix E of the third round rules, a one-unit affordable housing obligation is generated.

These two components are then added together to arrive at the total growth share obligation.

A municipality's Rehabilitation Share is a measure of old, crowded, deficient housing that is occupied by low- and moderate-income households. These rehabilitation numbers are based on 2000 census data. Rehabilitation Share numbers from each prior round are replaced with the latest round number because the numbers are updated with each decennial census.

A municipality may receive credit for rehabilitation of low- and moderate-income deficient housing units completed after April 1, 2000 provided the units were rehabilitated up to the applicable code standard, the average capital cost spent on rehabilitating a unit was at least \$8,000 and the units have the appropriate controls on affordability to ensure the unit remains affordable during the required period of time.

Rehabilitation credits cannot exceed the Rehabilitation Share and, generally speaking, can only be credited against the rehabilitation component, not the new construction component.

The prior round obligation is the municipal new construction obligation from 1987 to 1999. Obligations from the first and second rounds have been recalculated to include the most recent data from the 2000 census. All municipalities participating in the COAH process must use these updated figures. COAH continues to offer credits, reductions, and adjustments that may be applied against the Prior Round Obligation (1987-1999) for affordable housing activity undertaken from 1980 to 1999.

## **II. REHABILITATION SHARE**

The purpose of a rehabilitation program is to renovate deficient housing units. Deficient housing units are defined as units with health and safety code violations that require the repair or replacement of a major system. A major system includes weatherization, roofing, plumbing, (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement and/or load bearing structural systems. Upon rehabilitation, the housing deficiencies must be corrected and the unit must comply with the applicable code standard.

A municipality must demonstrate that it has the capability to administer a rehabilitation program by either designating an experienced employee to administer the program or entering into an agreement with a governmental agency or private consultant to administer all or some of the program. A municipality must provide the consultant or municipal employee's credentials to administer the program as well as a procedures manual. If the county is administering the rehabilitation program, the municipality must submit a statement from the county agreeing to adhere to applicable COAH rules and acknowledging sufficient funding.

Rental units cannot be excluded from a municipal rehabilitation program. There must be at least 10-year affordability controls placed on both owner-occupied units and rental units. For owner-occupied units, these controls may be in the form of a lien filed with the appropriate property's deed. For rental units, the controls must be in the form of a deed restriction and may also include a lien. Units rehabilitated after April 1, 2000 are eligible for credits against the third round Rehabilitation Share.

The municipal investment for the rehabilitation of a unit must average at least \$10,000 per unit, of which no more than \$2,000 can be used for administration costs. Documentation must also be submitted demonstrating adequate funding source(s) and a resolution of intent to bond in the event there is a shortfall of funds. Financing of rehabilitation programs must be structured to encourage rehabilitation and continued occupancy.

A municipality is also required to prepare and submit a rehabilitation manual to COAH that summarizes the administration of the rehabilitation program including an affirmative marketing plan. The affirmative marketing program must clearly describe the outreach efforts to be used in implementing the program. COAH expects that a combination of media approaches – cable television, radio and print – plus appropriate mailing to residents, local civic, social and religious groups will be included in the marketing program.

## **III. PRIOR ROUND OBLIGATION**

COAH has determined that Roseland Borough's Prior Round Obligation is 121 units.

With a Rehabilitation Share of zero units, Roseland Borough has a pre-credited need of 121 units.

#### A. Rental Obligation and Rental Bonuses

The rental component is calculated as follows:

.25 (pre-credited need-prior cycle credits-rehabilitation component)

.25 (121-0-0) 30

.25 (121) = 30

Therefore, Roseland Borough has a rental obligation of 30 units.

Pursuant to N.J.A.C. 5:93-5.15, the maximum number of units for which a municipality may receive rental bonuses is also calculated in the formula above. One bonus is granted for family rental units and a 0.33 bonus is granted for age-restricted units.

#### B. Maximum Age-restricted Units.

Pursuant to N.J.A.C. 5:93-5.14, a municipality may receive credit for age-restricted units according to the following formula:

.25 (pre-credited need-prior cycle credits-rehabilitation credits)

.25 (121-0-0)

.25 (121) = 30

Based on this formula, Roseland Borough is eligible to age-restrict 30 units for COAH credit.

#### C. Regional Contribution Agreement (RCA) Maximum

A municipality may transfer one-half of its obligation to another willing municipality within the COAH housing region. The formula for calculating the maximum RCA is as follows:

.50 (pre-credited need-prior cycle credits-credits pursuant to N.J.A.C. 5:93-3.4)

.50 (121-0-0)

.50 (121) = 60

Based on this formula, Roseland Borough may enter into an RCA not to exceed 60 units.



#### D. Implementation

Roseland Borough's second round Housing Element and Fair Share Plan received substantive certification from COAH on August 2, 2000. The following components of Roseland's second round certified plan will address Roseland's prior round obligation of 121 units:

PROJECT	TYPE	NUMBER
Roseland Glen	Age-Restricted	22
Eagle Rock	Family Sales	18
Roseland Green	Family Sales	20
RCA Newark	30 Rentals; 17 Non-Rentals	47
RCA Irvington		14
<b>TOTAL</b>		<b>121</b>

1. Roseland Glen (Block 30, Lots 18, 21) contains a total of 98 units of which 22 are age-restricted, for-sale, affordable units. The units received certificates of occupancy (CO) in 1997 and all units have 20 year affordability controls. Eleven units are low income and 11 are moderate income. All documentation is on file with COAH.
2. Eagle Rock (Block 12, Lots 20, 20A) contains a total of 178 units of which 18 are for-sale, affordable units open to the general public. The units received COs in 1994 and 1995 and all units have 20 year affordability controls. Ten units are low income and eight units are moderate income. All documentation is on file with COAH.
3. Roseland Green (Block 12, Lot 23) contains a total of 230 units of which 42 are for-sale, affordable units open to the general public. Currently, 32 are complete with the remaining 10 affordable units to receive COs this year (2006). All documentation is on file with COAH.
4. Roseland Borough entered into a 66 unit RCA with the City of Newark. Forty-four of the RCAs addressed Roseland's second round rental obligation. Now, Roseland will utilize 30 of the 44 rental RCAs to address its prior round rental obligation. In addition, 16 of the non-rental RCAs will address Roseland's prior round obligation. All money has been transferred and all documentation is on file with COAH.
5. Roseland Borough also entered into a 14-unit RCA with Irvington Township. All money has been transferred and all documentation is on file with COAH.

