

**MASTER PLAN
HOUSING ELEMENT AND
FAIR SHARE PLAN

PALISADES PARK, NEW JERSEY**

**November 5, 2024
Revised December 7, 2024**

**Prepared for:
The Borough of Palisades Park**

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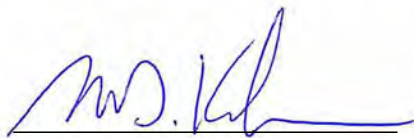
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INTRODUCTION

In its March 10, 2015, decision, the Supreme Court set forth a framework for the submission by a municipality and review by the courts of a municipality's plan to meet its constitutional affordable housing obligation. The Court determined that an action for a declaratory judgment seeking compliance with an affordable housing plan is necessary and "will be judged on the merits of the records developed in individual actions before the Courts." The Court also opined that municipalities should utilize the methodologies set forth in prior Round 1 and Round 2 regulations to establish need and determine a municipality's affordable housing obligation. Furthermore, the Court affirmed that many aspects of the two earlier versions of the Round 3 rules, which had been found valid by previous courts, could be used in preparing and assessing a plan for compliance.

Regarding the prior round obligations, the Court indicated that the March 10, 2015, decision did not eradicate these obligations, and municipalities are still expected to fulfill them. The unfulfilled prior round obligations should be the starting point for municipal compliance. The obligation established by COAH as the second-round obligations in 1993 shall be utilized as the basis for the prior round obligation.

In its March 15, 2015, decision, the Court emphasized that reviewing courts should be flexible in assessing a town's plan for compliance and may utilize prior Round 1 and Round 2 regulations, as well as Round 3 regulations that were not invalidated by the court.

Various court decisions, including those by the Supreme Court and Judge Mary Jacobson, have played a role in shaping affordable housing policies in the state. The Supreme Court, in *In re Declaratory Judgment Actions Filed By Various Municipalities*, 227 N.J. 508 (2017) ("Mount Laurel V"), held that municipalities are obligated to provide a realistic opportunity for their fair share of affordable housing for low- and moderate-income households during the period of 1999-2015, also known as the "Gap Period." Judge Jacobson's March 8, 2018, decision, which addresses the prospective fair share numbers for Mercer County municipalities from 2015 through 2025, has been recognized as the standard for determining a municipality's obligation by other courts in the state. The decision is structured into two sections: the first establishes the methodology for calculating each municipality's prospective need for affordable housing units, while the second outlines a methodology for calculating housing needs that emerged during the sixteen-year period when COAH's rules were not effective. The municipal obligation utilized in the report is based on the methodology adopted in the Jacobson case as contained in Econsult Solutions' March 28, 2018, report entitled "Statewide and Municipal Obligations Under Jacobson Opinion."

The Housing Element and Fair Share Plan presented in this report is responsive to these Court decisions and fulfills the requirements of the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the Fair Housing Act (N.J.S.A. 52-27D-301 et seq.). The Fair Housing Act provides a framework for New Jersey's municipalities to address their constitutional obligation to provide a reasonable opportunity for the construction of affordable housing that meets the needs of citizens in the region where the community is located. Pursuant to the Supreme Court decision of March 10, 2015, the Superior Court is responsible for the review of a municipality's Housing Element

and Fair Share Plan. It is now the Court’s purview to ensure the municipality meets its affordable housing obligation in accordance with the Fair Housing Act.

The mechanisms proposed by the Borough of Palisades Park to address its obligation will promote the constitutional goal of creating a realistic opportunity for producing its fair share of the present and prospective need for low- and moderate-income housing.

This report includes the information contained in the *Fair Housing Act* and COAH’s Rounds 1 and 2 regulations and Round 3 regulations that were not invalidated by the Court. These particular elements are outlined below:

“Content of a Housing Element”

The Housing Element submitted to the Court shall include the minimum requirements prescribed by N.J.S.A 52:27D-310 of the *Fair Housing Act*. These requirements are as follows:

1. An inventory of the Borough’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 next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
3. An analysis of the Borough’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 Borough.
5. A determination of the Borough’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.

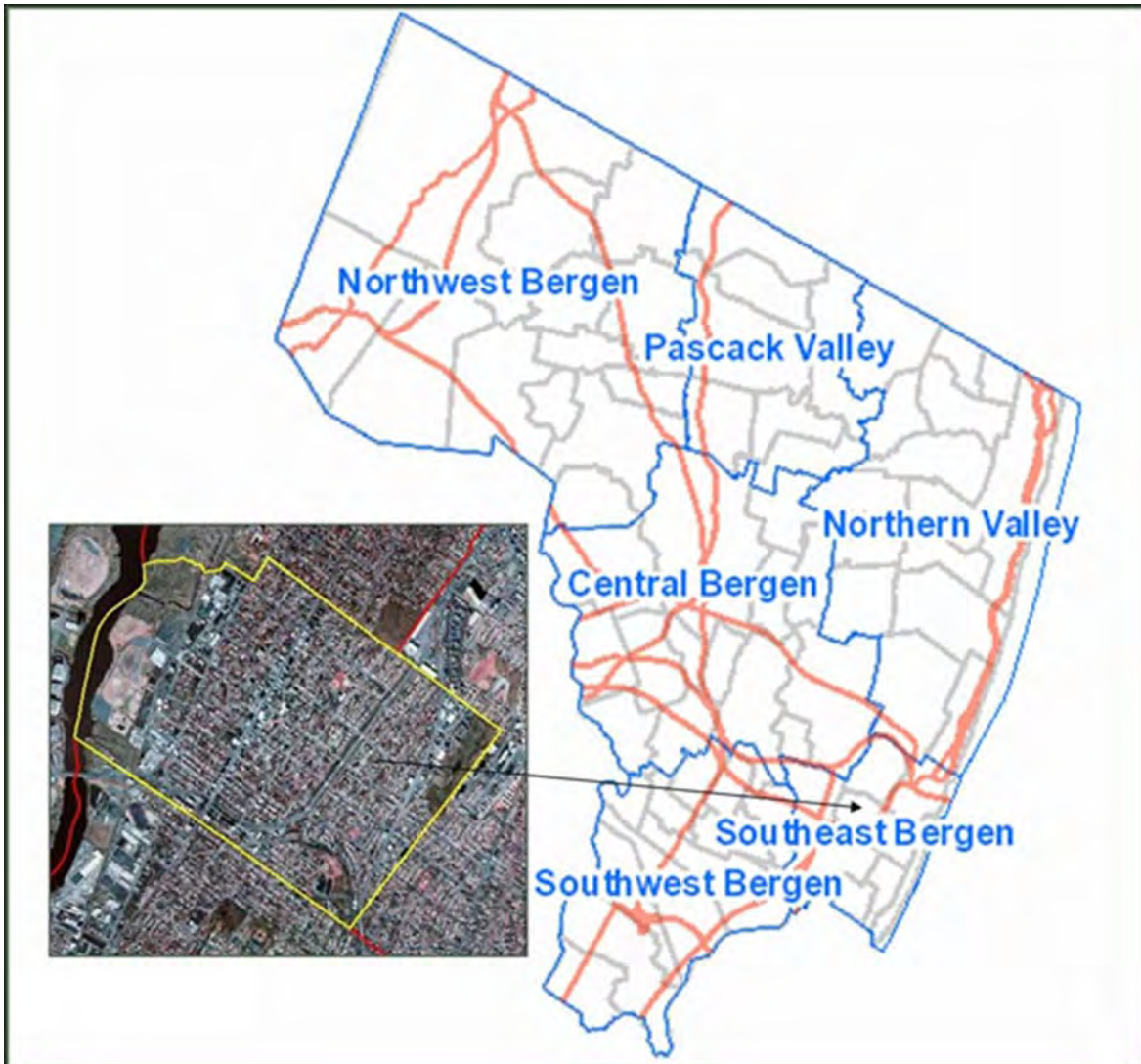
“Content of a Fair Share Plan”

The Fair Share Plan describes the completed or proposed mechanisms and funding sources, if applicable, that will be utilized to address a municipality’s affordable housing obligation as established in the Housing Element. More specifically, it will address the rehabilitation share, Prior Round Obligation (1987-1999 and fair share obligation (1999 to 2025). It shall also

include if applicable draft ordinances necessary to implement that plan and other information that may be required by the Court or other reviewing agency.

HOUSING ELEMENT

The Borough of Palisades Park has an area of approximately 1.3 square miles and is located in the southern central section of Bergen County, New Jersey. Bergen County is part of Housing Region 1 as established by COAH consisting of Bergen, Passaic, Hudson and Sussex Counties. The following map depicts the regional location of the Borough of Palisades Park.



Source: NJ DEP i-map and County of Bergen Maps On-Line



Source: ESRI ARCGis-Map

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.

An inventory of the municipality’s housing stock including an analysis of housing characteristics is presented in the following section of this report.

The Borough of Palisades Park is primarily a fully developed community which offers a variety of housing choices. As of the 2020 U.S. Census there were a total of 7,668 housing units in the Borough of Palisades Park. There were 7,314 occupied housing units as compared to only 354 vacant housing units. Out of the 7,314 occupied housing units, 2,319 were owner-occupied as compared to 4,995 renter-occupied housing units. In addition, 74.6% or 5,457 of the occupied housing units were occupied by family households as compared to 25.4% or 1,857 non-family

households. The average household size of these units was 2.73 persons per household and the average family size was slightly higher at 3.20 persons per family.

Although the borough is fully developed with limited vacant land, there has been a significant amount of development activity in the Borough between 2000 and 2009. This trend is primarily due to the redevelopment of former single-family properties into two-family or duplexes, which has continued into 2010 and beyond, although it does seem that this trend is on the decline. This decline in housing construction is a result of a corresponding reduction in the amount of developable land. The age of the existing housing stock is depicted in the following table.

