

2018 Housing Element & Fair Share Plan

Borough of Montvale

April 17, 2018

Adopted by the Planning Board: May 1, 2018

Endorsed by the Council: May 8, 2018



Housing Element & Fair Share Plan

Borough of Montvale

Bergen County, New Jersey

Prepared by:



Darlene A. Green, P.P., AICP

NJ License # 33LI00611400



The original of this report was signed and sealed in accordance with N.J.S.A. 45:14A-12.

MC Project: MPP-014C

TABLE OF CONTENTS

I.	INTRODUCTION	3
II.	CONTENT OF HOUSING ELEMENT	7
III.	MONTVALE'S POPULATION DEMOGRAPHICS	8
IV.	MONTVALE'S HOUSING DEMOGRAPHICS	13
V.	MONTVALE'S EMPLOYMENT DEMOGRAPHICS.....	18
VI.	PROJECTION OF HOUSING STOCK	22
VII.	CAPACITY FOR FAIR SHARE	25
VIII.	FAIR SHARE PLAN.....	31
IX.	MONTVALE'S FAIR SHARE PLAN	32
X.	IMPLEMENTATION SCHEDULE	71
XI.	SETTLEMENT TERMS	74
XII.	APPENDIX.....	77

I. INTRODUCTION

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

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

The transitional process created by the Supreme Court tracked the Fair Housing Act procedures for compliance. In this regard, the process permitted municipalities to file a Declaratory Judgment Action during a thirty-day window between June 8 and July 8, 2015 that sought an adjudication as to their fair share. This would enable the municipality to comply voluntarily with its constitutional obligation to provide a realistic opportunity for the construction of its fair share of the region's low- and moderate-income households. Consistent with its past history of voluntary compliance, Montvale was proactive and filed its Declaratory Judgment Complaint on July 6, 2015. The Borough's case was initially assigned to Judge Padovano but transferred in 2017 to Judge Toskos.

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

Not only does Montvale wish to comply with its constitutional mandate to provide affordable housing, the Borough has determined its Third Round Obligation for the period between 1999 and 2025 and prepared a plan to address said obligation.

This HEFSP is prepared utilizing the Prior Round Rules¹ as well as the guidance provided in the March 10, 2015 Supreme Court Order. As indicated by the Court Order, each municipality in the State still has a three-part obligation:

1. Rehabilitation Obligation,
2. Any remaining Prior Round Obligation that has not been constructed, and

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

3. Third Round Obligation for the period between 1999 and 2025.

Affordable Housing History

The Borough of Montvale has been active in all three rounds of COAH. A summary of Montvale's historic COAH timeline is included below:

- December 16, 1994: Judgment of Compliance from Superior Court issued for First Round.
- June 5, 2000: Borough petitioned COAH for Second Round Certification.
 - Montvale requests Vacant Land Adjustment.
- 2000: Multiple objections submitted.
- August 30, 2001: COAH issued Report, which reduced the Borough's 255-unit obligation by 67 units, established a Realistic Development Potential (hereinafter "RDP") of 188.
- 2001-2002: Ten mediation meetings held with objectors.
- March 17, 2003: COAH issued Mediation Report I.
- July 2003: Borough re-petitioned with a new HEFSP.
- August 2003: Borough re-petitioned with a new HEFSP.
- November 2004: COAH issued second Mediation Report.
- December 15, 2004: Borough granted Substantive Certification for Round 2.
- December 2, 2008: Borough adopted Third Round HEFSP and petitioned COAH.²
- September 23, 2015: Motion to Intervene in the Borough's ongoing affordable housing litigation was filed by Hornrock Properties MPR, LLC (hereinafter "Hornrock").
- October 13, 2015: The motion was granted by Judge Toskos, which gave Hornrock "intervenor" status.
- June 29, 2017: The S. Hekemian Group, LLC (then contract purchasers of the Mercedes properties, hereinafter "Hekemian") filed a Motion to Intervene in the litigation.
- Summer 2017: The case was transferred to Judge Toskos.
- August 4, 2017: Oral argument on the Motion to Intervene was heard and shortly thereafter the judge permitted Hekemian's intervention.
- September 26, 2017: Mediation was held with Hekemian.
- October 18, 2017: Mediation was held with the Borough Council, Judge Toskos and Hekemian.
- November 14, 2017: Borough Council approved Resolution 214-2017 entitled "Resolution Approving the Settlement Agreement with Intervenor The S. Hekemian Group, LLC to Partially Resolve the Borough's Affordable Housing declaratory Judgment Action".
- November 14, 2017: Borough Council approved Resolution 215-2017 entitled "Resolution Approving a Settlement Agreement with Intervenor Hornrock Properties MPR, LLC in Connection with the Borough's Affordable Housing Declaratory Judgment Action and Authorizing a Request to the Trial Court to Hold a Fairness Hearing Concerning the Settlement Agreement".

² Timeline from 2004 Executive Summary prepared by COAH, Exhibit A to COAH's Resolution #250-99 Granting Montvale Substantive Certification

- November 14, 2017: Borough Council approved Resolution 216-2017 entitled "Resolution Approving the Settlement Agreement with Prospective Intervenor 2 Paragon Drive, LLC to Partially Resolve the Borough's Affordable Housing Declaratory Judgment Action".
- November 14, 2017: Borough Council approved Resolution 217-2017 "A Resolution Approving the Settlement Agreement with FSHC to Resolve the Borough's Affordable Housing Declaratory Judgment Action".
- January 25, 2018: Fairness Hearing before Judge Toskos.
- February 12, 2018: Order entitled "Order Approving Settlement Agreement Between the Borough of Montvale and Fair Share Housing Center" issued approving Settlement Agreement between the Borough of Montvale and Fair Share Housing Center. Said Order also approved the settlement agreements with the S. Hekemian Group, Hornrock Properties, MPR, LLC, and Two Paragon Drive, LLC.

Municipal Summary

The Borough of Montvale is located in Bergen County and encompasses roughly four-square miles. Montvale is suburban in character and has a small-town feel. The Borough's "downtown" is centered at the intersection of Railroad Avenue and West Grand Avenue. The municipality is served by the Pascack Valley passenger rail line, which connects the Borough to Spring Valley, New York and Hoboken, New Jersey.

Montvale is surrounded by the Borough of Upper Saddle River, Borough of Woodcliff Lake, Borough of Park Ridge and Township of River Vale in New Jersey. North, across the state line, is Rockland County, New York. Between 2000 and 2010, Montvale's population increased slightly from 7,034 to 7,844 residents.³ Looking into the future, the North Jersey Transportation Planning Authority (hereinafter "NJTPA") projects that the Borough will grow to 9,170 residents by the year 2040.⁴

Affordable Housing Obligation

The Borough agreed to a Rehabilitation Obligation of five units. As noted above, the Borough of Montvale received a Vacant Land Adjustment for the Prior Round Obligation, which reduced the municipality's obligation from 255 to a RDP of 188.

Finally, the Borough has agreed to a 542-unit Third Round Obligation. However, Montvale conducted a new Vacant Land Adjustment (hereinafter "VLA") analysis to determine a RDP for the Third Round, which is 181. This results in an Unmet Need of 361 for the Third Round Obligation. The chart below illustrates the Borough's three-part obligation.