#### IV. GROWTH SHARE OBLIGATION

The Fair Share Plan includes the projects, strategies and funding sources, if applicable, to address an affordable housing obligation and any municipal ordinance in draft form that a municipality is required to adopt as a requirement of certification. The Fair Share Plan is based upon the municipal fair share obligation developed in the housing element. The planning board adopts the Fair Share Plan and it is endorsed by the governing body prior to the petition for substantive certification. The proposed implementing ordinances may be adopted prior to substantive certification but in any event must be adopted no later than 45 days after COAH grants substantive certification.

The Fair Share Plan consists of a detailed proposal on how a municipality intends to provide for its affordable housing obligation. Once certified, the plan will be monitored by COAH to verify that the construction or provision of affordable housing is in proportion to the actual residential growth and employment growth at the end of third, fifth and eighth year after the filing date for substantive certification. Zoned sites addressing a prior obligation will also be reviewed at these intervals.

COAH rules have a number of different provisions regulating the development of affordable housing. The options available to meet the 1999-2014 fair share obligation include:

- Municipal zoning
  - Zoning for inclusionary developments
  - Adoption of a growth share ordinance
  - Redevelopment districts/sites
- Municipally sponsored new construction and 100 percent affordable developments
- Regional contribution agreements (RCAs)
- Alternative living arrangements
  - Permanent supportive housing (where the tenant has a lease and support services are provided)
  - Group homes
  - Congregate housing
  - Transitional facilities
  - Residential health care facilities
- Accessory apartments
- Buy-down program of for-sale market-rate units
- Municipally sponsored rental program
- ECHO (elder cottage housing opportunities) housing
- Assisted living residences
- Affordable housing partnership program
- Expanded crediting opportunities
- Extension of affordable units with expiring controls
- Age-restricted housing
- Rental housing with bonus credits

- Very low-income housing with bonus credit

The Fair Share Plan must include the following information:

- Descriptions of operational and financial feasibility of any specific project intended to provide affordable housing. This includes any of the new construction options described above intended to address the Growth Share obligation with the exception of inclusionary zoning. A municipality must submit a financial plan for each project, a municipal resolution appropriating funds from general revenue or a resolution of intent to bond in the event there is a shortfall of funding from the identified source.
- Draft Fair Share Ordinance necessary for the implementation of the programs and projects identified as providing affordable housing. The governing body is required to formally adopt the final version of this ordinance within 45 days after receiving substantive certification. Provisions of such an ordinance may include a Growth Share or other zoning requirement, an accessory apartment conditional use, phasing requirements, affordability controls or payment in lieu stipulations. A municipality must also provide an affirmative marketing plan, which is referenced in the fair share ordinance.

#### A. Obligation

Roseland Borough has projected a growth share obligation of 38 units. Of this, 10 is the rental obligation and the maximum number of RCA units is 19. One-half of the affordable units in Roseland Borough may be age-restricted.

#### B. Implementation

The following chart illustrates the 41 surplus units from Roseland's second round certified plan:

PROJECT	TYPE	NUMBER
Roseland Green	Family Sales	22
Newark RCA	Rentals	11
Newark RCA	Non-Rentals	8
<b>TOTAL</b>		<b>41</b>

**SURPLUS                      3**

Roseland Borough has addressed its projected growth share obligation with previously certified units and has a three-unit surplus to address its fourth round obligation.

### C. Additional Affordable Housing

In Roseland's Spending Plan, Roseland is considering an age-restricted, all affordable rental and/or for sale development. With anticipated development fees and payment-in-lieu fees, Roseland would like to purchase a two-acre tract of land that could then be donated to an experienced non-profit developer who would fund, develop and administer the affordable housing. This is still in the discussion stages and no site has been selected. However, a pro-forma has been developed to calculate the actual cost of providing senior affordable rental units and is attached as Exhibit A. The proforma shows a total development cost of \$9,409,928 for 50 units which translates into a per unit cost of \$188,199.

## **V. DRAFT FAIR SHARE ORDINANCE**

### **A. Proportion of Low and Moderate Income Units By Sale, Rental And By Number of Bedrooms**

Except for inclusionary developments constructed pursuant to low income tax credit regulations:

1. At least half of the “for sale” affordable units within each inclusionary development shall be affordable to low income households.
2. At least half of the “rental” affordable units within each inclusionary development shall be affordable to low income households.
3. At least one third of the affordable units in each bedroom distribution within each inclusionary development shall be affordable to low income households.

#### **Bedroom Distribution of Affordable Units**

1. Inclusionary developments which are not restricted to age-restricted households shall be structured in conjunction with realistic market demands so that:
  - a. The combined number of efficiency and one-bedroom units is no greater than 20 percent of the total number of affordable units.
  - b. At least 30 percent of all affordable units shall be two bedroom units.
  - c. At least 20 percent of all affordable units shall be three bedroom units.
2. Inclusionary developments that are restricted to age-restricted households shall at a minimum have a total number of bedrooms equal to the number of age-restricted affordable units within the inclusionary development.