TABLE 1
Table 1: Age of Housing Unit, By Year Built

Year Structure Built	Number	Percent
Built 2020 or later	47	0.6%
Built 2010 to 2019	853	11.5%
Built 2000 to 2009	1,579	21.3%
Built 1990 to 1999	601	8.1%
Built 1980 to 1989	588	7.9%
Built 1970 to 1979	757	10.2%
Built 1960 to 1969	766	10.3%
Built 1950 to 1959	684	9.2%
Built 1940 to 1949	487	6.6%
Built 1939 or earlier	1,051	14.2%
Total	7,413	100.0%

Source: US Census, 2018-2022 American Community Survey 5-year Estimates

The condition of these units is generally good. According to the U.S. Census Bureau’s 2022 American Community Survey, as of 2022, an estimated 18 units (0.3%) lacked complete plumbing facilities, 71 units (1.0%) lacked complete kitchen facilities, and 154 units (2.2%) had no telephone service. Regarding heating, 5,526 units (77.6%) used gas as their primary fuel source; 393 units (5.5%) used bottled, tank, or LP gas; 1,109 units (14.3%) used electricity; 147 units (2.1%) used fuel oil or kerosene; 10 units (0.1%) used other fuel sources; and 24 units (0.3%) did not use fuel.

The data provided in Table 2 indicates the number of units in each structure. As mentioned above Palisades Park is primarily a fully developed one and two-family residential community as 62.1% of the housing units consist of 1-unit detached dwellings, 1-unit attached dwellings and 2-unit dwellings.

TABLE 2
Table 1: Number of Housing Units In Structure

Units in Structure	# of Housing Units	Percent
1-unit, detached	977	13.2
1-unit, attached	1,614	21.8
2 units	2,006	27.1
3 or 4 units	488	6.6
5 to 9 units	394	5.3
10 to 19 units	603	8.1
20 to 49 units	736	9.9
50 or more units	564	7.6
Mobile home	31	0.4
Boat, RV, van, etc.	0	0.0
Total housing units	7,413	100.0

Source: US Census, 2018-2022 American Community Survey 5-year Estimates

The value of specified owner-occupied housing units as reported in the 2018-2022 American Community Survey is shown below.

TABLE 3
Owner-Occupied Housing Units by Value

Value	# of Housing Units	Percent
Less than \$ 50,000	32	1.2%
\$ 50,000 - \$ 99,999	34	1.3%
\$100,000 - \$149,999	7	0.3%
\$150,000 - \$199,999	9	0.3%
\$200,000 - \$299,999	76	2.8%
\$300,000 - \$499,999	524	19.6%
\$500,000 - \$999,999	1,731	64.9%
\$1,000,000 or more	256	9.6%
Total:	2,669	100.0%

Source: US Census, 2018-2022 American Community Survey 5-year Estimates

The majority of housing units were valued between \$500,000 and \$999,999. The median value of owner-occupied housing units was \$671,400. According to the 2018-2022 American Community Survey, the median monthly owner costs for housing units with a mortgage were \$3,567 and \$1,317 for housing units without a mortgage.

The cost of specified renter-occupied housing units as reported in the 2018-2022 American Community Survey is shown below.

TABLE 4
Gross Rent Per Unit

Gross Rent	# of Units	Percent
Less than \$200	0	0.0%
\$200 to \$299	30	3.0%
\$300 to \$499	47	4.6%
\$500 to \$749	45	4.4%
\$750 to \$999	88	8.7%
\$1,000 to \$1,499	585	57.7%
\$1,500 or more	219	21.6%
No rent paid	46	(x)
Total:	4,297	100.0%

Source: US Census, 2018-2022 American Community Survey 5-year Estimates

The majority of renters paid between \$1,000 and \$1,499 dollars per month on, while the median gross rent was \$1,203 per month.

As indicated in Tables 3 and 4, a notable trend emerges in Palisades Park, revealing a higher number of individuals choosing to rent homes rather than own them. The data shows the number of occupied housing units paying rent is 4,297 compared to the housing units owned of 2,622.

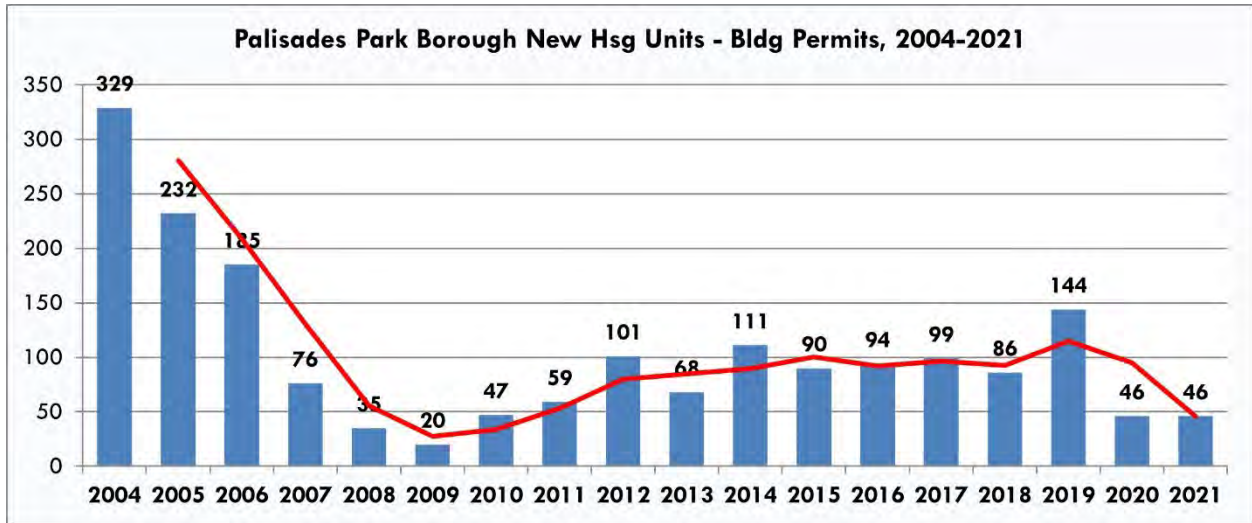
A projection of the municipality's housing stock, including the probable future construction of low- and moderate-income housing, for the next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands.

Although the borough is fully developed with limited vacant land, there has been a significant amount of development activity in the Borough between 2012 and 2021. This trend is primarily due to the redevelopment of former single-family properties into two-family or duplexes, although it does seem that this trend is on the decline in 2020 and 2021. Although this slowdown could be a result of the pandemic.

TABLE 5
RESIDENTIAL BUILDING PERMITS AND DEMOLITIONS - 2012 TO 2021

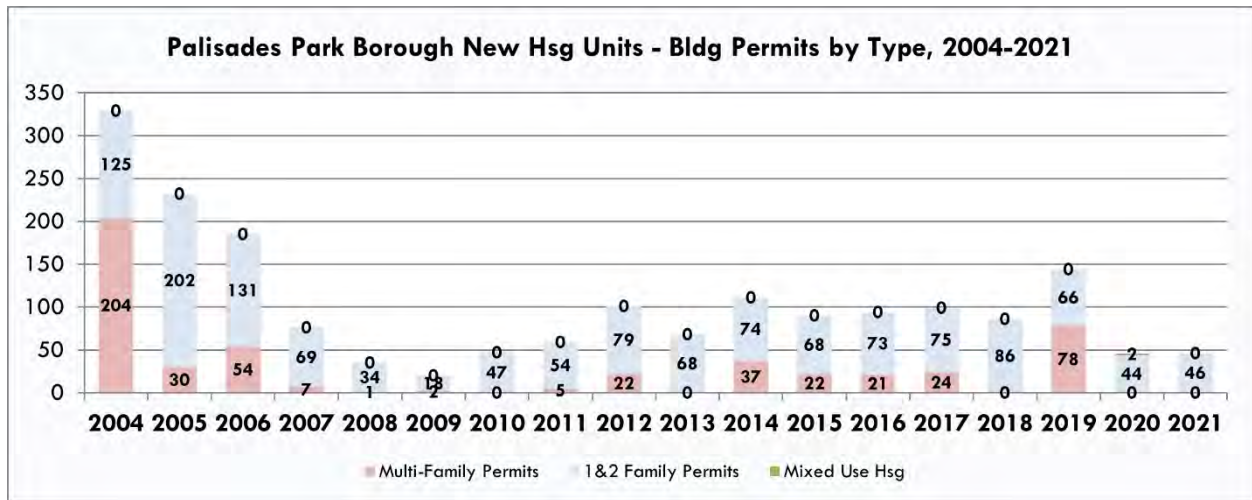
Year	Building Permits	Demolition Permits	Net Growth
2012	101	28	73
2013	68	34	34
2014	111	39	72
2015	90	29	61
2016	94	35	59
2017	99	41	58
2018	86	41	45
2019	144	34	110
2020	46	24	22
2021	46	22	24
Total:	885	327	558
10 Year Avg.	88.5	32.7	55.8

Chart 1: Building Permits 2004-2021



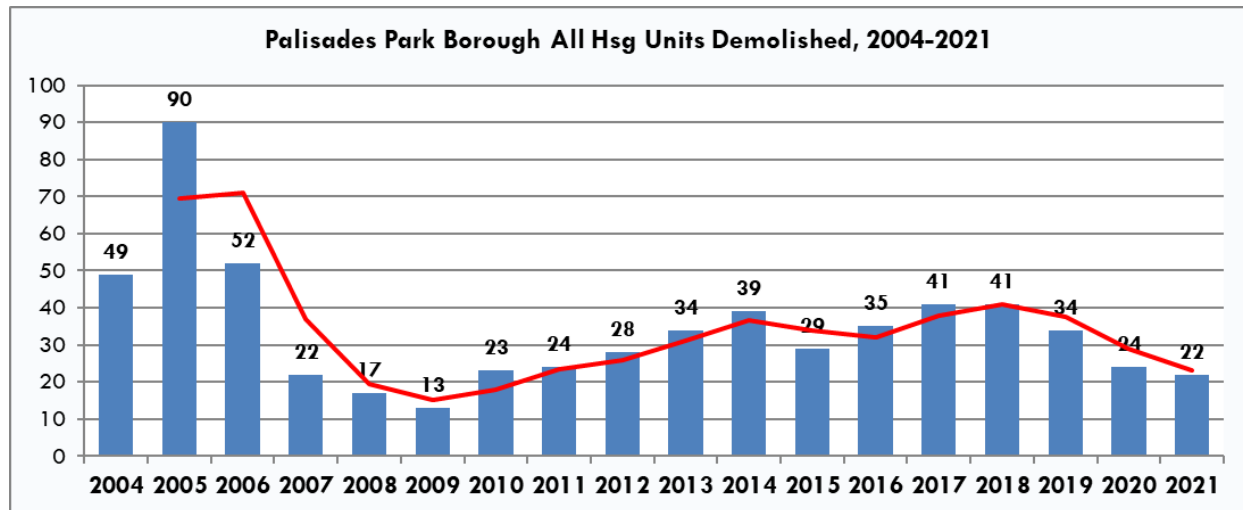
Source: NJ Department of Community Affairs

Chart 6: Building Permits by Type 2004-2021



Source: NJ Department of Community Affairs

Chart 6: Building Permits by Type 2004-2021



Based on the historical residential growth trends depicted in Table 5, it is anticipated that if growth were to continue at the same rate there would be an additional 55.8 units per year over the next 10 years for a net growth of 558 units. Including the units that are projected to be constructed as a result of additional development in this plan the total increase in the number of units at the end of the 10-year period would be 1,451 units inclusive of the 558 units of projected growth and 893 units resulting from development of the proposed inclusionary developments. The Borough of Palisades Park is a predominantly fully built out community with little to no vacant land available for new development with the exception of the properties identified in this report for redevelopment and potentially older underutilized properties in the manufacturing districts.