AFFORDABLE HOUSING OBLIGATION			
	Rehabilitation	Prior Round	Third Round
Obligation	5	255	542
RDP	-	188	181
Unmet Need	-	67	361

³ www.census.gov

⁴ <http://www.njtpa.org/getattachment/Data-Maps/Demographics/Forecasts/Forecasts-for-RTP-rounded.pdf.aspx>

Vacant Land Adjustment Analysis

The Borough prepared a VLA analysis as per the requirements of N.J.A.C. 5:93-4.2 (the results of the VLA can be found in the Appendix) in 2015. However, through the negotiation process with the FSHC, the Borough agreed to add developed sites that will, or are likely to, redevelop with inclusionary housing between now and 2025. Also included in the RDP calculation are properties that the Borough believes may redevelop between now and 2025. The table below shows the sites and their respective RDPs, which total to 181 units.

Block	Lot	Site	Total Acres	Developable Acres*	Current Zoning	Density	RDP
2702	1	1 Mercedes	21.81	13.23	OR4	Project Density	70
2801	2	3 Mercedes	11.09	5.78	OR4		
3201	6	1 Glenview	3.92	3.18	OR4		
3302	1	Park Ridge/ Sony	6.86 (7.04)	3.67	OR4	Project Density	37
1903	7	2 Paragon (A&P)	19.29	13.51	OR3	8 d/u	21
703	7	133-149 Kinderkamack	5.50	4.61	B1	8 d/u	7
1102	2.01**	110 Summit	11.48	8.15	OR3	Project Density	25
1903	4	De Piero	2.09	0.63	OR3	8 d/u	2
1903	5	De Piero	2.79	0.64	OR3	8 d/u	2
3201	4	21 Philips	3.00	2.71	OR4	8 d/u	4
3004	3, 10	Parodi	6.10	4.19	OR2		7
1001	1	135 Chestnut/ Mack Cali	7.18	3.73	OR1	8 d/u	5
2408	26	7 Franklin	0.83	0.83	B1	8 d/u	1
Round 3 RDP							181
Prior Round RDP							188
Total RDP							369

*Developable Acres is the land area comprising existing impervious coverage in environmentally constrained areas as

**Please note that the Lot number and acreage have changed since the VLA was completed in 2015.

Unmet Need

As noted above, the Third Round Unmet Need is 361.

Borough Goal

It is the overall goal of the HEFSP, in combination with the Land Use Plan, to provide the planning context in which access to low- and moderate-income housing can be provided in accordance with the requirements of the Fair Housing Act and the laws of the State of New Jersey in a manner that fits within the scale and character of the Borough of Montvale.

II. CONTENT OF HOUSING ELEMENT

The Fair Housing Act requires that “the housing element be designed to achieve the goal of access to affordable housing to meet present and prospective housing needs, with particular attention to low- and moderate-income housing”. As per the MLUL, specifically N.J.S.A. 52:27D-310, a housing element must contain at least the following items:

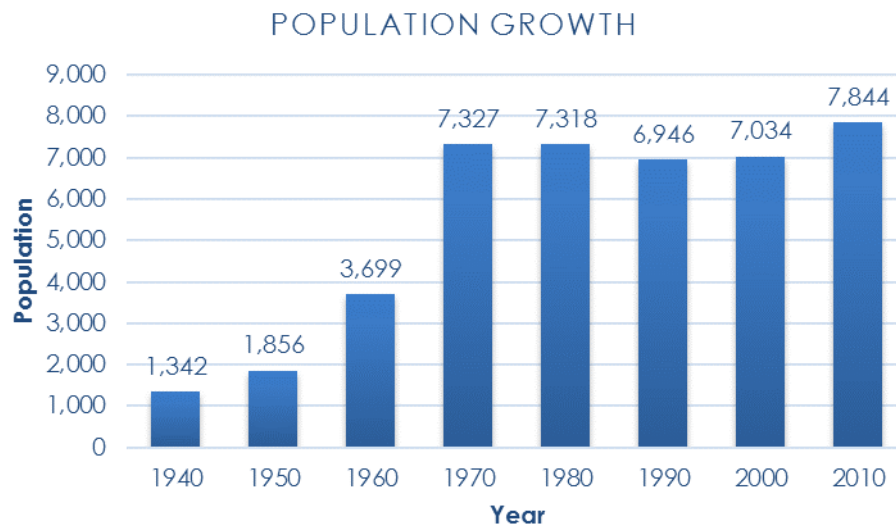
- An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics and type, including the number of units affordable to low- and moderate-income households and substandard housing capable of being rehabilitated;
- A projection of the municipality's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

III. MONTVALE'S POPULATION DEMOGRAPHICS

After a period of dynamic and explosive growth between 1940 and 1970, the population of Montvale went through a period of decline in the 1970s and 1980s. However, since 1990 Montvale has seen a modest but steady rebound in growth. Most recently, in 2000 the population was 7,034, which then increased by 810 residents to 7,844 in 2010.

POPULATION GROWTH			
Year	Population	Change	Percent
1940	1,342	---	---
1950	1,856	514	38.3%
1960	3,699	1,843	99.3%
1970	7,327	3,628	98.1%
1980	7,318	-9	-0.1%
1990	6,946	-372	-5.1%
2000	7,034	88	9.8%
2010	7,844	810	11.7%

Source: <http://lwd.dol.state.nj.us/labor/lpa/census/2kpub/njsdcp3.pdf>

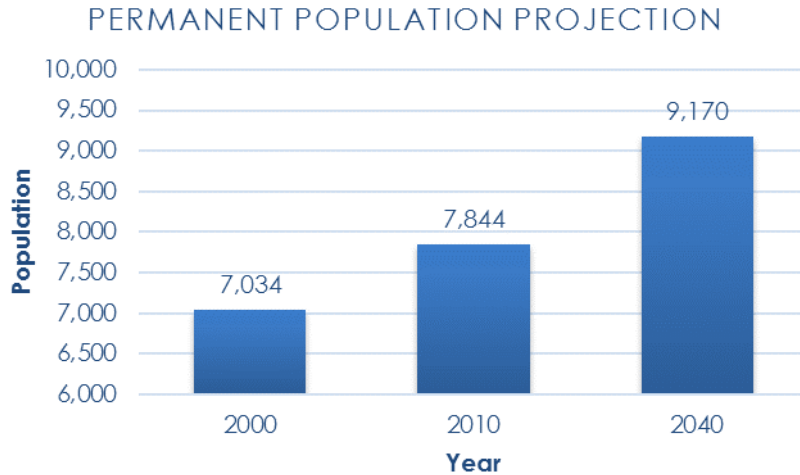


The North Jersey Transportation Planning Association projects that the Borough will grow to 9,170 residents by the year 2040.⁵ In order for that to occur, Montvale would need to gain 1,326 residents over 31 years, which translates to 43 new residents annually.