### **B. Establishment of Rents and Prices of Units As Related to Household Size And Number of Units.**

1. In conjunction with realistic market information, the following shall be used to determine the maximum rents and sales prices of the affordable units:
  - a. Efficiency units shall be affordable to a one (1) person household.
  - b. A one bedroom unit shall be affordable to a one and a half person household.
  - c. A two bedroom unit shall be affordable to a three person household.
  - d. A three bedroom unit shall be affordable to a four and one-half person household.

e. A four bedroom unit shall be affordable to a six person household.

2. For assisted living facilities the following standards shall be used:

- a. A studio shall be affordable to a one-person household.
- b. A one-bedroom unit shall be affordable to a one and one-half person household.
- c. A two-bedroom unit shall be affordable to a two-person household or to two, one person households.

### **C. Establishing Median Income by Household Size**

Median income by household size shall be established using a regional weighted average of the uncapped Section 8 income limits published by HUD computed as set forth in N.J.A.C. 5:94-7.2.

### **D. Establishing Average Rents Of Affordable Units.**

- 1. The maximum rent of affordable units within each inclusionary development shall be affordable to households earning no more than 60 percent of median income. The average rent for low and moderate income units shall be affordable to households earning no more than 52 percent of median income. Restricted rental units shall establish at least one rent for each bedroom type for all low and moderate-income units provided at least 10 percent of all low and moderate income units are affordable to households earning no more than 35 percent of median income.
- 2. Low and moderate income units shall utilize the same heating source as market units within the inclusionary development.
- 3. Gross rents including an allowance for utilities shall be established for the various size affordable units at a rate not to exceed 30 percent of the gross monthly income of the appropriate household size. The allowance for utilities shall be consistent with the utility allowance approved by HUD for use in New Jersey.
- 4. All affordable rental units included in the COAH requirement shall not be subject to any rent control ordinance which may be adopted in Borough of Roseland during the time period in which affordable housing COAH controls are effective.

### **E. Establishing Average Sales Prices of Affordable Units**

- 1. The maximum sales price of restricted ownership units within each affordable development shall be affordable to households earning no more than 70 percent of median income. Each affordable development must achieve an

affordability average of 55 percent for restricted ownership units. Moderate income ownership units must be available for at least three different prices for each bedroom type and low income ownership units must be available for at least two different prices for each bedroom type.

2. Low and moderate income units shall utilize the same heating source as market units within the inclusionary development.

#### **F. Affordable Housing Units: Condominium Or Homeowners Association Fees**

1. If an affordable housing unit is part of a condominium association or homeowner's association, the Master Deed shall reflect that the assessed affordable homeowner's fee be established at one hundred percent (100 percent) of the market rate fee. This percentage assessment shall be recorded in the Master Deed.
2. The Master Deed shall contain the same fee for the market rate units as the low and moderate-income units. Developments that are 100 percent affordable shall have condominium or homeowners association fees that are self-supporting and sustaining.

#### **G. Reservation of Units**

1. Low-income housing units shall be reserved for households with a gross household income equal to or less than 50 percent of the median income approved by COAH.
2. Moderate income housing units shall be reserved for households with a gross household income in excess of 50 percent but less than 80 percent of the median income approved by COAH.

#### **H. Reoccupancy Certificate**

1. Upon resale of an affordable unit, a certificate of reoccupancy shall be required in accordance with N.J.A.C. 5:80-26.10.

#### **I. Phasing Of Construction**

1. Final site plan approval shall be contingent upon the development meeting the following phasing schedule for low and moderate income units within each inclusionary development, whether developed in one stage or in two or more stages.

Minimum Percentage Moderate Income Units Completed	Percentage of Market Housing Units Completed
0	25
10	25 + 1 unit



50	50
75	75
100	90
	100

## **J. Maintenance of Inclusionary Housing**

All conveyance of newly constructed low and moderate income sales units shall contain the restrictive covenants and liens adopted which are described in N.J.A.C. 5:80-26. et seq.

## **K. Administration Of Inclusionary Units**

1. Roseland Borough has contracted with Carol Auger, Housing Consultant, to be the administrator of the sale and rental units of inclusionary developments. Together with the Roseland Affordable Housing Board, Ms. Auger will oversee and administer the income qualifications of low and moderate income households; place income eligible households in low and moderate income units upon initial occupancy; place income eligible households in low and moderate income units as they come available during the period of affordability controls and enforce the terms of the required deed restrictions and mortgage loans. Ms. Auger, an experienced consultant, will specifically administer and implement:
  - a. an administrative plan and program, and related monitoring and reporting requirements as outlined in N.J.A.C. 5:80-26.15 et seq.
  - b. a plan for certifying and verifying the income of low and moderate income households as per N.J.A.C. 5:80-26.16 et seq.
  - c. procedures to assure that low and moderate income units are initially sold and rented to eligible households and are thereafter similarly re-sold and rented during the period while there are affordability controls as per N.J.A.C. 5:80-26 et seq.
  - d. the requirement that all newly constructed low and moderate income sales units contain deed restrictions with appropriate mortgage liens as set forth in Appendices in N.J.A.C. 5:80-26 et seq.
  - e. the several sales/purchase options authorized under N.J.A.C. 5:80-26. et seq. except that the borough retains the right to determine by resolution whether or not to prohibit, as authorized under N.J.A.C. 5:80-26 et seq., the exercise of the repayment option.



- f. the regulations determining 1) whether installed capital improvements will authorize an increase in the maximum sales price; and 2) which items of property may be included in the sales price as per N.J.A.C. 5:80-26.9.
2. If the project is rental, the advertising and administration is paid by the owner/developer on an on-going basis. If the project is for-sale, the initial costs are the responsibility of the developer. Owners of affordable units shall pay an administrative fee when an affordable unit is sold.