An analysis of the municipality’s demographic characteristics including, but not limited to, household size, income level and age.

Population Trends

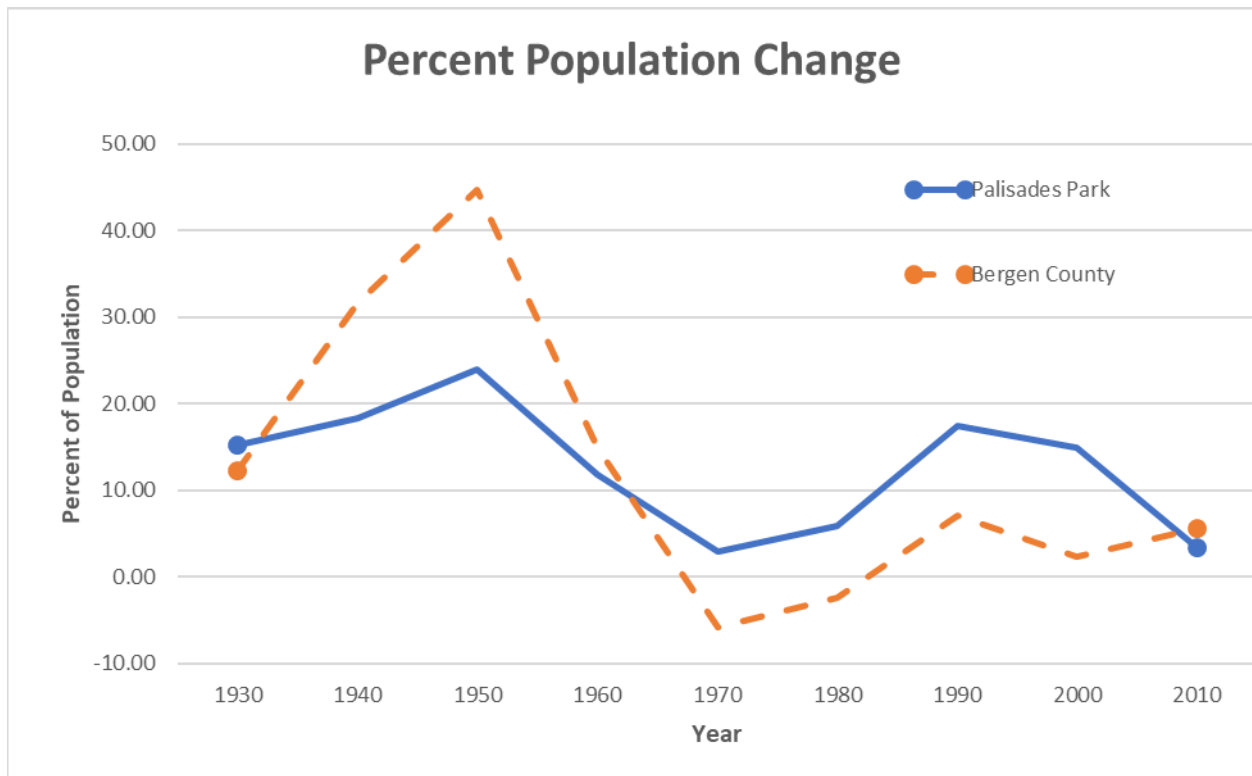
Over the last decade Palisades Park has experienced a small increase in its population. According to US Bureau Census Data in the year 2020 the Borough of Palisades Park had a total population of 20,292 persons. This represents an increase of 670 persons or 3.4% of the population in 2010 of 19,622 persons. The increase in population has slowed from the previous two decades in which the Borough saw an increase of 17.45% from 1990 to 2000 and a 14.93% increase from 2010 to 2020. As the Borough is primarily fully developed with limited vacant land available the increase in population can be correlated to the increase in the number of two-family homes that were constructed during that period. During this time there were a significant number of two-family homes constructed due to the redevelopment of properties which contained one-family homes. The following table documents the historical population growth pattern for Palisades Park from 1930 to 2020.

Table 2: Population Trend from 1930 to 2020

Palisades Park				Bergen County			
Year	Population	# Change	% Change	Year	Population	# Change	% Change
1930	7,065	---	---	1930	364,977	---	---
1940	8,141	1,076	15.23	1940	409,646	44,669	12.24
1950	9,635	1,494	18.35	1950	539,139	129,493	31.61
1960	11,943	2,308	23.95	1960	780,255	241,116	44.72
1970	13,351	1,408	11.79	1970	897,148	116,893	14.98
1980	13,732	381	2.85	1980	845,385	-51,763	-5.77
1990	14,536	804	5.85	1990	825,380	-20,005	-2.37
2000	17,073	2,537	17.45	2000	884,118	58,738	7.12
2010	19,622	2,549	14.93	2010	905,116	20,998	2.38
2020	20,292	670	3.41	2020	955,732	50,616	5.59

Source: U.S. Census Bureau, 1920-2020

Chart 2: Percent Population Change



Source: U.S. Census Bureau

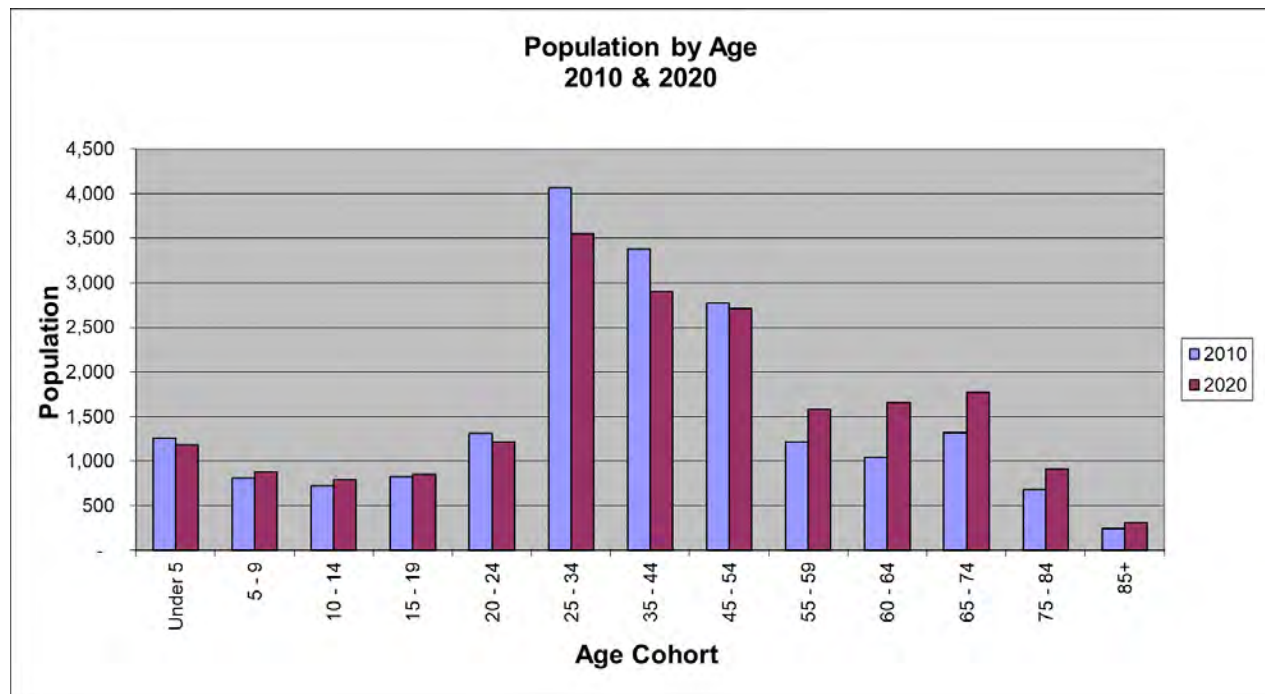
Population Composition by Age

The Borough’s population exhibits an interesting shift in age distribution. The most noteworthy increase in population between 2010 and 2020 was observed in the 60 to 64 age cohort, which experienced a significant growth of 59.8%. Conversely, two age cohorts saw the most substantial decreases: the 25 to 34 and 35 to 44 groups witnessed declines of 12.7% and 14%, respectively. In general, the data suggests a gradual aging trend among the Borough’s residents, with the majority of percentage increases occurring in the 55 and older age brackets. Although there are still more younger residents aged 20 to 54, this age cohort has experienced an overall population decrease. Detailed age group characteristics based on the 2010 and 2020 US Censuses can be found on page 12 in **Table 2**.