PERMANENT POPULATION PROJECTION			
Year	Population	Change	Percent
2000	7,034	---	---
2010	7,844	810	11.5%
2040	9,170	1,326	16.9%

Source: NJTPA Population Forecast by County and Municipality 2010-2040; 2000 and 2010 Census

⁵ <http://www.njtpa.org/getattachment/Data-Maps/Demographics/Forecasts/Forecasts-for-RTP-rounded.pdf.aspx>

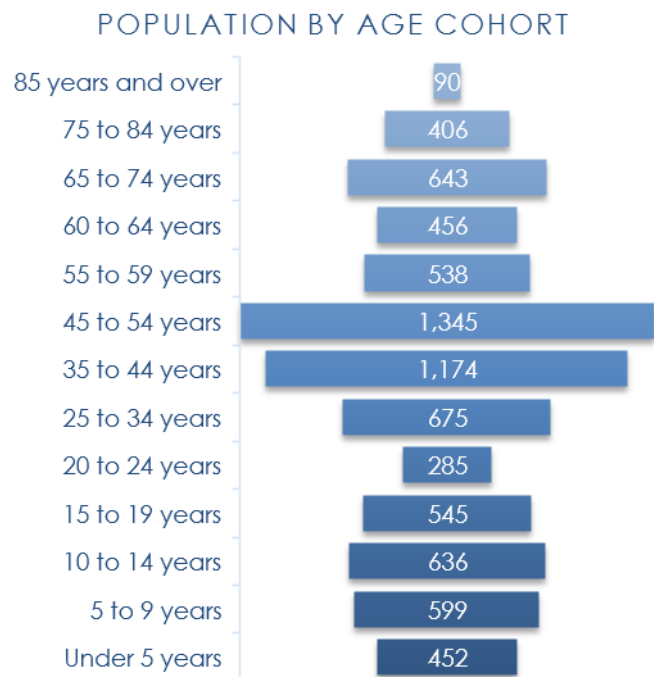


Age Distribution of Population

In 2010, 15.5% of the population was 65 years or older. The percentage of school aged children, aged 19 or younger, comprised approximately 28.4% of the Borough's total population. The 2010 Census indicates that the Borough's median age was 41.9 years old.

POPULATION BY AGE COHORT		
Age	Total	Percent
Under 5 years	452	5.8%
5 to 9 years	599	7.6%
10 to 14 years	636	8.1%
15 to 19 years	545	6.9%
20 to 24 years	285	3.6%
25 to 34 years	675	8.6%
35 to 44 years	1,174	15.0%
45 to 54 years	1,345	17.1%
55 to 59 years	538	6.9%
60 to 64 years	456	5.8%
65 to 74 years	643	8.2%
75 to 84 years	406	5.2%
85 years and over	90	1.1%
Total	7,844	100.0%

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



Household Size & Type

According to the 2010 Census, Montvale had a total of 574 non-family households, or 20.7% of the total households. Non-family households include persons living alone or a householder who is not related to any of the other persons sharing their home. As for family households, they encompassed 80.0% of the

households within the Borough in 2010. Only 34.2% of husband and wife family households within Montvale contained children under the age of 18. See the table below for additional details.

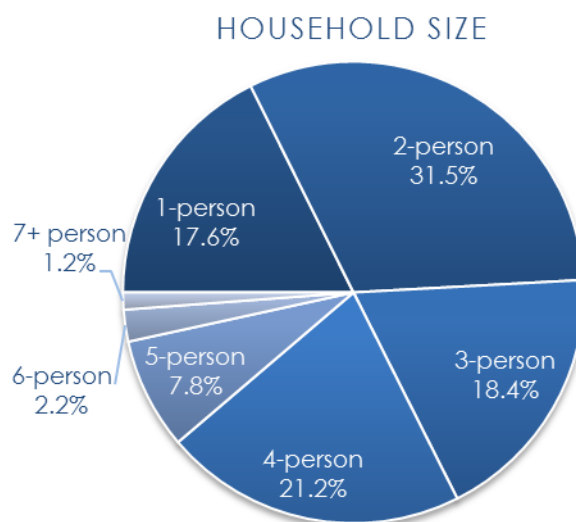
HOUSEHOLD TYPE AND SIZE		
Type	Number	Percent
Family Households	2,204	79.3%
Husband-Wife Family	1,907	68.6%
with children under 18	950	34.2%
Male Householder, no wife	72	2.6%
Female Householder, no husband	225	8.1%
Non-family Households	574	20.7%
Male living alone	183	6.6%
Female living alone	307	11.1%
Total	2,778	100.0%

Source: US Census Bureau 2010

As shown in the table below, the most common household size within Montvale Borough in 2010 was a two-person household, which totaled 31.5% or 875 households. Second most common was a four-person household with 21.2% of all households.

HOUSEHOLD SIZE		
Size	Total	Percent
1-person	490	17.6%
2-person	875	31.5%
3-person	512	18.4%
4-person	589	21.2%
5-person	217	7.8%
6-person	62	2.2%
7+ person	33	1.2%
Total	2,778	100.0%

Source: US Census Bureau 2010, HCT6, Household Size



Income & Poverty Status

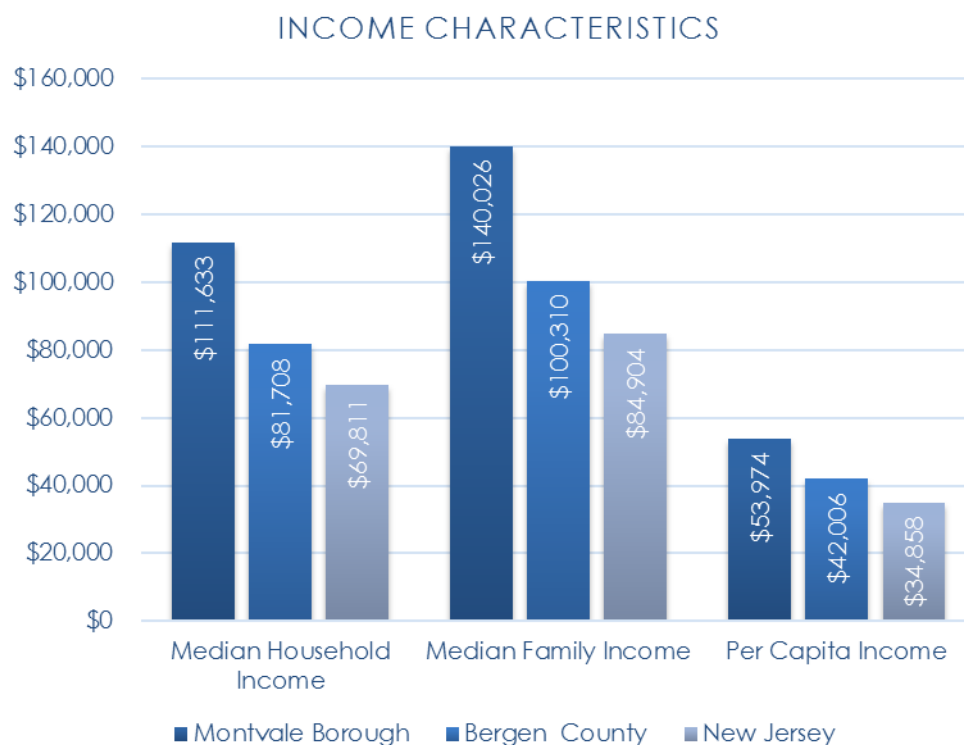
The 2010 Census data has not yet been released for income and poverty. Therefore, five-year American Community Survey (hereinafter "ACS") estimates had to be relied upon. The ACS data indicates that the median household income for Montvale was \$111,633 in 2010. This is \$29,925 higher than the median household income for Bergen County and \$41,822 higher than the State's median household income. The Borough's median family income was roughly \$40,000 more than the County's, and approximately \$55,000 more than the State's.