#### **L. Time Period For Controls**

1. Newly constructed low and moderate-income rental units shall remain affordable to low and moderate income households for a period of 30 years. The period of affordability controls for rental units may extend beyond the 30 year period at the discretion of the municipality as per N.J.A.C. 5:80-26 et seq.
2. Newly constructed low and moderate income for sale units shall remain affordable to low and moderate income households for a period of 30 years.
3. Rehabilitated owner-occupied single family housing units that are improved to code standard shall be subject to affordability controls for 10 years.
4. Rehabilitated renter-occupied housing units that are improved to code standard shall be subject to affordability controls of at least 10 years.
5. Housing units created through conversion of a non-residential structure shall be considered a new housing unit and shall be subject to affordability controls for new housing units as designated in items 1 and 2 above.
6. Affordability controls on accessory apartments shall be for a period of 30 years.
7. Affordability controls for units in alternative living arrangements shall be for a period of 30 years.
8. Affordability controls on buydown units shall be for a period of 30 years.
9. Affordability controls on alternative living arrangements shall be for a period of 30 years.

## VI. GROWTH SHARE ORDINANCE

## VII. AFFIRMATIVE MARKETING PLAN

### BOROUGH OF ROSELAND AFFIRMATIVE MARKETING PLAN

- (1) In accordance with the regulations of COAH pursuant to N.J.A.C. 5:94 et seq. and the New Jersey Uniform Housing Affordability Controls pursuant to N.J.A.C. 5:80-26 et seq., the Borough of Roseland previously adopted an Affirmative Marketing Plan that is updated below.
- (2) All affordable housing units shall be marketed in accordance with the provisions therein.
- (3) The Borough of Roseland has a third round growth share obligation. This subsection shall apply to all developments that contain low or moderate-income units and any further developments that may occur.
- (4) In implementing the marketing program, the administrative agent shall undertake all of the following strategies:
  - Publication of one advertisement in a newspaper of general circulation within the housing region.
  - Broadcast of one advertisement by a radio or television station broadcasting throughout the housing region
  - At least one additional regional marketing strategy using one of the other sources listed below.

#### Introduction

The affirmative marketing plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affect ional or sexual orientation, disability, age or number of children to housing units which are being marketed by a developer or sponsor of affordable housing. The affirmative marketing plan is also intended to target those potentially eligible persons who are least likely to apply for affordable units in that region. It is a continuing program that directs all marketing activities toward the COAH Housing Region (Region 2) in which the Borough of Roseland is located and covers the period of the deed restriction. Region Two consists of Essex, Morris, Union and Warren Counties.

- (1) The Borough of Roseland has appointed Carol Auger as the administrative agent who shall assure the affirmative marketing of the units. Ms. Auger works in tandem with the Roseland Affordable Housing Board. The administrative agent shall attend an affirmative marketing training program approved by COAH.

- (2) The Borough of Roseland has contracted with Ms. Auger, Housing Consultant, to administer the affirmative marketing plan. The borough shall appoint a housing officer who shall supervise the contracting administrative agent. In addition, the contracting administrative agent is responsible for the entire affirmative marketing plan. The borough shall also ensure that all original applicant and sales records of affordable units are returned to the borough for reporting purposes and to aid with future resales. The Borough of Roseland has the ultimate responsibility for the proper administration of the affirmative marketing program, including initial sales and rentals and resales and rerentals. The borough has contracted with Ms. Auger to administer the affordable units.
- (3) In implementing the affirmative marketing plan, the administrative agent shall designate Tri-City Peoples Corporation in East Orange, CCCS of New Jersey in Newark and New Jersey Citizen Action in Newark to provide counseling services to low and moderate income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements and landlord/tenant law.
- (4) The affirmative marketing plan shall provide the following information:
- a) The name and address of the project;
  - b) The number of units, including the number of sales and/or rental units;
  - c) The price of sales and /or rental units;
  - d) The name of the sales manager and/or rental manager
  - e) A description of the random selection method that will be used to select occupants of affordable housing.
  - f) Disclosure of required application fees
- (5) The affirmative marketing program is a continuing program and shall meet the following requirements:
- (a) All newspaper articles, announcements and requests for applications for low and moderate-income units shall appear in the following daily regional newspaper/publication:
    - i. The Star Ledger (Regional)
  - (b) The primary marketing shall take the form of at least one press release sent to the above publication and a paid display advertisement in the above newspaper. Additional advertising and publicity shall be on an "as needed" basis. The advertisement shall include a description of the:
    - i. Location of the units;
    - ii. Direction to the units;
    - iii. Range of prices for the units;
    - iv. Size, as measured in bedrooms, of units;
    - v. Maximum income permitted to qualify for the units;
    - vi. Location of applications;
    - vii. Business hours when interested households may obtain an application; and

- viii. Application fees, if any.
- (c) All newspaper articles, announcements and requests for applications for low and moderate-income housing shall appear in the following neighborhood oriented weekly newspaper within the region:
- i. The Caldwell Progress
  - ii. West Essex Tribune
- (d) The following regional cable television station, regional radio station and website shall be used:
- i. New Jersey Housing Resource Center – [www.state.nj.us/njhrc/](http://www.state.nj.us/njhrc/)
  - ii. Channel 35
  - iii. WMTR
- (e) The following is the location of applications, brochure(s), sign(s) and/or poster(s) used as part of the affirmative marketing program:
- i. Roseland Borough Municipal Building
  - ii. Roseland Public Library
  - iii. Morris County Library
  - iv. Warren County Library Headquarters
  - v. Union County Administration Building
  - vi. Essex County Administration Building
  - vii. Morris County Administration Building
  - viii. Warren County Administration Building
- (f) The following is a listing of community contact person(s) and/or organizations(s) that will aid in the affirmative marketing program with particular emphasis on contacts that will reach out to groups that are least likely to apply for housing within the region:
- Service Clubs:
- Unico
  - Rotary
  - Junior Women's Club
  - Roseland Affordable Housing Board
- (g) Flyers and applications.
- i. Flyers and applications shall be sent to each of the following agencies for publication in their journals and for circulation among their members on an as needed basis:  
  