Table 3: Population Change - 2010 to 2020

Age	2010		2020		Change, 2010 - 2020	
	Number	Percent	Number	Percent	Number	Percent
Under 5 Years	1,257	6.4%	1,180	5.8%	-77	-6.1%
5 to 9 years	810	4.1%	879	4.3%	69	8.5%
10 to 14 years	719	3.7%	785	3.9%	66	9.2%
15 to 19 years	827	4.2%	853	4.2%	26	3.1%
20 to 24 years	1,307	6.7%	1,215	6.0%	-92	-7.0%
25 to 34 years	4,068	20.7%	3,552	17.5%	-516	-12.7%
35 to 44 years	3,375	17.2%	2,901	14.3%	-474	-14.0%
45 to 54 years	2,772	14.1%	2,706	13.3%	-66	-2.4%
55 to 59 years	1,218	6.2%	1,579	7.8%	361	29.6%
60 to 64 years	1,037	5.3%	1,657	8.2%	620	59.8%
65 to 74 years	1,315	6.7%	1,769	8.7%	454	34.5%
75 to 84 years	678	3.5%	907	4.5%	229	33.8%
85 years and over	239	1.2%	309	1.5%	70	29.3%
<i>Totals</i>	19,622	100.0%	20,292	100.0%	670	3.4%

Chart 3: Population by Age - 2010 & 2020



Source: US Census Bureau, 2010, 2020.

Population Composition by Sex

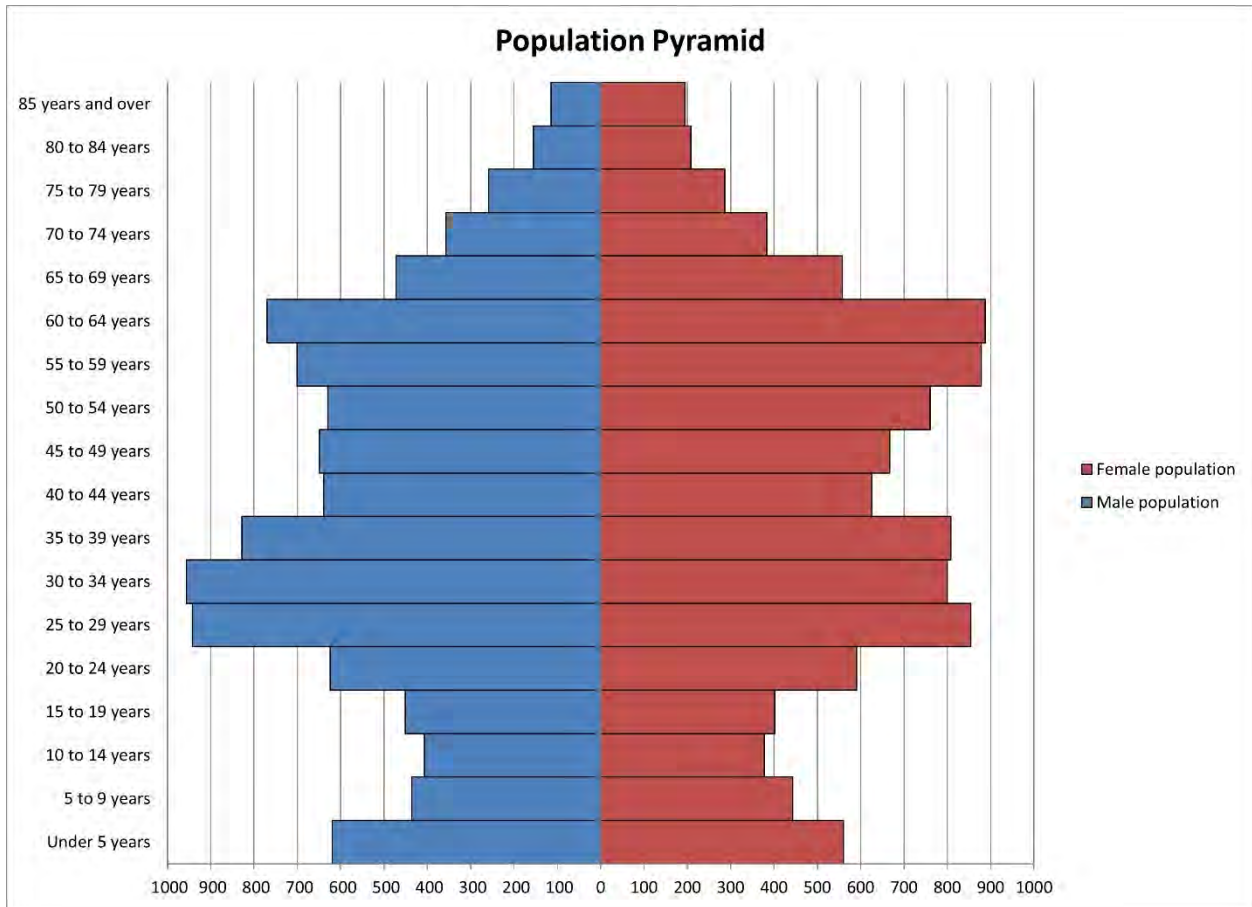
As depicted in **Table 3** below, the Borough of Palisades Park has an even distribution between males and females, with only a slightly larger percentage of females than males in 2020.

Table 4: Gender, 2010

Age	Male Population		Female Population	
	Number	Percent	Number	Percent
Under 5 years	620	6.2%	560	5.4%
5 to 9 years	436	4.4%	443	4.3%
10 to 14 years	407	4.1%	378	3.7%
15 to 19 years	451	4.5%	402	3.9%
20 to 24 years	624	6.2%	591	5.7%
25 to 29 years	942	9.4%	854	8.3%
30 to 34 years	956	9.6%	800	7.8%
35 to 39 years	828	8.3%	808	7.9%
40 to 44 years	639	6.4%	626	6.1%
45 to 49 years	649	6.5%	667	6.5%
50 to 54 years	630	6.3%	760	7.4%
55 to 59 years	701	7.0%	878	8.5%
60 to 64 years	770	7.7%	887	8.6%
65 to 69 years	472	4.7%	557	5.4%
70 to 74 years	357	3.6%	383	3.7%
75 to 79 years	258	2.6%	286	2.8%
80 to 84 years	155	1.5%	208	2.0%
85 years and over	115	1.1%	194	1.9%
	10,010	49.33	10,282	50.67

Source: U.S. Census Bureau, 2020

Chart 4: Population Pyramid



Source: U.S. Census Bureau, 2010

Population Composition by Race

The racial composition of Palisades Park population is predominantly Asian, accounting for 58.8% of Borough residents. The racial characteristics of Palisades Park’s residents are identified in Table 4.

Table 5: Racial Characteristics 2020

Race	Number	Percent
White alone	3,329	16.4%
Black or African American alone	334	1.6%
American Indian and Alaska Native alone	357	1.8%
Asian alone	11,929	58.8%
Native Hawaiian and Other Pacific Islander alone	8	0.03%
Some Other Race alone	3,131	15.4%
Two or More Races	1,204	5.9%
Total:	20,292	100%

Source: US Census Bureau, 2020.

Household Income

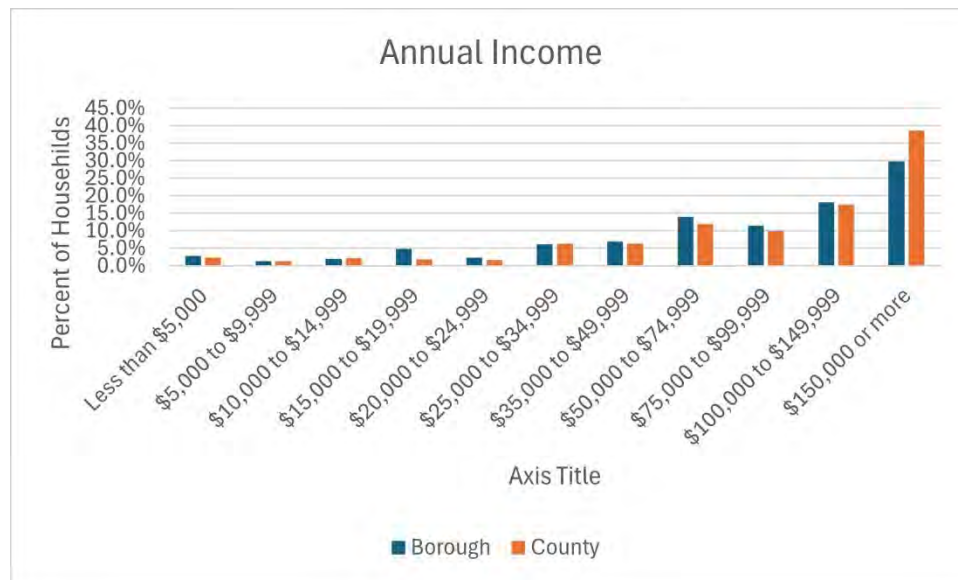
In 2022 the median household income in Palisades Park was \$93,250, which is a 33.3% increase over the 1999 household median income of \$62,113. The 2006 to 2010 breakdown of income categories is shown in Table 9.

Table 6: Household Incomes

Income	Borough of Palisades Park		Bergen County	
	# of Households	Percent	# of Households	Percent
Less than \$5,000	210	2.9%	8,500	2.4%
\$5,000 to \$9,999	92	1.3%	4,691	1.3%
\$10,000 to \$14,999	139	2.0%	7,906	2.2%
\$15,000 to \$19,999	350	4.9%	6,803	1.9%
\$20,000 to \$24,999	174	2.4%	5,972	1.7%
\$25,000 to \$34,999	441	6.2%	22,293	6.3%
\$35,000 to \$49,999	490	6.9%	22,496	6.3%
\$50,000 to \$74,999	990	13.9%	42,500	12.0%
\$75,000 to \$99,999	814	11.4%	35,148	9.9%
\$100,000 to \$149,999	1,297	18.2%	61,768	17.4%
\$150,000 or more	2,122	29.8%	136,860	38.6%
Total	7,119	100.0%	354,937	100.0%

Source: US Census, 2018-2022 American Community Survey 5-year Estimates

Chart 5: Household Income Distribution



Source: US Census, 2018-2022 American Community Survey 5-year Estimates

Employment

A general analysis of Palisades Park’s adult labor force is included in Table 11. Palisades Park has followed the larger economic trends of New Jersey and the Northeast, with moderate unemployment rates in 2013 and decreasing to lower unemployment levels by 2016, which were typical of the region as a whole. As seen in the following tables and chart below, unemployment has decreased from 2013 to 2019. In 2020 during the pandemic there was a spike in unemployment rate, and it gradually decreased in the following years. Palisades Park’s residents have experienced a decrease in the unemployment rate over a 10-year period from 4.6 in 2013 to 2.6 in 2022. The unemployment rate in 2022 is lower than Bergen County (6.8%) and is lower than the State (8.4%).