As for per capita income, Montvale's is estimated at \$53,974. The County's per capita income is projected to be \$42,006, while the State's is estimated to be \$34,858.

Finally, in reviewing poverty status of both people and families, Montvale fares better than the County and State. The ACS estimates that Montvale had a people poverty status of 5.3% and a family poverty status of 3.6%. These percentages are slightly lower than the County and almost half that of the State's poverty rate. See the table below for details.

INCOME CHARACTERISTICS			
Income Type	Montvale Borough	Bergen County	New Jersey
Median Household Income	\$111,633	\$81,708	\$69,811
Median Family Income	\$140,026	\$100,310	\$84,904
Per Capita Income	\$53,974	\$42,006	\$34,858
Poverty Status (Percent of People)	5.3%	5.8%	9.1%
Poverty Status (Percent of Families)	3.6%	4.3%	6.7%

Source: 2010 American Community Survey 5-year Estimates: B06011, B19013 Median Income in Past 12 Months



Montvale's household income data is sourced from the ACS five-year estimates. Slightly over 350 households (12.8%) had an income between \$75,000 and \$99,999 in 2010. A total of 566 households

(20.6%) had an income of \$100,000 to \$149,999. Only 18.3% of households within Montvale had an income less than \$49,999 in 2010 as shown in the table below.

HOUSEHOLD INCOME						
	Montvale Borough		Bergen County		New Jersey	
	Total	Percent	Total	Percent	Total	Percent
Less than \$10,000	62	2.3%	13,533	4.1%	167,356	5.3%
\$10,000 to \$14,999	101	3.7%	10,627	3.2%	126,043	4.0%
\$15,000 to \$24,999	149	5.4%	22,312	6.7%	251,596	7.9%
\$25,000 to \$34,999	37	1.3%	21,850	6.5%	250,896	7.9%
\$35,000 to \$49,999	155	5.6%	31,782	9.5%	354,166	11.2%
\$50,000 to \$74,999	325	11.8%	53,497	16.0%	537,687	16.9%
\$75,000 to \$99,999	353	12.8%	44,819	13.4%	428,486	13.5%
\$100,000 to \$149,999	566	20.6%	62,133	18.6%	548,970	17.3%
\$150,000 to \$199,999	320	11.6%	32,815	9.8%	248,860	7.8%
\$200,000 or more	686	24.9%	40,506	12.1%	262,009	8.2%
Total	2,754	100.0%	333,874	100.0%	3,176,069	100.0%

Source: 2010 American Community Survey 5-year Estimates, B19001 Household Income in Past 12 Months

IV. MONTVALE'S HOUSING DEMOGRAPHICS

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

Housing Type

Five-year ACS estimates reported that there were 2,813 dwelling units in Montvale Borough. The Borough's housing stock includes single-family detached units, single-family attached units and multi-family dwellings. Single-family detached dwellings totaled 2,079 or 73.9% of the Borough's housing stock. Single-family attached houses (e.g. townhomes) comprised 204 or 7.3% of Montvale's housing stock. As the chart to the right shows, two-unit dwellings comprised 6.4% of the housing stock, while 20 or more-unit buildings totaled 3.6%. Of the estimated 2,813 units in 2010, 83 or 3% of the housing stock is affordable.

HOUSING TYPE BY UNITS IN STRUCTURE		
Unit Type	Number of Units	Percent
1, Detached	2,079	73.9%
1, Attached	204	7.3%
2	180	6.4%
3 or 4	150	5.3%
5 to 9	40	1.4%
10 to 19	59	2.1%
20 or more	101	3.6%
Mobile Home	0	0.0%
Other	0	0.0%
Total	2,813	100.0%

Source: US Census Bureau 2010 ACS 5-Year Est.
Selected Housing Characteristics

Occupancy Status

According to the 2010 Census, 83.5% of the Borough of Montvale's occupied housing stock was owner occupied. In 2010 the Borough's housing vacancy rate was 3.3%. As the table below shows, the majority of the vacancies were properties for rent (25.5%). Just over 20% of the vacancies were properties for sale. See the table below for additional details.

OCCUPANCY STATUS		
	Households	Percent
Occupied Total	2,778	96.7%
Owner Occupied	2,321	83.5%
Renter Occupied	457	16.5%
Vacant Total	94	3.3%
For rent	24	25.5%
Rented, not occupied	2	2.1%
For Sale	19	20.2%
Sold, not occupied	9	9.6%
Seasonal	20	21.3%
Other	20	21.3%
Total	2,872	100.0%

Source: 2010 Census, SF 1 & SF 2

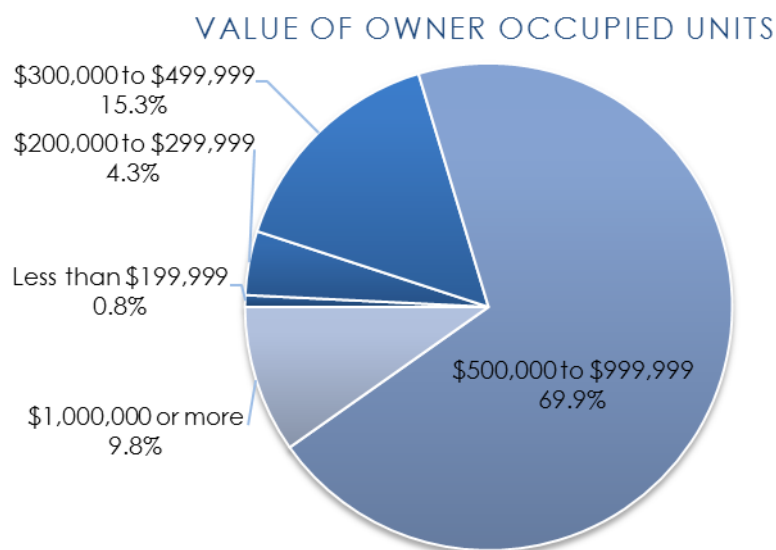
The 2010 average household size in Montvale was 2.82 persons, while the average family size was 3.22 persons. Comparing tenure, the average owner-occupied household size was 2.95 persons in 2010, while the average renter-occupied household size was only 2.3 persons.

Value & Rent of Housing Stock

Census 2010 data for value and rent of housing stock has yet to be released; therefore, five-year ACS estimates have been utilized. Of Montvale's 2,206 estimated owner-occupied housing units, a total of 338 homes or 15.3% of the total are approximated to be valued between \$300,000 and \$499,999. The majority (69.9%) are valued between \$500,000 and \$999,999. According to the ACS, roughly 216 homes or 9.8% of the housing stock is valued over a million dollars.