Essex County Board of Realtors

Morris County Board of Realtors  
Union County Board of Realtors  
Warren County Board of Realtors

- ii. Applications shall be mailed to prospective applicants upon request. Also, applications shall be available at the developer's sales/rental office.
- iii. Additionally, quarterly informational circulars and applications shall be sent to the chief administrative employees of each of the following agencies in the counties of Essex, Union, Morris and Warren Counties:

Rental Assistance Office (local office of DCA)  
Area Community Action Agencies

- iv. Additionally, quarterly informational circulars and applications shall be sent to the chief administrative employees of each of the following major employers:

Essex County  
Morris County  
Union County  
Warren County

- (h) A random selection method to select occupants of low and moderate income housing shall be used by Roseland Borough in conformance with N.J.A.C.5: 80-26.16 (l).

Ms. Auger will administer the program in conjunction with the Roseland Affordable Housing Board. Ms. Auger has the responsibility to income qualify low and moderate income households; to place income eligible households in low and moderate income units upon initial occupancy; to provide for the initial occupancy of low and moderate income units which income qualified households; to continue to qualify households for re-occupancy of units as they become vacant during the period of affordability controls; to assist with outreach to low and moderate income households; and to enforce the terms of the deed restriction and mortgage loan as per N.J.A.C 5:80-26.

- ii. All developers of low and moderate income housing units shall be required to assist in the marketing of the affordable units in their respective developments.
- iii. The marketing program shall commence at least 120 days before the issuance of either temporary or permanent certificates of occupancy. The marketing program shall continue until all low and moderate-income housing units are initially occupied and for as long as affordable units are

deed restricted and occupancy or reoccupancy of units continues to be necessary.

- iv. Roseland Borough will comply with monitoring and reporting requirements as per N.J.A.C.5: 80-26.

## VIII. SPENDING PLAN

### INTRODUCTION

The Borough of Roseland, Essex County has a development fee ordinance that was approved by the Council on Affordable Housing (COAH) on \_\_\_\_\_. This spending plan is prepared in accordance with N.J.A.C. 5:94-6.2.(c) and 6.5 and includes the following:

1. Projection of development fee revenues based on known development approvals and historic rate of development activity.
2. A description of the administrative mechanism that the municipality will use to collect and distribute revenues.
3. A description of the anticipated use of all development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, pursuant to N.J.A.C. 5:94-6.12, repayment of loans for rehabilitation or affordability assistance, and voluntary contributions.
4. A schedule for the creation or rehabilitation of housing units.
5. If the municipality is including a municipally sponsored or 100 percent affordable program, a new construction alternative living arrangement or an affordable housing partnership program, a pro-forma statement of the anticipated costs and revenues associated with the development.
6. The manner in which the municipality will address any expected or unexpected shortfall if the anticipated revenues from development fees are not sufficient to implement the plan.

To date, the Borough of Roseland has collected \$00.00 in its affordable housing trust. All development fees collected and interest generated by the fees are deposited in a separate interest-bearing account in Penn Federal Savings Bank for the purposes of affordable housing.

#### 1. PROJECTION OF REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenues anticipated between June 2006 and the expiration of substantive certification, the Borough of Roseland considered the following:

- a. Residential and non-residential projects which have had development fees imposed upon them at the time of preliminary or final development approvals are anticipated to provide \$00.00 in development fees at issuance of building permits and/or certificates of occupancy during the period of substantive certification.
- b. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy are anticipated to provide \$00.00 in development fees.



- c. Development projected to begin construction based on proposed development and historic rates of development is anticipated to provide an additional \$119,000 in development fees during the period of substantive certification.
- d. Payments in lieu of construction from developers in pursuant to N.J.A.C. 5:94-4.4 (b-e) are anticipated to provide \$5,081,373.00 in development fees during the period of substantive certification.
- e. Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of loans for rehabilitation or affordability assistance, and voluntary contributions are not anticipated to provide fees during the period of substantive certification.
- f. Interest on the projected revenue in the housing trust fund at the current average interest rate is anticipated to provide \$100,000 to the affordable housing trust fund during the period of substantive certification.

**The Borough of Roseland projects a total of \$5,300,373 in revenue to be collected between June 2006 and the expiration of substantive certification. All development fees, payments in lieu of construction and other funds listed above will be deposited in a separate interest-bearing account in Penn Federal Savings Bank and all interest earned on the account will accrue to the account to be used only for the purposes of affordable housing.**

## **2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS**

The following procedural sequence for the collection and distribution of development fee revenues is being followed by Borough of Roseland:

### **a. Collection of development fee revenues:**

The planning board secretary notifies the Construction Official whenever a preliminary or final approval is granted for a development which is subject to a development fee.

When a request is made for a building permit, the Construction Official determines if the project is subject to the imposition of a mandatory development fee. If so, upon request of a certificate of occupancy (CO) by the developer, the Construction Official will notify the borough tax assessor to calculate the value of the project and set the fee based on 50 percent of the equalized assessed value.

The balance of the development fee will be paid by the developer to the Construction Official prior to the issuance of the CO. The funds are then forwarded to the Borough Administrator and deposited in the affordable housing trust fund.

### **b. Distribution of development fee revenues:**

The Borough Administrator adopts and forwards a resolution to the governing body recommending the expenditure of development fee revenues as set forth in this spending plan. The governing body reviews the request for consistency with the spending plan and adopts the recommendation by resolution.