Table 7: Labor Force Characteristics

Year	Labor Force	Employment	Unemployment	Unemployment Rate %
2013	11,364	10,837	527	4.6
2014	11,413	10,983	430	3.8
2015	11,557	11,199	358	3.1
2016	11,601	11,267	334	2.9
2017	11,912	11,607	305	2.6
2018	11,992	11,726	266	2.2
2019	12,230	11,993	237	1.9
2020	12,468	11,192	1,276	10.2
2021	12,154	11,521	633	5.2
2022	12,447	12,125	322	2.6

Source: NJ Department of Labor, 2013-2022

Table 8: Unemployment Rate Comparison

Year	Unemployment Rate %		
	Palisades Park	Bergen County	State of NJ
2013	4.6	6.8	8.4
2022	2.6	3.4	5.6

Source: NJ Department of Labor, 2013-2022

Tables 13 and 14 indicates the civilian employed population 16 years and over by industry and occupation, respectively, for the Borough of Palisades Park.

Table 9: Civilian Employed Population by Industry – 2022

Industry	Number	Percent
Agriculture, forestry, fishing and hunting, and mining	14	0.12%
Construction	774	6.85%
Manufacturing	829	7.33%
Wholesale trade	689	6.10%
Retail trade	1,389	12.29%
Transportation and warehousing, and utilities	471	4.17%
Information	189	1.67%
Finance and insurance, and real estate and rental and leasing	1,066	9.43%
Professional, scientific, and management, and administrative and waste management services	1,652	14.61%
Educational services, and health care and social assistance	2,514	22.24%
Arts, entertainment, and recreation, and accommodation and food services	566	5.01%
Other services, except public administration	903	7.99%
Public administration	248	2.19%
Total	11,304	100.00%

Source: US Census, 2018-2022 American Community Survey 5-year Estimates

Table 14: Civilian Employed Population by Industry – 2022

Occupation	Number	Percent
Management, business, science, and arts occupations	4,929	43.60%
Service occupations	1,776	15.71%
Sales and office occupations	2,824	24.98%
Natural resources, construction, and maintenance occupations	662	5.86%
Production, transportation, and material moving occupations	1,113	9.85%
Total	11,304	100.00%

Source: US Census, 2018-2022 American Community Survey 5-year Estimates

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.

The Borough’s present and prospective fair share for low and moderate-income housing is presented below and consists of the Rehabilitation Share (Present Need), the Prior Round Obligation (1987-1999) and the Third Round Obligation (1999-2025), which includes the Gap Period (1999-2015). In this report we are relying on the methodology from the Jacobson case as contained in the Econsult Solutions March 28, 2018 report entitled “Statewide and Municipal Obligations Under Jacobson Opinion”.

TABLE 14
FAIR SHARE OBLIGATION: 1999-2025

Prior Round Obligation (1987-1999)	+	0
Present Need (Rehabilitation Share) (2015)	+	136
Gap Present Need (2015)	+	146
Prospective Need (2015-2025)	+	301
Total Fair Share Obligation (1999-2014)	=	583

The Borough of Palisades Park has adequate infrastructure capacity to accommodate its present and prospective housing need. As previously mentioned, it is a fully developed community and has no plans for expanding its existing infrastructure.

There is no anticipated additional infrastructure demand for the types of uses permitted in the zoning ordinance based on the existing and projected demographic characteristics of the Borough. The uses permitted in the zoning ordinance are reflected by existing uses within the town for the most part. As mentioned, the predominant land use in the community is the single-family home followed by the two-family and multiple-family development to help balance the residential land uses within the community.

Since Palisades Park is a fully developed community with established land use patterns, it is not anticipated that the existing land use patterns within the Borough would change.

As mentioned the majority of land within the Borough is already developed. Most of the remaining vacant parcels of land are vacant because of environmental constraints that hinder development of the properties or because of the size of the properties being too small to develop.

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.

The Borough is a predominantly fully developed community with little opportunity for continued growth, except for limited infill development and redevelopment. As shown in Table 16, most of the vacant lands that exist within the Borough are not appropriate for development because they are either too small, landlocked or environmentally constrained.

In order to fulfill the Borough of Palisades Park's affordable housing obligation, the sites listed in Table 17 have been identified as being most appropriate for the provision of low- and moderate-income housing units through the construction of on-site inclusionary development. The selection of these sites as the most appropriate for multi-family housing was based on the Vacant Land Analysis presented below.

VACANT LAND ANALYSIS

The Borough of Palisades Park is a fully developed community with very little vacant, suitable, and developable land. To provide the Court with the required documentation in accordance with the Vacant Land Adjustment requirements contained in COAH's Round 2 Substantive Regulations, we have procured and evaluated an official list of vacant lands from the Borough, as contained in the Borough's official Tax Assessment records. A complete listing of these lands is provided in Table 15, Vacant Land Inventory. The purpose of this analysis is to document the fully developed nature of the Borough of Palisades Park and its limited ability to accommodate additional housing opportunities. This Vacant Land Analysis is prepared in accordance with N.J.A.C. 5:93-4.2. The vacant land adjustment procedure consists of three (3) steps.

Step 1

In step 1, the municipality must provide an existing land use plan map, including all vacant land within the municipality. If requesting an exclusion based on environmentally sensitive lands the map must also show existing environmental constraints. In addition, an inventory of all vacant land must be provided identifying the vacant parcels by block and lot and including the acreage and ownership of each vacant parcel. The required maps are attached hereto as Appendix A and the vacant land inventory list is provided in Table 15.

Step 2

In the second step the municipality must analyze each parcel to determine its suitability for development. Reasons for exclusion of a site are found in N.J.A.C. 5:93-4.2(c), (e) and (f). This information is also contained in the vacant land inventory list described in Table 16.

Step 3

In the third and final step, the municipality shall calculate the Realistic Development Potential (RDP) based on the remaining vacant parcels that have been determined suitable and developable. Pursuant to N.J.A.C. 5:93-4.2(f), each remaining vacant site considered suitable and developable is assigned a presumptive density of at least 6 units per acre and a 20% set

aside. Additionally, sites that are appropriate for redevelopment can be considered in calculating the RDP. For purposes of calculating the RDP we have included six sites that are part of a Builder’s Remedy lawsuit against the Borough. These sites are provided in Table 17.

TABLE 15
VACANT LAND INVENTORY

Site #	Block	Lot	Acreage	Owner
1	104	16	0.207	100 Grand Av Inc.
2	104	17	0.322	100 Grand Avenue Inc
3	428	3	0.115	Borough of Palisades Park
4	433	1	0.115	Borough of Palisades Park
5	433	2	2.383	Berkeley Pal. Pk. c/o Limestone Hill
6	433	3	0.115	Veteramo, Raffaele & Giuseppina
7	433	4	0.115	Berkeley Pal. Pk. c/o Limestone Hill
8	433	5	0.115	Berkeley Pal. Pk. c/o Limestone Hill
9	724	14	1.273	Borough of Palisades Park
10	734	1	0.322	Boro Hall
		Total:	5.082	

As shown in Table 16 below and the vacant land inventory map (attached as Appendix A), there are a total of 10 parcels listed as vacant in the tax data obtained from the Borough. Of these 10 vacant parcels in this list all 10 of the sites can be excluded because they are either too small to generate at least one low and moderate-income unit pursuant to N.J.A.C. 5:93-4.2(c)2¹ or because they contain environmental constraints in the form of wetlands pursuant to N.J.A.C. 5:93-4.2(e)2.ii². In addition, sites 5, 7 and 8 were included as part of a prior application for the purpose of calculating density. As such, the acreage of these parcels was already factored into the density calculations for that development. This inclusion effectively precludes these sites from being redeveloped for additional units, as the development potential tied to their acreage has already been realized under the previous application.

The vacant lands that are excluded and reasons for the exclusion are documented below in Table 16.

¹ A municipality shall exclude from the vacant land inventory any vacant contiguous parcels of land in private ownership of a size which would accommodate less than five dwelling units.

Minimum Area Calculation 5 units/acre

Minimum presumptive density of 8 units/acre

$(43,560 \div 8 = 5,445 \text{ square feet/unit}) \times 5 \text{ units (4 market, 1 low and mod.)} = 27,225 \text{ sq.ft.} \div 43,560 = 0.625 \text{ acres}$

² A municipality may exclude as potential sites for low and moderate income housing, sites containing inland wetlands.

TABLE 16
VACANT LAND EXCLUSIONS

Site #	Block	Lot	Acreage	Flood	Wet	Steep	Exclusion Reason
1	104	16	0.207				5:93-4.2(c)2 (Size)
2	104	17	0.322				5:93-4.2(c)2 (Size)
3	428	3	0.115		X		5:93-4.2(c)2 & 5:93-4.2(e)2.ii
4	433	1	0.115		X		5:93-4.2(c)2
5	433	2	2.383				5:93-4.2(c)2 & 5:93-4.2(e)2.ii
6	433	3	0.115				5:93-4.2(c)2
7	433	4	0.115				5:93-4.2(c)2
8	433	5	0.115				5:93-4.2(c)2
9	724	14	1.273		X		5:93-4.2(c)2 & 5:93-4.2(e)2.ii
10	734	1	0.322				5:93-4.2(c)2
		Total:	5.082				

All 10 of the sites can be excluded because they are either too small to generate at least one low and moderate-income unit pursuant to N.J.A.C. 5:93-4.2(c)2 or because they contain environmental constraints in the form of wetlands pursuant to N.J.A.C. 5:93-4.2(e)2.ii

TABLE 17
2024 THIRD ROUND RDP

Site	Block	Lot(s)	Owner	Developable Acreage	Density (du/acre)	Total Units	Affordable Units (20% Set-Aside)
THIRD ROUND RDP							
1	505	3, 5	Fan Associates	2.88	60.8	175	35
2	505	1	Leem's Corp	6.18	82.5	510	102 ³
3	617	21-23	DRC Dev. Corp.	0.37	81.1	30	6
4	420	16	Hillcrest Builders, LLC	0.39	115.4	45	9
5	613	18	Broad & Edsall, LLC	0.22	136.4	30	6
6	617	16	HJLee Holdings, LLC	0.17	29.4	5	1
						795	159

Based upon the information presented above, the vacant developable lands and the additional lands identified as potential candidates for the development of affordable housing can accommodate a total of 795 dwelling units which would result in 159 new build low and moderate-income housing units. Therefore, the Borough requests an adjustment of the Borough

³ It is proposed that 64 of these units would be age-restricted.

of Palisades Park's fair share obligation from 447 to 159 low- and moderate-income units. This would result in an RDP (Realistic Development Potential) of 159 units and an unmet need of 288 units for the Third Round. The Borough is requesting credit for 9 affordable housing units previously constructed which would further reduce the Boroughs Third Round obligation from 447 units to 438 units and therefore the unmet need would be 279 units.