VALUE OF OWNER OCCUPIED UNITS		
Value	Number of Units	Percent
Less than \$199,999	17	0.8%
\$200,000 to \$299,999	94	4.3%
\$300,000 to \$499,999	338	15.3%
\$500,000 to \$999,999	1,541	69.9%
\$1,000,000 or more	216	9.8%
Total	2,206	100.0%

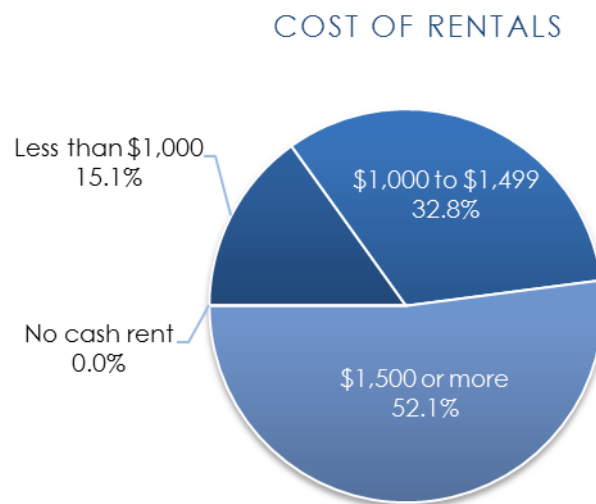
Source: US Census Bureau ACS, 2010 5-Year Estimate DP-04 Selected Housing Characteristics



2010 median estimated rent for the Borough is \$1,537. The majority, 276 or 52.1%, of the Borough's rental units rented for \$1,500 or more per month in 2010. A total of 174 units (32.8%) rented for \$1,000 to \$1,499 monthly. See the table on the next page for more information.

COST OF RENTALS		
Cost	Number of Units	Percent
Less than \$1,000	80	15.1%
\$1,000 to \$1,499	174	32.8%
\$1,500 or more	276	52.1%
No cash rent	0	0.0%
Total	530	100.0%
Median (in dollars)		\$1,537

Source: 2010 American Community Survey 5-year Estimate, Gross Rent



Condition of Housing Stock

The Census does not classify housing units as standard or substandard, but it can provide an estimate of the substandard housing units that are occupied by low- and moderate-income households. The Appellate Division upheld COAH's use of three indicators to determine substandard housing in the State. Those three indicators are:

- Houses built before 1959 and which are overcrowded with more than one person per room;
- Houses lacking complete plumbing; and
- Houses lacking kitchen facilities.

Most of the Census indicators available at the municipal level indicate a sound housing stock. All homes within the Borough contain plumbing facilities, kitchen facilities, heat and telephone service.

CONDITION OF HOUSING STOCK		
Fuel Type	Number of Units	Percent
Lack of complete plumbing	0	0.0%
Lack of complete kitchen	0	0.0%
Lack of telephone service	0	0.0%
Lack of adequate heat	0	0.0%
Total Housing Units	2,813	100.0%

Source: US Census Bureau ACS 2010, 5-Year DP-04 Selected Housing Characteristics

Housing with 1.01 or more persons per room is an index of overcrowding. In 2010, the Borough contained 2,754 occupied units. The majority (98.5%) of occupied housing units had 1.00 or fewer occupants per room, while 1.5% of units contained 1.01 to 1.50 persons per room and may be considered overcrowded as shown in the table below.

OCCUPANTS PER ROOM		
Occupants	Number of Units	Percent
1.00 or less	2,713	98.5%
1.01 to 1.50	41	1.5%
1.51 or more	0	0.0%
Total	2,754	100.0%

Source: US Census Bureau 2010 ACS 5-Year Estimate

Housing units built in 1959 or earlier are now flagged instead of units built in 1939 or earlier. Research has demonstrated that units built 50 or more years ago are much more likely to be in substandard condition. Included in the rehabilitation calculation are overcrowded units and dilapidated housing. Overcrowded units are defined by the U.S. Department of Housing and Urban Development as those with more than one person living per room.

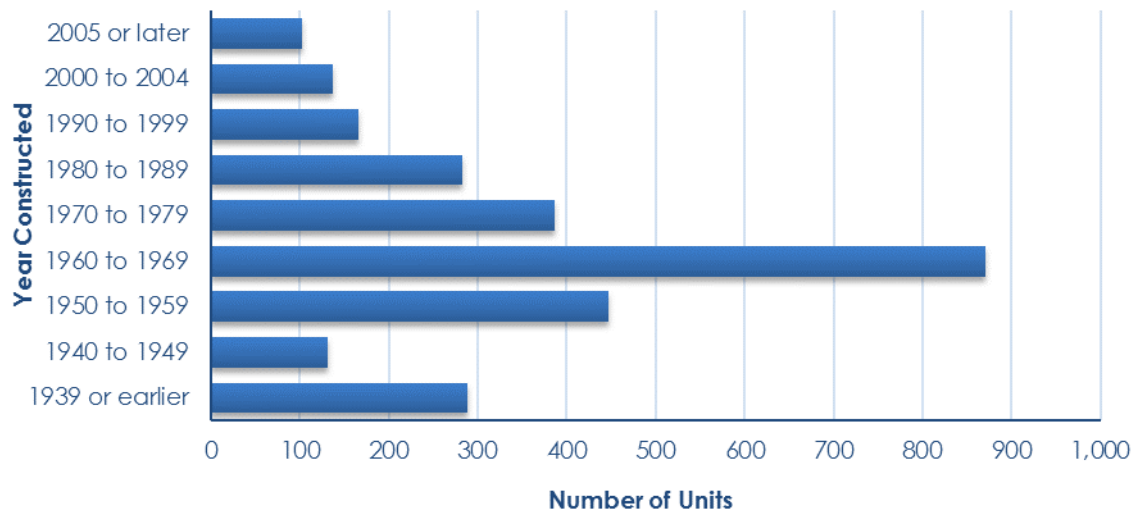
The table and bar graph on page 17 provide the 2010 ACS estimates. Approximately 30.8% of Montvale's housing stock was built before 1960. Units built before 1960 are a factor in the determination of each municipality's rehabilitation share. In Montvale, 867 units were constructed prior to 1960. The Borough's Rehabilitation Obligation is five units, reflecting the relatively good condition of these older homes. The years between 1960 and 1969 produced the Borough's largest amount of housing (870 units). As the bar graph on the next page shows, home building has decreased significantly since 1969.

It should be noted that much of Montvale's housing stock was built in the 1960's, which may have an impact on the Fourth Round's Rehabilitation Obligation.