The release of funds requires the adoption of the governing body resolution in accordance with the COAH-approved spending plan. Once a request is approved by resolution, the Borough Administrator releases the requested revenue from the trust fund to the specific use approved in the governing body's resolution.

### **3. DESCRIPTION OF ANTICIPATED USE OF DEVELOPMENT FEES:**

- a. The Borough of Roseland will dedicate money to a new senior development which is exempt from the affordability assistance requirement.

In Roseland's Spending Plan, Roseland is considering an age-restricted, all affordable rental and/or for sale development. With anticipated development fees and payment-in-lieu fees, Roseland would like to purchase a two-acre tract of land that could then be donated to an experienced non-profit developer who would fund, develop and administer the affordable housing. This is still in the discussion stages and no site has been selected. However, a pro-forma has been developed to calculate the actual cost of providing senior affordable rental units and is attached as Exhibit A. The proforma shows a total development cost of \$9,409,928 for 50 units which translates into a per unit cost of \$188,199.

- b. Borough of Roseland will dedicate no money from the affordable housing trust fund to render units more affordable as Roseland is contemplating an all-affordable senior development.
- c. The Borough of Roseland will dedicate \$1,060,079 from the affordable using trust fund to be used for administrative purposes as follows:

Salaries and benefits for municipal employees or consultant fees necessary to develop and implement municipal housing programs such as new construction, housing elements and affirmative marketing programs. Administrative funds will be used to income qualify households and monitor implementation. Development fees may be used to defray the costs of staff that are implementing a housing plan.

<b>IV. SPENDING PLAN CALCULATION SUMMARY</b>	
Existing Balance	\$00.00
Pending fees due upon issuance of building permit and/or CO	+
Projects awaiting approval	+ \$00.00
Projection based on historic development activity	+ \$119,000
Payments in lieu of construction	+ \$5,081,373
Projected Interest	+ 100,000
Other	+ \$00.00
<b>TOTAL PROJECTED REVENUE</b>	\$5,300,373.00
Funds Used for New Construction	\$4,240,299
<b>TOTAL SUBJECT TO AFFORDABILITY ASSISTANCE REQUIREMENT</b>	=
Affordability Assistance (minimum of 30 percent of above total)	- \$00.00
Affordability Assistance to Very Low Income Households (minimum of 1/3 of above allotment)	\$00.00
Administration (maximum of 20 percent of total projected revenue minus RCA contribution)	\$1,060,074
<b>REMAINING FUNDS FOR OTHER HOUSING ACTIVITY</b>	=\$00.00

#### 4. SCHEDULE FOR CREATION OF HOUSING UNITS

Not Applicable – Roseland has addressed and exceeded its growth share obligation with eligible prior credits. However, Roseland is discussing using development fees and payment in lieu fees to develop an all-affordable, senior rental and/or for sale complex. This is still in the exploratory stages so there is no schedule, site or developer.

#### 5. UNEXPECTED SHORTFALL OF FUNDS

Not Applicable – Roseland has addressed and exceeded its growth share obligation with eligible prior round credits.

#### 6. SUMMARY

The Borough of Roseland intends to spend development fee revenues pursuant to N.J.A.C. 5:94-6.12.

The Borough of Roseland has collected \$00.00 to date and anticipates \$5,300,373 in revenues before the expiration of substantive certification.

The Borough of Roseland will dedicate no money toward affordability assistance at this time, \$4,240,299 to an all-affordable senior development and \$1,060,074 to administrative costs.

EXHIBIT A



# **SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS**

Inducement  
 I Commitment  
 Re-Commitment  
 Bond Sale  
 Closing

HMFA#  
 Prepared by: Barbara Schoor  
 Reviewed by: \_\_\_\_\_  
 (Director of Technical Services)

Date

(Director of Credit)

Date

Will loan/s be repaid from project revenues?  
 (If Source is a grant, enter "G")  
 Y or N or G

## **1. SOURCES OF FUNDS DURING CONSTRUCTION:**

a) Construction Loan				\$	524,975
b) Municipal Contribution	2,250,000			\$	250,000
c) Tax Credit Equity	2,454,820			\$	981,929
d) Home Express	2,500,000		\$0.920	\$	500,000
e) Deferred Developers Fee				\$	340,088
f) _____				\$	
g) _____				\$	
h) _____				\$	
<b>TOTAL SOURCES OF CONSTRUCTIONS FUNDS:</b>				\$	8,756,991

## **2. USES OF FUNDS DURING CONSTRUCTION:**

### **A. ACQUISITION COSTS:**

a) Land 2.00 @ (\$ 700,000.00 per Acre) \$ 1,400,000

b) Building Acquisition

c) Relocation

d) Other:

### **B. CONSTRUCTION COSTS**

a) Demolition

b) Off-site Improvements

c) Residential Structures

d) Community Service Facility

e) Environmental Clearances

f) Surety &amp; Bonding

g) Building Permits in Residential Structures

h) Owners Rep during construction

i) Utility Connection Fees MUNICIPALITY, REGIONAL WAIVED

j) General Requirements in Residential Structures

k) Contractor Overhead &amp; Profit

l) Fire Suppression System

m) Other: FFE

HMFA Policy is that the Developer fee is earned as a percentage of construction completion.