PROPOSED FAIR SHARE PLAN

The Borough of Palisades Park's Fair Share Plan is predicated upon the Settlement Agreement with the Fair Share Housing Center as further described in this report. This section of the report addresses the municipality's total 1987 through 2025 fair share obligation and describes how the municipality will meet its overall obligation. This period included the Prior Round Obligation (1987-1999) and Third Round Obligation (1999-2025), inclusive of the Gap Period (1999-2015). The Fair Share Plan will be adopted by the Planning Board and endorsed by the governing body. The Borough will, as part of this process, adopt a non-residential development fee ordinance and start collecting funds to put toward the rehabilitation of existing deficient housing units, and will also prepare a Trust Fund spending plan for eventual submittal to the special master and the court for approval.

Mechanisms Addressing Affordable Housing Obligation

The following section shall describe the mechanisms the Borough of Palisades Park will utilize to address its cumulative affordable housing obligation.

Rehabilitation Share

Deficient housing units occupied by low- and moderate-income households are referred to as the rehabilitation share. The Rehabilitation Share for the Borough of Palisades Park per the Jacobson decision is 136 units. There have been 4 units rehabilitated in the Third Round so far resulting in a rehabilitation share of 132 units.

The Borough has a shared services agreement with the Borough of Paramus to be the Administrative Agent that will assist with the administration of the Rehabilitation Program. The Borough of Paramus on behalf of the Borough of Palisades Park has prepared an Affirmative Marketing Plan and Operating Manual for the Rehabilitation program. According to the Operating Manual program financing a Home Improvement Grant may be available for necessary home improvements to eligible owner-occupied and renter-occupied units. The minimum average per unit rehabilitation costs shall be \$10,000 in accordance with N.J.A.C. 5:93-5.2, unless the Borough approves a higher amount.

The Borough proposes to use funds collected from the Development Fee Ordinance to fund the Borough of Palisades Park Housing rehabilitation program.

An operating manual for the Borough's Rehabilitation program may be found in **Appendix B**.

Prior Round Obligation Compliance Plan

The Borough of Palisades Park had a 28-unit indigenous need (Rehabilitation Obligation) and a 0-unit prior round obligation. The 0-unit prior round obligation was confirmed in the Jacobson decision. The indigenous need was partially met by rehabilitating 5 units through the Bergen County Home Improvement Program, with the remaining 23 units addressed through a 1995 development known as "The Trio" resulting from litigation.

The Borough was involved in the builder's remedy lawsuit, *Rosenshein Associates v. Borough of Palisades Park, et al.*, which led to a settlement agreement requiring the Borough to rezone specific parcels for multi-family housing with a low- and moderate-income component. The Long Swamp area, located in the northeast corner of Palisades Park, was designated for inclusionary development as a result. This area, totaling 16.45 acres, contained three primary parcels: a wetland running north to south and two upland parcels on either side of the wetland.

The first upland site (Site A) consisted of 2.58 acres in the southwest corner of the tract, zoned to allow 140 dwelling units with a net density of slightly over 54 units per upland acre. The second site (Site B), located in the northeast corner, covered 1.06 acres and was zoned for a density of 60.4 units per upland acre, allowing 64 dwelling units. Both sites permitted a maximum building height of eight stories.

Rezoning of these properties allowed for up to 204 dwelling units. The developer was required to satisfy the affordable housing obligation either by setting aside 20% of units for low- and moderate-income housing or by making a cash contribution of \$10,000 per affordable unit.

The Rosenshein Tract, encompassing 16.45 acres, was divided by a central freshwater wetland into three parcels as follows:

1. **Wetland Parcel:** Covering 9.95 acres (excluding unimproved roads), this wetland ran along the site's length, dividing it into two upland portions.
2. **Two Upland Sites:**
 - **Site A:** A 2.58-acre upland area in the southwest corner, bounded by unimproved Twelfth and Thirteenth Streets and Edsall and Palisades Boulevards. This site was zoned for a net density of slightly over 54 units per upland acre, with a maximum building height of eight stories, totaling 140 housing units.
 - **Site B:** A 1.06-acre upland area in the northeast corner, bounded by unimproved Thirteenth and Fourteenth Streets and Edsall and Palisades Boulevards, zoned for a density of 60.4 units per upland acre and a maximum height of eight stories, totaling 64 housing units.

Site A was developed as "The Trio," with two buildings and a total of 140 units; the developer opted to fulfill the affordable housing requirement through a \$10,000 per unit cash contribution. Site B remained undeveloped, although in 2017, the Zoning Board of Adjustment approved a proposal to construct an additional 90 units, bringing the site's potential total to 154 units. However, development has been delayed due to ongoing litigation with an objector.

Third Round Compliance Plan

Pursuant to the Jacobson decision, the Borough of Palisades Park's Third Round Obligation has been determined to be 447 low- and moderate-income units. Two developments previously constructed in the Borough have resulted in the creation of 9 affordable housing units. The Borough is now seeking credit for these 9 units, which would reduce its total Third Round obligation from 447 units to 438 units. Based on the Vacant Land Adjustment presented in this

report, the Borough requests a reduction of this obligation to 159 units. Accordingly, the Borough would have a Realistic Development Potential (RDP) of 159 low- and moderate-income units, with an Unmet Need of 279 units. The Third Round Obligation, consisting of a 159-unit RDP and a 279-unit Unmet Need, will be addressed as follows.

Credits and Reductions Satisfying 159-Unit RDP

Credits represent units that have been built, created or rehabilitated, while Reductions represent units that have not yet been constructed.

The following table identifies the projects/developments that were previously constructed for which the Borough is requesting credit.

TABLE 18
CREDITS ADDRESSING THIRD ROUND OBLIGATION

Project/ Development Name	Year Built	Type of Affordable Unit	Units	Bonus Type	# Bonuses	Total Credit
83 Centre Place	2015	Age-restricted rental	8	Rental	2 ⁴	10
555 10 th Street	2017	Age-restricted rentals	1	Rental		1
Totals:					2	11

83 Centre Place

This is an eight-unit, age-restricted rental development constructed in 2015, with all units designated as affordable. The Borough would be eligible for 2 bonus credits for the age-restricted rental units. With the addition of nine units, the Borough is permitted to age-restrict a total of 76 units in the Third Round and is eligible for a total of 52 rental bonus credits.

555 10th Street

This is a 24-unit, age-restricted rental development constructed in 2017, which includes one affordable unit.

The following table identifies the projects/developments that will be used to satisfy the Borough’s 159-unit RDP.

TABLE 19
SATISFYING RDP

Project/ Development	Year Built	Type of Affordable	Units	Bonus Type	# Bonuses	Total Credit
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⁴ A municipality shall receive one and one-third (1.33) units of credit for age restricted rental units. However, no more than 50 percent of the rental obligation shall receive a bonus for age restricted rental units.

Name		Unit				
Fan Associates (15 Grand Avenue)	Proposed Inclusionary Development	Family rental	35	Rental	35	70
Leem's Corp. (21 Grand Avenue)	Proposed Inclusionary Development	Family and Age-restricted rentals	102 ⁵	Rental	15 ⁶	107
DRC Development Corp. (35-39 W. Columbia Ave.)	Proposed Inclusionary Development	Family	6	TBD		6
Hillcrest Builders, LLC	Proposed Inclusionary Development	Family	9	TBD		9
Broad & Edsall, LLC	Proposed Inclusionary Development	Family rental	6	Rental		7 ⁷
HJ Lee Holdings, LLC	Proposed Inclusionary Development	Family For Sale				
Totals:					40	199

As shown in Tables 19 and 20 above, the proposed plan addresses the Borough's 447-unit obligation through 9 affordable housing units that were previously constructed and 2 bonus credits for a total credit of 11 and the RDP of 159 units through six inclusionary developments. These developments are all shown in the Affordable Housing Sites Map found in Appendix C. Additionally, the Borough will apply 40 bonus credits from the proposed developments to the remaining unmet need. This will reduce the Borough's unmet need from 279 units to 239 units. Below is a more detailed description of each of the projects/developments that will satisfy the Borough's RDP.

Fan Associates (15 Grand Avenue)

Fan Associates, LLC proposes to construct a 5- to 6-story apartment building at 15 Grand Avenue. Commercial space totaling 20,150 square feet, located in a 7-story building located on the front portion of the site will remain. The property, identified as Block 505, Lots 3 and 5 in the borough's tax records, has a lot area of 2.88 acres (125,715 square feet). The subject property is bordered by 21 Grand Avenue to the north (also included in the builder's remedy lawsuit),

⁵ 38 units will be family rental units, and 64 unit will be age-restricted rental units

⁶ Since there is a 52-unit cap on rental bonus credits, only 15 are being used for Round 3. The remaining bonus credits may be eligible to address the Round 4 obligation.

⁷ The developer is providing one additional affordable unit on this site instead of providing an affordable unit at 18-20 West Ruby.

which is proposed to be developed with a mixed-use development consisting of two high rise multifamily buildings with 510 residential units, approximately 183,709 square feet of commercial space, and accessory parking. To the east, the site faces Grand Avenue and a neighborhood of one- and two-family homes. Route 46 is to the south, and to the west are railroad tracks and various commercial uses, including a driving range. The aerial photograph below shows the subject property and the immediate surrounding area.