AGE OF HOUSING STOCK		
Year Built	Number of Units	Percent
1939 or earlier	288	10.2%
1940 to 1949	132	4.7%
1950 to 1959	447	15.9%
1960 to 1969	870	30.9%
1970 to 1979	387	13.8%
1980 to 1989	283	10.1%
1990 to 1999	166	5.9%
2000 to 2004	138	4.9%
2005 or later	102	3.6%
Total	2,813	100.0%

Source: US Census Bureau 2010 ACS 5-Year Est., DP-04 Selected Housing Characteristics

AGE OF HOUSING STOCK



V. MONTVALE'S EMPLOYMENT DEMOGRAPHICS

Many changes have occurred in the economy between the 2000 and 2010 Census. The stock market crash in 2008 led to many companies either failing or laying off hundreds of workers. Unfortunately, little data regarding employment has been released for the 2010 Census; therefore, 2000 Census data and five-year ACS estimates had to be relied upon. Other sources are cited where the information is available.

In 2010, the ACS estimates that Montvale had 4,013 residents in the labor force. Of those 16 years and older, 96.3% or 3,863 persons were employed and a total of 150 persons were not employed.

As the 2010 Census data has yet to be released for this category, five-year ACS estimates were relied upon. The majority of workers within the Borough were private wage and salary workers in 2010. 3,147 or 78.4% of those employed over age 16 fell into this category. Approximately 10.6% of workers were government employees and 289 or 7.2% were self-employed. The ACS estimates that no one within the Borough was an unpaid family worker in 2010.

CLASS OF WORKER		
Class of Worker	Number of Workers	Percent
Private wage and salary workers	3,147	78.4%
Government workers	427	10.6%
Self-employed workers	289	7.2%
Unpaid family workers	0	0.0%
Total employed residents	3,863	96.3%
Total unemployed residents	150	3.7%
Total residents in workforce	4,013	100.0%

Source: 2010 ACS 5-Year Estimates DP03

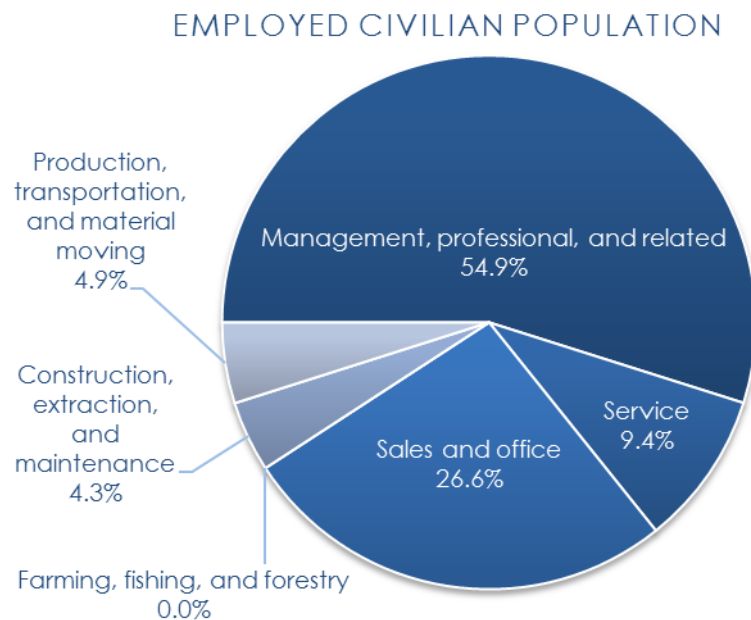
Occupational Characteristics

In 2010, the ACS estimates that 54.9% of the Borough's residents were employed in management, professional, science or arts occupations. Over 362 residents are approximated to be employed in the service industry and 26.6% of those employed are in sales and office professions. Approximately 166 or 4.3% of residents are employed in the construction, extraction or maintenance field.⁶

⁶ The Borough questions the ACS estimates as there is one farm in the Borough, yet no employees are allocated for the category of farming.

EMPLOYED CIVILIAN POPULATION BY OCCUPATION (AGE 16 YEARS OR OLDER)				
Occupation	Montvale Borough		Bergen County	
	Total	Percent	Total	Percent
Management, professional, and related	2,120	54.9%	202,204	45.1%
Service	362	9.4%	55,654	12.4%
Sales and office	1,026	26.6%	126,681	28.3%
Farming, fishing, and forestry	0	0.0%	516	0.1%
Construction, extraction, and maintenance	166	4.3%	28,851	6.4%
Production, transportation, and material moving	189	4.9%	34,434	7.7%
Total	3,863	100.0%	448,340	100.0%

Source: 2010 American Community Survey 5-Year, DP-03 Selected Economic Characteristics



Employment Projections

The NJTPA estimates that employment within the Borough will grow by 1,790 jobs by 2040.⁷

EMPLOYMENT PROJECTION			
Year	Jobs	Change	Percent
2010	11,620	---	---
2040	13,410	1,790	15.4%

Source: NJTPA Employment Forecast by County and Municipality 2010-2040

⁷ <http://www.njtpa.org/DataMap/Demog/Forecast/documents/2035DemographicForecastsbyMunicipality--FinalApprovedforWebsite20090824.pdf>

In-Place Employment By Industry

New Jersey's Department of Labor and Workforce Development is the entity that reports on employment and wages within the State of New Jersey. The latest municipal-level report was completed in 2013. According to the data, there were 8,892 private sector jobs within the Borough, which were provided by an average of 419 employers. Note that the table below reflects employment within Montvale, regardless of where the employee lives.

The management industry had the largest average employment with 2,270 jobs. Wholesale trade ranked second with an average of 1,142 jobs, followed by the finance/insurance sector with 609 jobs on average. The local government education sector provided an average of 321 jobs within the Borough in 2013. See the table below for data on each industry sector.

EMPLOYMENT BY INDUSTRY SECTOR AND NUMBER OF EMPLOYEES (2013)					
Industry	Establishments		Employees		Annual Wages
	Total	Percent	Total	Percent	
Construction	24	5.7%	165	1.9%	\$74,991
Manufacturing	-	-	-	-	--
Wholesale Trade	40	9.5%	1,142	12.8%	\$121,525
Retail Trade	30	7.2%	483	5.4%	\$33,027
Transp/Warehousing	7	1.7%	134	1.5%	\$65,746
Information	9	2.1%	208	2.3%	\$129,588
Finance/Insurance	45	10.7%	609	6.8%	\$109,684
Real Estate	14	3.3%	61	0.7%	\$79,961
Professional/Technical	-	-	-	-	-
Management	8	1.9%	2,270	25.5%	\$97,133
Admin/Waste Remediation	33	7.9%	302	3.4%	\$57,566
Education	-	-	-	-	-
Health/Social	32	7.6%	230	2.6%	\$57,962
Arts/Entertainment	9	2.1%	152	1.7%	\$25,727
Accommodations/Food	26	6.2%	242	2.7%	\$23,013
Other Services	-	-	-	-	-
Unclassifieds	12	2.9%	17	0.2%	\$46,283
Private Sector Total	419	99.1%	8,892	95.4%	\$101,189
Local Govt Education	2	0.5%	321	3.4%	\$55,405
Local Govt Total	4	0.9%	431	4.6%	\$63,588

Source: NJ Department of Labor and Workforce Development, Employment and Wages, 2013 Annual Report