### **C. DEVELOPERS FEE**

### **D. CONTINGENCY**

a) Hard Costs 6.000%

b) Soft Costs 2.000%

### **E. PROFESSIONAL SERVICES**

a) Appraisal &amp; Market Study

b) Architect

c) Engineer

d) Attorney

e) Cost Certification/Audit

f) Environmental Consultant

g) Historical Consultant

h) Soil Investigation

i) Surveyor

j) Other: development permits/approvals

k) Other: organizational/admin

### **F. PRE-OPERATIONAL EXPENSES**

a) Operator fees (pre-construction completion)

b) Advertising and Promotion (pre-construction completion)

c) Staffing and Start-up Supplies (pre-construction completion)

d) Housing Affordable Services Fee (HAS)

e) Other:

### **G. CARRYING AND FINANCING COSTS DURING CONSTRUCTION**

a) Interest @ 7.7000 % for ( 12 mos.) on \$ 1,762,488 97,212

b) R.E. Tax \$ 10,000 (per annum) x 1.00 Yrs. 10,000

c) Insurance \$ 50,000 (per annum) x 1.00 Yrs. 50,000

d) Title Insurance and Recording Expenses 45,000

e) Points To Reduce HMFA Servicing Fee (Comm'l. &amp; Persn. Only) on \$ 3,000,000

f) HMFA Second Note Financing Fee (Comm'l. &amp; Persn. Only) on \$ N/A

g) HMFA Constr. Loan Serv. Fee % for ( N/A mos.) on N/A

h) Other Lender Construction Financing Fee 100,000

i) Tax Credit Fees If the HMFA will be selling Bonds for the project either before or during the 50,000

j) Negative Arbitrage (If Bonds are sold during Construction) time the Development is under construction, these costs

k) Cost of Insurance (If Bonds are sold during Construction) should be accounted for during the construction period.

l) Other:

## **3. USES OF FUNDS DURING CONSTRUCTION:**

## **4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION (overage / shortage):**

352,112

\$ 8,756,991

\$ (0)

**5. SOURCES OF FUNDS FOR PERMANENT FUNDING:**

a) HMFA First Mortgage - First Note			\$	910,502
b) HMFA First Mortgage - Second Note (short term)			\$	000,000
c) Soft Money			\$	
d) Seller Contribution (balance)			\$	
e) Tax Credit Equity			\$	227,410
f)			\$	
g)			\$	
h)			\$	
<b>TOTAL SOURCES FOR PERMANENT CLOSING:</b>			\$	1,137,912

**6. DEVELOPER'S FEE:****7. USES OF FUNDS FOR PERMANENT CLOSING:**

A. HMFA Points (to reduce annual servicing fee)	2.00%	on	\$	1,910,502	38,210	38,210
B. HMFA Second Note Financing Fee	2.00%	on	\$	3,000,000	60,000	60,000

**C. CONSTRUCTION LOAN PAYOFF:**

NOTE: If HMFA is providing Construction &amp; Permanent Mfg., ESCROWS are funded at the construction loan closing.

**D. Negative Arbitrage****E. Cost of Insurance****F. ESCROW REQUIREMENTS:****H. ESCROW REQUIREMENTS:**

1) Working Capital Escrow						
a) Debt Service & Operating Expenses						26,091
b) Rental Agent Rent-up Fee (during Rent-up)						
c) Advertising and Promotion (during Rent-up)						
2) Other Escrows						
a) Insurance (1/2 YR.)						15,000
b) Taxes (1 Qtr.)						6,674
c) Debt Service Payment & Servicing Fee for 1 Month						12,713
d) Mortgage Insurance Premium (MIP) 1 year plus 3 months						
e) Repair & Replacement Reserves						
f) Operating Deficit Reserve (syndicator controlled)						
g) Other second note escrow						54,250

**9. USES OF FUNDS FOR PERMANENT CLOSING****9. BALANCE NEEDED TO CLOSE (overage / shortage):**

<b>10. TOTAL PROJECT COSTS</b>			\$	0
<b>11. MAXIMUM MORTGAGE LOAN</b>	20.30 % of Item 9		\$	9,928

**12. SPONSOR'S EQUITY REQUIRED:**

Is Composed of:

a) Cash			\$	
b) Pledged Assets			\$	
c) Bridge Financing			\$	

**13. REPAYMENT OF SECOND NOTE (IF APPLICABLE)**

Interest @	5.65%	(	18	) mos.	Principal	\$	3,000,000		
						\$	254,250		
					Total	\$	3,254,250	Total	\$
						\$	(3,254,250)		
							710,323	dev. Fee after rental	
							245,482	last tax credit installm	
							9,409,928	project total	
							3,559,727	less escrow/mortg	
							5,850,201		
							3,217,611	55%	
							1,307,109	second note n. require	

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By: \_\_\_\_\_  
(Developer or Authorized Signatory)By: \_\_\_\_\_  
NJHMFA Executive Director or Designee

**SCHEDULE 10-C: OPERATING EXPENSES**

Sponsoring Entity:

Dev. Name: Roseland

HMFA#

Prepared by: Barbara Schoor

Reviewed by:

05/12/06

Director of Property Management

Title

**I. ADMINISTRATIVE EXPENSE**

Stationery & Suppl.	500
Telephone	750
Dues & Sub.	250
Postage	500
Insp. & Other Fees	500
Advertising	1,000
Legal Services	1,500
Auditing (Year End)	10,000
Soc. Serv. Suppl.	1,500
Bookkeeping/Accounting	2,000
Misc. Adm. Expenses	500
Computer Charges	2,700
Other:	

TOTAL \$ 21,700**II. SALARIES & RELATED CHARGES**

	# of Employees	Total Wages Inc Benefit
Superintendent	1.00	30,000
Janitorial		
Grounds & Landscaping		
Security		
Social Services		
Site Office & Admin	1.00	40,000
Maintenance		
Other Salaries:		
Empl. Benefits		
Empl. Payroll Taxes		
Worker's Comp.		
Other:		17,500
TOTAL \$	2.00	87,500

**III. MAINTENANCE AND REPAIRS**

Masonry	500
Carpentry	500
Plumbing	500
Electrical	500
Kitchen Equipment	1,000
Elevator	500
Windows & Glass	500
Vehicles & Equip.	1,000
Snow Removal	1,500
Grounds & Landscaping	2,500
Paint & Dec. Suppl.	500
Small Equip. & Tools	500
Janit. Sup. & Tools	750
HVAC Supplies	750
Misc. Maint. Suppl.	500
Other:	1,000