Aerial Map

Source: NJ Geographic Information Network



The proposed development includes a total of 175 family rental units, of which 35 are designated as low- and moderate-income family rental units. The proposed density for this development is 60.8 units per acre. The bedroom distribution of the affordable units includes 7 one-bedroom units, 21 two-bedroom units, and 7 three-bedroom units. Additionally, 329 parking spaces are provided to serve the development. The affordability distribution includes 18 low-income units, 5 of which will be designated as very low-income, and 17 moderate-income units. The proposed income and bedroom distribution is detailed below.

Fan Associates Proposed Income-Bedroom Distribution					
	Very Low-	Low-Income	Moderate-Income	Total	Percent of Total

	Income				
1BR	2	2	3	7	≤20%
2BR	3	7	10	21	≥30%
3BR		4	3	7	≥20%
Total	5	13	17	35	
Percent of total	≥13%	≥37%	≤50%		

Leem’s Corp. (21 Grand Avenue)

Leem’s Corp. proposes a mixed-use development at 21 Grand Avenue, featuring two high rise multifamily buildings with 510 residential units, approximately 183,709 square feet of commercial space, and accessory parking. The buildings will be arranged around public open space, enhancing community access and aesthetics. The property, identified as Block 505, Lot 1 in the borough’s tax records, encompasses 6.02 acres (262,442 square feet). The site is bordered by West Ruby Avenue to the north, facing an older industrial area. To the east is Grand Avenue, across from a neighborhood of one- and two-family homes, along with newer 3-story and 5-story multifamily buildings. To the south, at 15 Grand Avenue, is another site included in the builder’s remedy lawsuit, proposed for a mixed-use development featuring a 5- to 6-story building with 175 residential units and 20,150 square feet of commercial space. To the west are railroad tracks and an older industrial area, consisting of warehouse distribution buildings with associated truck parking. The aerial photograph below illustrates the subject property and the surrounding area.



Aerial Map

Source: NJ Geographic Information Network



The proposed development will contain 183,709 square feet of retail space and 510 units of which 102 units will be set aside for low- and moderate-income households. Of the 102 affordable housing units 64 will be age-restricted rental units and the remaining 38 rental units would be available to families. Pursuant to N.J.A.C. 5:80-26.3(c) of the Uniform Housing Affordability Controls (UHAC), the developer is entitled to a modified bedroom distribution for the age-restricted units. The proposed density for this development is 84.7 units per acre. The bedroom distribution of the affordable units includes 72 one-bedroom units (64 age-restricted units and 8 family units), 23 two-bedroom units (all family units), and 7 three-bedroom units (all family units). The affordability distribution includes 51 low-income units (32 age-restricted units and 19 family units), 10 of which will be designated as very low-income (6 age-restricted units and 4 family units), and 51 moderate-income units (32 age-restricted units and 19 family units). Additionally, 916 parking spaces are provided to serve the development. The proposed income and bedroom distribution is detailed below.

Leem's Corp. Proposed Income-Bedroom Distribution					
	Very Low-Income	Low-Income	Moderate-Income	Total	Percent of Total

1BR				72	≤ 20%
2BR				23	≥ 30%
3BR				7	≥ 20%
Total	10 ⁸	41	51	102	
Percent of total	≤ 13%	≥ 37%	≤ 50%		

DRC Development Corp. (35-39 West Columbia Avenue)

DRC Development Corp. proposes to construct a 5-story apartment building (3 residential stories over 2 stories of parking) at 35-39 West Columbia Avenue. The property, identified as Block 617, Lots 21, 22 and 23 in the borough’s tax records, has a lot area of 0.37 acres (16,208 square feet). The subject property is bordered by one- and two-family homes along West Ruby Avenue to the north. To the east is a property that is also part of the Builders Remedy lawsuit and will be developed with a 5-unit development. To the south, the site faces West Columbia Avenue and the on-ramp to Route 46. To the west is a neighborhood of one- and two-family homes. The aerial photograph below shows the subject property and the immediate surrounding area.

⁸ The number of very low-income units must be at least 13%. For a total of 102 units, 13% equates to 13.26 units.



Aerial Map

Source: NJ Geographic Information Network



The proposed development includes a total of 30 residential units, of which 6 are designated as low- and moderate-income family units. It is not known at this time if the units will be for sale or rental units. The proposed density for this development is 81 units per acre. The bedroom distribution includes 1 one-bedroom units, 3 two-bedroom units, and 2 three-bedroom units. The affordability distribution includes 3 low-income units, 1 of which will be designated as very low-income, and 3 moderate-income units. Additionally, 42 parking spaces are provided to serve the development. The proposed income and bedroom distribution is detailed below.

DRC Development Corp. Proposed Income-Bedroom Distribution					
	Very Low-Income	Low-Income	Moderate-Income	Total	Percent of Total
1BR	1			1	≤ 20%
2BR		1	2	3	≥ 30%
3BR		1	1	2	≥ 20%
Total	1	2	3	6	
Percent of total	≥ 13%	≥ 37%	≤ 50%		

Hillcrest Builders, LLC (450 East Edsall Boulevard)

Hillcrest Builders, LLC proposes to construct a 6-story apartment building (4 residential stories over 2 stories of parking) at 450 East Edsall Boulevard. The property, identified as Block 420, Lot 16 in the borough's tax records, has a lot area of 0.39 acres (17,273 square feet). The subject property is bordered to the north by East Edsall Avenue and Windsor Square, a multifamily development. To the east lies the Long Swamp, an environmentally constrained area with wetlands. To the south are office and industrial uses, while to the west are one-story industrial buildings. The aerial photograph below shows the subject property and the immediate surrounding area.



Aerial Map

Source: NJ Geographic Information Network



The proposed development includes a total of 45 residential units, of which 9 are designated as low- and moderate-income family units. It is not known at this time if the units will be for sale or rental units. The proposed density for this development is 113.6 units per acre. The bedroom distribution includes 1 one-bedroom units, 6 two-bedroom units, and 2 three-bedroom units. The affordability distribution includes 5 low-income units, 2 of which will be designated as very low-income, and 4 moderate-income units. Additionally, 53 parking spaces are provided to serve the development. The proposed income and bedroom distribution is detailed below.

Hillcrest Builders, LLC Proposed Income-Bedroom Distribution					
	Very Low-Income	Low-Income	Moderate-Income	Total	Percent of Total
1BR	1			1	≤ 20%
2BR	1	2	3	6	≥ 30%
3BR		1	1	2	≥ 20%
Total	2	3	4	9	
Percent of total	≥ 13%	≥ 37%	≤ 50%		

Broad & Edsall, LLC (59 Broad Avenue)

Broad & Edsall, LLC proposes to construct a 5-story apartment building (4 residential stories over 1 story of parking above grade and 1 story of parking partially below grade) at 59 Broad Avenue. The property, identified as Block 613, Lot 18 in the borough’s tax records, has a lot area of 0.21 acres (9,011 square feet). The subject property is bordered to the north by West Edsall Avenue and a one-story office. To the east is Grand Avenue and an older four-story multi-family residential building. To the south is another older four-story multi-family residential building followed by commercial uses. To the east is a one- and two-family residential neighborhood. The aerial photograph below shows the subject property and the immediate surrounding area.



Aerial Map

Source: NJ Geographic Information Network



The proposed development includes a total of 30 residential units, of which 7⁹ are designated as low- and moderate-income family units. All units will be family rental units. The proposed density for this development is 142.8 units per acre. The bedroom distribution includes 1 one-bedroom unit, 4 two-bedroom units, and 2 three-bedroom units. The affordability distribution includes 4 low-income units, 1 of which will be designated as very low-income, and 3 moderate-income units. Additionally, 30 parking spaces are provided to serve the development. The proposed income and bedroom distribution is detailed below.

Broad & Edsall, LLC Proposed Income-Bedroom Distribution					
	Very Low-Income	Low-Income	Moderate-Income	Total	Percent of Total
1BR	1			1	≤ 20%
2BR		2	2	4	≥ 30%
3BR		1	1	2	≥ 20%

⁹ The developer is providing one additional affordable unit on this site instead of providing an affordable unit at 18-20 West Ruby.

Total	1	3	3	6	
Percent of total	≥13%	≥37%	≤50%		

HJ Lee Holdings, LLC (18-20 West Ruby Avenue)

HJ Lee Holdings, LLC proposes to construct a 4-story apartment building (3 residential stories over 1 story of parking) at 18-20 West Ruby Avenue. The property, identified as Block 617, Lot 16 in the borough’s tax records, has a lot area of 0.16 acres (7,144 square feet). The subject property is bordered to the north by West Ruby Avenue and a neighborhood of one- and two-family homes. To the east is a two-family home and the parking lot of an office building. To the south, the site faces West Columbia Avenue and the on-ramp to Route 46. To the west, along West Ruby Avenue, is a neighborhood of one- and two-family homes as well as a property included in the builder’s remedy lawsuit, which is planned for a 30-unit development along West Columbia Avenue. The aerial photograph below shows the subject property and the immediate surrounding area.



Aerial Map

Source: NJ Geographic Information Network



The proposed development includes a total of five residential units. Although the development would require one affordable housing unit to be constructed on-site, the developer plans to build

this unit at the 59 Broad Avenue project instead. All five units will be for sale. The proposed density for this development is 31.3 units per acre.

Site Suitability Analysis

As required by N.J.A.C. 5:93-5.3, affordable housing sites must be available, suitable, developable, and approvable, as defined in N.J.A.C. 5:93-1.3, for the production of low- and moderate-income housing. Each developer is responsible for demonstrating that their site meets these criteria. The site suitability analyses provided by the developers can be found in Appendix D.

In addition to Site Suitability, the developer of the affordable housing project will be required to meet the applicable requirements of UHAC:

Administrative Entity: The Borough of Palisades Park will require that the residential developer engage an administrative agent acceptable to the Borough to administer and affirmatively market the units at the development, income qualify applicants place minimum 30 year affordability controls on the units, and provide long term administration of the units in accordance with the rules at N.J.A.C. 5:93-1 et seq and N.J.A.C.5:80-26.1 et seq.