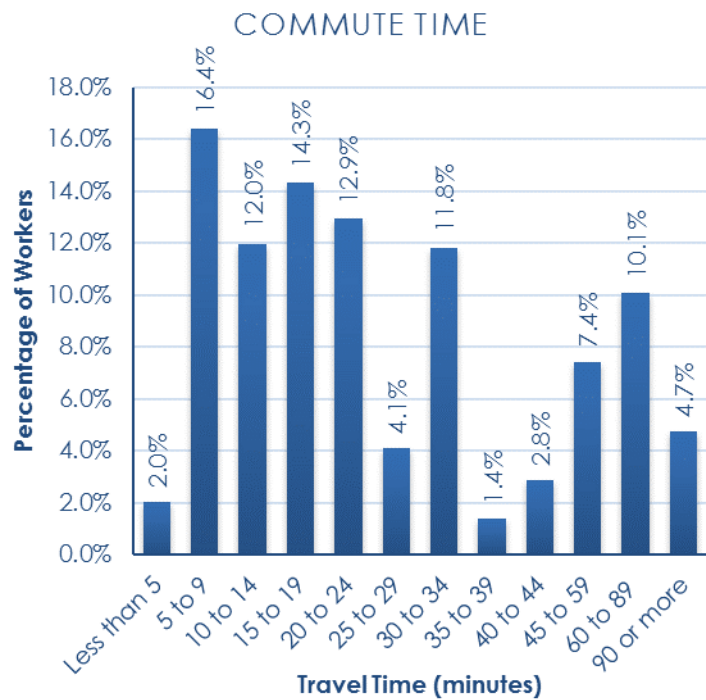
Travel Time to Work

In 2010, a plurality of Montvale workers (16.4%) commuted 5 to 9 minutes to get to work. Approximately 12.0% of workers traveled 15 to 19 minutes to get to their place of work. A total of 18.4% of Montvale's

employed residents traveled less than ten minutes to their workplace in 2010. See the table below for details.

COMMUTE TIME		
Travel Time (in minutes)	Number of Workers	Percent
Less than 5	73	2.0%
5 to 9	594	16.4%
10 to 14	434	12.0%
15 to 19	519	14.3%
20 to 24	469	12.9%
25 to 29	148	4.1%
30 to 34	428	11.8%
35 to 39	50	1.4%
40 to 44	103	2.8%
45 to 59	269	7.4%
60 to 89	365	10.1%
90 or more	171	4.7%
Total	3,623	100.0%

Source: 2010 American Community Survey 5-year
Estimates: B08303



VI. PROJECTION OF HOUSING STOCK

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

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

As shown in the table below, 568 new homes were built between 2000 and 2017. It should be noted that during the same time period 62 homes were demolished.

HISTORIC TREND OF RESIDENTIAL CERTIFICATES OF OCCUPANCY & DEMOLITION PERMITS																			
	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	Total
COs Issued	37	48	32	7	15	5	10	70	61	34	12	26	35	20	20	43	60	33	568
Demolitions	4	0	2	2	1	7	6	9	4	1	2	4	3	2	4	3	2	6	62
Net Development	33	48	30	5	14	-2	4	61	57	33	10	22	32	18	16	40	58	27	506

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

Projecting into the future, the Borough presently has four residential units that have been approved, with permits issued, where the homes are either under construction or will commence construction shortly. Furthermore, there are a number of approved applications currently under construction. Woodland Heights has been approved to construct single-family homes and has agreed to make a payment-in-lieu for the construction of affordable units. Trailing Ridge (The Alexa), School #2 and 99 Spring Valley Road are approved and under construction. Additionally, there is one pending application for inclusionary residential development - 91 Spring Valley Road. Finally, it should be noted that inclusionary developments are anticipated at 127 Summit Avenue, 2 Paragon Drive (former A & P headquarters), 110 Summit Avenue, 12 Van Riper Road (former Sony site), 3 Mercedes Drive and 1 Glenview Road (former Mercedes Benz Campus) and 7 Franklin Avenue.

The table on page 23 shows projections of residential development between the present and 2025. Based on the data, the Borough anticipates issuing 1,097 residential Certificates of Occupancy between now and the end of the Third Round in December of 2025.

PROJECTION OF RESIDENTIAL DEVELOPMENT									
	'18	'19	'20	'21	'22	'23	'24	'25	Total
Approved Development, Permits Issued	4								4
Approved Development, Under Construction									
Woodland Heights	5	3							8
Trailing Ridge (The Alexa)	40	41							81
School #2	14								14
99 Spring Valley Road	12								12
Pending Applications									
91 Spring Valley Road*			12	12					24
Projected Development									
7 Franklin			13						13
A & P		40	40						80
Mercedes			117	116	117				350
Sony			92	93					185
DePiero			32						32
127 Summit Avenue						32	33		65
110 Summit Avenue				102	101				203
Projected Development Based on Historic Trends of Single-Family Construction	1	5	2	4	1	3	6	4	26
Total	76	89	308	327	219	35	39	4	1,097

*This Application is pending before the Zoning Board. It is unknown if it will ultimately be approved, but has been included in the table for purposes of an estimated future projection of housing construction.

Of the 1,097 new residences projected to be built between now and 2025, 217 or 19.78% of the units are anticipated to be reserved for low- and moderate-income households. See the table on the next page for details.

PROJECTION OF AFFORDABLE UNITS									
	'18	'19	'20	'21	'22	'23	'24	'25	Total
Approved Development, Permits Issued									0
Approved Development, Under Construction									
Woodland Heights									0
Trailing Ridge (The Alexa)	9	9							18
School #2	14								14
99 Spring Valley Road	2								2
Pending Applications									
91 Spring Valley Road*			2	2					4
Projected Development									
7 Franklin			3						3
A & P		8	8						16
Mercedes			18	17	18				53
Sony			18	19					37
DePiero			32						32
127 Summit Ave						6	7		13
110 Summit Avenue				13	12				25
Total	25	17	81	51	30	6	7	0	217

*This Application is pending before the Zoning Board. It is unknown if it will ultimately be approved, but has been included in the table for purposes of an estimated future projection of housing construction.

VII. CAPACITY FOR FAIR SHARE

This chapter of the HEFSP provides the following information as required by the Fair Housing Act:

- The Borough's capacity to accommodate its housing needs.
- A consideration of the lands that are most appropriate for construction of low- and moderate-income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low- and moderate-income housing.
- Lands of developers who have expressed a commitment to provide low- and moderate-income housing.
- The location and capacities of existing and proposed water and sewer lines and facilities relevant to the proposed affordable housing sites.

Land Capacity

Montvale's capacity to accommodate its affordable housing obligation is determined by three components – available land, water capacity and sewer capacity. Note that land development is limited by wetlands, flood plains, easements (conservation, sewer, water, etc.), parcel size and municipal regulations.

The Borough has conducted a Vacant Land Adjustment analysis that indicates 181 additional affordable units could be constructed on lands that are vacant and/or are likely to redevelop within the Borough. Thirteen properties contribute to that number, as shown in the chart below.