TOTAL \$ 13,000**IV. MAINTENANCE CONTRACTS**

Security	
Elevator	1,000
Rubbish Removal	3,500
Heating & AC Maint.	1,000
Grounds, Parking & Landscaping	3,500
Exterminating	1,400
Cyclical Apt. Painting	5,833
Other:	
TOTAL \$	16,233

**V. UTILITY EXPENSE**

Water Charges	15,000
Sewer Charges	15,000
Electricity	10,000
Gas	10,000
Fuel	
TOTAL \$	50,000

**VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT**

Gross Rents	\$	510,822
Less Vacancy	(-)	35,738
Less Utilities (if applicable)	(-)	50,000
Gross Sheltered Rents	\$	425,084
x Rate	x	6.28 %
Real Estate Taxes	\$	26,694



SCHEDULE 10-D : ANTICIPATED GROSS RENTS

Mortgage Amount	1,910,502
Mortgage Interest Rate	6.50 %
Term (years)	30
Amortization (Y,S,M)	m
FMR Area	

HMFA # \_\_\_\_\_  
Prepared by: Barbara Schoor  
Reviewed by: \_\_\_\_\_

05/12/06

D: 1c

ANTICIPATED GROSS RENTS

[illegible]

Anticipated Annual Gross Rents	510,822
--------------------------------	---------

- \* Indicate on a separate line which apartment is for the Superintendent.  
If it's rent-free, put \$0 in the Rent column.
- \*\* Indicate "Low", "Mod" or "Mid" and the percentage of median income.  
Low income - 50% or less of median income  
Moderate income - 50% to 80% of median income  
Market income - 80%+ of median income
- \*\*\* Where tenants pay their own utilities, a "utility allowance" must be subtracted from the maximum chargeable rent when determining their rental charge.

### EQUIPMENT AND SERVICES

(a) <u>Equipment:</u>	(b) <u>Services:</u>	<u>Gas, Electric or Oil</u>	<u>Paid by Tenant</u>
Ranges	Heat	<u>\$</u>	<u>\$</u>
Refrigerator	Hot Water	<u>\$</u>	<u>\$</u>
Air Conditioning	Cooking	<u>\$</u>	<u>\$</u>
Laundry Facilities	Air Conditioning	<u>\$</u>	<u>\$</u>
Disposal	Household Electric	<u>\$</u>	<u>\$</u>
Dishwasher	Water	<u>\$</u>	<u>\$</u>
Carpet	Sewer	<u>\$</u>	<u>\$</u>
Drapes/Blinds	Parking	<u>\$</u>	<u>\$</u>
Swimming Pool	Other:	<u>\$</u>	<u>\$</u>
Tennis Court	Other:	<u>\$</u>	<u>\$</u>
Other:		<u>\$</u>	<u>\$</u>

COMMERCIAL SPACE

COMMERCIAL SPACE  
(Include all utility costs associated with the commercial space in your description)

# **SCHEDULE 10-E : SUMMARY OF ANTICIPATED ANNUAL INCOME AND EXPENSES**

Sponsoring Entity: _____		HMFA# _____	
Dev. Name: <u>Roseland</u>		Prepared by: <u>Barbara Schoor</u>	<u>05/12/06</u>
		Reviewed by: _____	_____
		(Director of Property Management - Expenses Only)	_____
<b>RENTAL INCOME</b>			
Apartment Rents		\$	<u>510,822</u>
Vacancy Loss ( 7.00 %)			<u>35,758</u>
NET APT. RENTS			<u>475,064</u>
Commercial Income		\$	_____
Garage & Parking			_____
Commercial Vacancy _____ %			_____
NET COMMERCIAL RENTALS			_____
TOTAL RENTAL INCOME		\$	<u>475,064</u>
<b>OTHER INCOME</b>			
Laundry Machines		\$	_____
Other:			_____
TOTAL OTHER INCOME		\$	_____
TOTAL REVENUE			<u>\$ 475,064</u>
<b>EXPENSES</b>			
Administrative (Schedule I)		\$	<u>21,700</u>
Salaries (Schedule II)			<u>87,500</u>
Maint. & Repairs (Schedule III)			<u>13,000</u>
Maint. Contracts (Schedule IV)			<u>16,233</u>
Utilities (Schedule V)			<u>50,000</u>
Management Fee 46.19 per unit			_____
7.00% 33,255			<u>33,255</u>
Real Estate Taxes (Schedule VI)			<u>26,694</u>
Insurance \$600 per Unit			<u>30,000</u>
Reserve for Repair and Replacement 425.00 per unit			<u>21,250</u>
TOTAL EXPENSES			<u>\$ 299,632</u>
NET OPERATING INCOME			<u>\$ 175,433</u>
<b>DEBT SERVICE</b>			
1. Principal and Interest		\$	<u>144,908</u>
2. Mortg. & Bond Serv Fee 0.40 %			<u>7,642</u>
3. MIP _____ %			_____
AGENCY DEBT SERVICE		\$	<u>152,550</u>
DEBT SERVICE ON OTHER MORTGAGE LOANS		\$	_____
TOTAL DEBT SERVICE			<u>\$ 152,550</u>
NET INCOME			<u>\$ 22,883</u>
Less Return on Equity ( _____ % on \$ _____)			<u>- \$ _____</u>
Project Profit/(Loss)			<u>\$ 22,883</u>
<b>DEBT SERVICE RATIO CALCULATION:</b>			
DSR =	<u>NET OPERATING INCOME</u>	=	<u>1.15000</u>
	<u>AGENCY DEBT SERVICE</u>		
			<u>New Mortgage Amount</u>
			<u>1,910,502</u>