Very Low-, Low- and Moderate-Income Distribution: At least half of the affordable units will be affordable to low-income households, with at least 13% affordable to very low-income households.

Affirmative Marketing: The affordable units will be affirmatively marketed in accordance with N.J.A.C. 5:93-1 et seq and N.J.A.C. 5:80-26.1 et seq.

Controls on Affordability: The affordable units will have a minimum 30-year affordability control.

Bedroom Distribution: The distribution of the number of bedrooms will follow UHAC regulations.

Third Round Rental Requirement

For a municipality that receives an adjustment pursuant to N.J.A.C. 5:93-4.2, the rental obligation shall equal 25 percent of the RDP. As the Unmet Need is addressed, the number of required rental units increases, as does the permitted number of rental bonus credits.

$$\text{Rental Requirement} = 25 \text{ percent (RDP)}$$

$$\text{Rental Requirement} = .25 (159 \text{ units}) = 39.75 \text{ units, rounded up to 40 units}$$

Based on the above referenced formula, the rental obligation for the Third Round RDP is 40 units. Pursuant to N.J.A.C. 5:93-5.15(d)2, no rental bonus shall be granted for rental units in excess of the rental obligation. Therefore, the Borough has a cap of 40 rental bonus credits. Half of the rental units or 20 units shall be rental units that are available to families. These units will be distributed among the six proposed developments as detailed further in this report.

Including the nine units constructed during the Third Round, the Borough's rental requirement would increase by 12.25 units. As a result, the revised rental requirement would total 39.75 plus 12.25, or 52 units. The Borough would have a cap of 26 rental bonus credits and would be required to make half, or 26, of the units available to families.

Third Round Age-Restricted Units

To calculate the age-restricted requirement, we relied on N.J.A.C. 5:93-5.14(a)2. For municipalities that received or are receiving a vacant land adjustment: age restricted units = .25 (realistic development potential + rehabilitation component - credits pursuant to N.J.A.C. 5:93-3.4) - any age restricted units in addressing the 1987-1993 housing obligation. As the Unmet Need is addressed, the number of units that can be age-restricted increases.

Age-Restricted Maximum = 25 percent (realistic development potential + rehabilitation component - credits pursuant to N.J.A.C. 5:93-3.4) - any age restricted units in addressing the 1987-1993 housing obligation.

Age-restricted Maximum = $.25(159 + 136 - 0 - 0) = 73.75$ units, rounded up to 74 units

The Borough would be permitted to age-restrict 74 units for the Third Round RDP, where a total of 73 units are proposed. Including the nine units constructed during the Third Round, the number of units permitted to be age-restricted would increase to 76.

Very Low-Income Housing Requirement

An amendment to the Fair Housing Act in 2008 (A-500) requires that 13% of all affordable housing units approved and constructed since July 1, 2008 be made available to very low-income individuals. Very low-income housing is housing made available for persons with a household income equal to 30% or less of the median gross income for households of the same size within the housing region in which the housing unit is located. Based on the development of 159 affordable housing units the very low-income requirement would be 13% of 159 units or 20.67 rounded up to 27 units. These units will be distributed among the six proposed developments as detailed further in this report.

Low-Income Requirements

At least 50% of the units addressing the Third Round Prospective Need shall be affordable to very low-income and low-income households with the remainder affordable to moderate income households. Based upon a total of 159 units being credited toward the Borough's Third Round RDP, at least 80 units shall be affordable to very low-income and low-income households. The remaining 79 units may be affordable to moderate-income households. These units will be distributed among the six proposed developments as detailed further in this report.

Family Requirement

Pursuant to the Settlement Agreement at least half of the units addressing the Third Round Prospective Need in total must be available to families. Based upon a total of 159 units being credited toward Third Round RDP, 80 units would be required to be made available for families.

These units will be distributed among the six proposed developments as detailed further in this report.

Credits and Reductions Addressing 239-Unit Unmet Need

Credits represent units that have been built, created or rehabilitated, while Reductions represent units that have not yet been constructed. The following table identifies the mechanisms that will be used to satisfy the Borough’s 239-unit Unmet Need.

**TABLE 20
ADDRESSING UNMET NEED**

Project / Development Name	Year Built	Type of Affordable Unit	Units/ Bedrooms	Bonus Type	# Bonuses	Total Applied to Unmet Need
Affordable Housing Mixed-Use Development Overlay Zone (AHMUD)		Inclusionary Zoning	TBD			TBD
Affordable Housing Ordinance						TBD
ADU Ordinance						TBD

Below is a more detailed description of each of the projects/developments that will satisfy the Borough’s Unmet Need.

In order to capture potential affordable housing opportunities the Borough of Palisades Park will take the following proactive steps and implement the following ordinances to address the remaining portion of their Unmet Need.

Affordable Housing Mixed-Use Overlay District (AHMUD)

The Borough will implement an overlay ordinance in appropriate portions of the M-1 and M-C Districts. The ordinance would allow for the development of mixed-use developments with non-residential use on the ground floor and residential use on the upper floors. The anticipated density would be 12 units per acre and a maximum building height of 4 stories would be permitted. It would be required that 20% of any units created would be set aside for low- and moderate-income housing. A copy of the ordinance may be found in Appendix E.

Affordable Housing Ordinance

The Borough will adopt and Affordable Housing Ordinance in order to capture potential affordable housing opportunities. The provisions of this Ordinance shall apply to all affordable housing units that currently exist and that are proposed to be created within the Borough of Palisades Park pursuant to the Borough's most recently adopted Housing Element and Fair Share

Plan. The ordinance contains rules and requirements for all affordable housing created in the Borough pursuant to state regulations regarding the construction and administration of affordable units. In order to capture affordable housing from development not currently anticipated, there is a requirement that all new multifamily residential developments of five (5) or more units shall be required to provide affordable housing with a 15% set aside if rental units and a 20% set aside if for-sale units. The provisions of this ordinance shall not apply to residential expansions, additions, renovations, replacement, or any other type of residential development that does not result in a net increase in the number of dwellings of five or more. A copy of the ordinance may be found in Appendix F.

Accessory Dwelling Unit (ADU) Ordinance

The Borough has prepared a Draft Accessory Dwelling Unit (ADU) Ordinance to create additional opportunities for affordable housing within the existing housing stock. The ordinance permits accessory apartment units in existing and proposed one- and two-family homes within the AA Zone.

This new zoning ordinance regulates Accessory Dwelling Units (ADUs) to expand housing options while preserving the character of the neighborhood. The ordinance defines ADUs, specifies where they are permitted, and establishes detailed standards for their design, size, occupancy, and use. Key provisions include:

- Permitted Locations: ADUs are allowed on lots with one- or two-family homes in designated zones.
- Size and Occupancy: Units must meet specific size and occupancy requirements (e.g., a maximum of 800 square feet, no more than 3 occupants).
- Design Standards: The exterior of ADUs must harmonize with the primary residence and neighborhood character.
- Rental Restrictions: Short-term rentals are prohibited, and a minimum rental term of six months is required.
- Parking Requirements: At least one off-street parking space must be provided for each ADU.
- The ordinance also outlines the permitting process, annual compliance affidavits, inspection requirements, and procedures for property transfers. Owners must comply with regulations, including residing in one of the units and maintaining safety standards. Non-compliance may result in fines or permit revocation.

THIS ORDINANCE SEEKS TO IMPROVE HOUSING AFFORDABILITY AND ACCESSIBILITY, PARTICULARLY FOR OLDER ADULTS AND INDIVIDUALS WITH DISABILITIES, WHILE BALANCING COMMUNITY NEEDS AND ENSURING SAFETY. A COPY OF THE DRAFT ORDINANCE CAN BE FOUND IN APPENDIX G.AFFIRMATIVE MARKETING PLAN

This Affirmative Marketing Plan applies to all developments that contain low- and moderate-income units.

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, affectional or sexual orientation, disability, age or number of children to housing units which are being marketed by a developer/sponsor, municipality and/or designated administrative agency of affordable housing. The plan addresses the requirements of N.J.A.C. 5:94-7 and N.J.A.C. 5:80-26. In addition, the plan prohibits discrimination in the sale, rental, financing or other services related to housing on the basis of race, color, sex, affectional or sexual orientation, religion, handicap, age, familial status/size or national origin.

Palisades Park is in COAH Housing Region 1 consisting of Bergen, Hudson, Passaic and Sussex Counties.

Palisades Park is ultimately responsible for administering the affordability controls and the Affirmative Marketing Plan.

Palisades Park has established the position of a Municipal Liaison and has delegated this responsibility to a municipal employee, who shall administer the affordable housing program, including administering and enforcing the affordability controls and this Affirmative Marketing Plan, in accordance with the provisions of the ordinance creating the position of the Municipal Liaison, the regulations of the Council of Affordable Housing pursuant to N.J.A.C. 5:97 et. seq. and the New Jersey Uniform Housing Affordability Controls pursuant to N.J.A.C. 5:80-26 et. seq.

Subject to approval of COAH, Palisades Park may contract with one or more administrative agents to administer some or all of the affordability controls and/or the Affirmative Marketing Plan in accordance with the provisions of Palisades Park's Code, the regulations of the Council on Affordable Housing 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. If Palisades Park enters into such a contract, the Municipal Liaison shall supervise the contracting administrative agent(s) and shall serve as liaison to the contracting administrative agent(s). The Borough of Palisades Park has contracted with the Borough of Paramus to be their Administrative Agent. The Borough of Paramus on behalf of the Borough of Palisades Park has prepared an Affirmative Marketing Plan which is appended to this document.

Developers of low- and moderate-income units may assist in the marketing of the affordable units in their respective developments if so designated by the Governing Body of the Palisades Park in accordance with the provisions of Palisades Park's Code, the regulations of the Council on Affordable Housing 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. If Palisades Park enters into such a contract, the Municipal Liaison shall supervise the contracting administrative agent(s) and shall serve as liaison to the contracting administrative agent(s).

The Borough's Affirmative Marketing Plan, resolution appointing a Municipal Housing Liaison, and resolution and executed agreement with a qualified Administrative Agent may all be found in Appendix H.