Block	Lot	Site	Total Acres	Developable Acres*	Current Zoning	Density	RDP
2702	1	1 Mercedes	21.81	13.23	OR4	Project Density	70
2801	2	3 Mercedes	11.09	5.78	OR4		
3201	6	1 Glenview	3.92	3.18	OR4		
3302	1	Park Ridge/ Sony	6.86 (7.04)	3.67	OR4	Project Density	37
1903	7	2 Paragon (A&P)	19.29	13.51	OR3	8 d/u	21
703	7	133-149 Kinderkamack	5.50	4.61	B1	8 d/u	7
1102	2.01**	110 Summit	11.48	8.15	OR3	Project Density	25
1903	4	De Piero	2.09	0.63	OR3	8 d/u	2
1903	5	De Piero	2.79	0.64	OR3	8 d/u	2
3201	4	21 Philips	3.00	2.71	OR4	8 d/u	4
3004	3, 10	Parodi	6.10	4.19	OR2		7
1001	1	135 Chestnut/ Mack Cali	7.18	3.73	OR1	8 d/u	5
2408	26	7 Franklin	0.83	0.83	B1	8 d/u	1
Round 3 RDP							181
Prior Round RDP							188
Total RDP							369

*Developable Acres is the land area comprising existing impervious coverage in environmentally constrained areas a.

**Please note that the Lot number and acreage have changed since the VLA was completed in 2015.

Utility Capacity

Suez provides the Borough's water, and the Bergen County Utilities Authority (hereinafter "BCUA") processes Montvale's sewage. According to the Borough's Engineer, there are no known capacity issues with either water or sewer.⁸

Appropriate Locations for Affordable Housing

Land that is most appropriate for the construction of low- and moderate-income housing includes the following approved, proposed and anticipated projects:

1. Trailing Ridge (The Alexa) – Spring Valley Road, approved and under construction
2. School #2 – Grand Avenue East, approved and under construction
3. 99 Spring Valley Road – approved and under construction
4. 7 Franklin Avenue – application approved by the Zoning Board on April 3, 2018
5. A & P – Paragon Drive, zoned
6. Mercedes – Mercedes Drive & Glenview Road, zoned
7. Sony – 12 Van Riper Road, zoned
8. DePiero – Summit Avenue, zoned
9. 110 Summit Avenue – zoned
10. 127 Summit Avenue – zoned
11. Annie Sez – to be overlay zoned
12. Southeast B1 District (east side of train tracks) – to be overlay zoned
13. Southeast B1 District (west side of train tracks) – to be overlay zoned

All thirteen developments are described in detail in Chapter IX. Existing structures that could be appropriate for conversion to affordable housing include the condominiums in the Rolling Ridge development, which is located west of Chestnut Ridge Road. As for structures suitable for rehabilitation, according to the Settlement Agreement, there are five homes within the Borough that are in need of a major system repair (e.g. roof, electric, plumbing, etc.).

Potential Affordable Housing Developers

Seven developers have formally intervened, requested rezoning and/or submitted applications to build affordable housing within the Borough of Montvale. Each proposal is summarized below:

1. DePiero – The Borough has been working with the United Way of Bergen County to develop Block 1002, Lots 3 and 5, with 32 units of affordable housing. (Note, the Borough owns the parcels.) United Way has prepared a concept plan, pro-forma, construction schedule and Schedule 10-A Project Description.
2. Sony – Hornrock Properties, MPR, LLC, is the current owner of the former Sony, Inc. corporate headquarters, which consists of approximately seven acres in Montvale. Hornrock Properties expressed interest in constructing an inclusionary multi-family development and intervened in

⁸ Email with Chris Dour, Borough Engineer's staff member, on March 22, 2018.

the Borough's affordable housing litigation. The November 14, 2017 Settlement Agreement between the Borough and Hornrock permits a maximum of 185 units on the parcel. The property was subsequently rezoned to permit the construction of up to 185 residential units with a 20% set-aside for affordable units.

3. Mercedes – The former Mercedes Benz campus, located on Block 2702, Lot 1 and Block 2801, Lot 2, is approximately 32 acres and is located at the intersection of Mercedes Drive and Grand Avenue. Additionally, Block 3201, Lot 6 (Glenview) is part of the former campus. Block 3201, Lot 6 is approximately four acres and is located at 1 Glenview Road. The Hekemian Group (owners of the parcels) expressed an interest in building a mixed-use development with an inclusionary component. Hekemian intervened in the Borough's affordable housing litigation. In the November 14, 2017 Settlement Agreement between the Borough and Hekemian, it states that a maximum of 350 units may be built on the three parcels with a 15% set-aside, which would translate into a maximum of 53 affordable units. All three properties have been rezoned to permit said inclusionary residential development.
4. A & P – Two Paragon Drive, LLC owns Block 1903, Lot 7 at the corner of Paragon Drive and Summit Avenue. The property is approximately 20 acres. Two Paragon Drive expressed interest in constructing an inclusionary townhome development. The Borough executed a Settlement Agreement with the developer, dated November 14, 2017, which permits the property to be developed with no more than 80 units, including 16 affordable family for sale units.
5. 110 Summit Ave – Block 1102, Lot 2.01 is referred to as 110 Summit Avenue and presently contains an office building. The property owners, GNWLAAC R.E. Holding c/o IVL Group (also known as Genworth), approached the Borough in 2016 to consider permitting assisted living facilities in the OR-3 and OR-4 Districts. The Borough evaluated the use and concluded there was a need for senior housing in the Borough and drafted an ordinance to permit assisted living as a conditional use in the OR-3 and OR-4 Zones. On February 28, 2017 the Council adopted Ordinance No. 2017-1423, which conditionally permits assisted living facilities. In late 2017 the Borough was contacted by Pike Development Company (hereinafter "Pike") who is interested in constructing an assisted living facility on the property that would include Medicaid waiver beds, which qualify for affordable housing credits. Pike is preparing concept plans and will likely make application to the Board in 2018.
6. 7 Franklin Avenue – Montvale Partners, LLC owns Block 2408, Lot 26, which is roughly 0.83 acres. This property is included in the Vacant Land Inventory. The site is located near Kinderkamack Road in the downtown area where a higher density is possible; therefore, the Borough believes that the property has the potential to produce at least three affordable housing units. The property previously contained a 4,000 square foot building, which was demolished in the late 2000s. The property owner, Montvale Partners, LLC, expressed an interest in developing the lot with an inclusionary retail development by submitting an application for an inclusionary development in 2017. A series of public hearings were held regarding the application, which was

ultimately approved on April 3, 2018. The development will include a total of 13 rental units, of which three units will be reserved for affordable households. Page 49 provides additional details on this proposal.

7. 91 Spring Valley Road – Metropolitan Home Development Corporation at Werimus, LLC, has submitted a use variance application to subdivide Block 1103, Lot 5 into Lot 5.02 through 5.05 and construct single-family detached dwellings on each of the proposed lots. Additionally, the remaining portion of Block 1103, Lot 5 (fronting Spring Valley Road) would be merged with Block 403, Lot 1 to construct a 20-unit townhome development with four affordable units on proposed Lot 5.01.⁹ The developer appeared at the March 6, 2018 Zoning Board meeting and presented witnesses. Plan revisions are necessary, and the hearing has been carried to May 1, 2018. The burden of proof is on the developer to prove the Application has no detrimental impact. Until that testimony is provided, this document cannot make any assumptions regarding the “appropriateness” of the site.

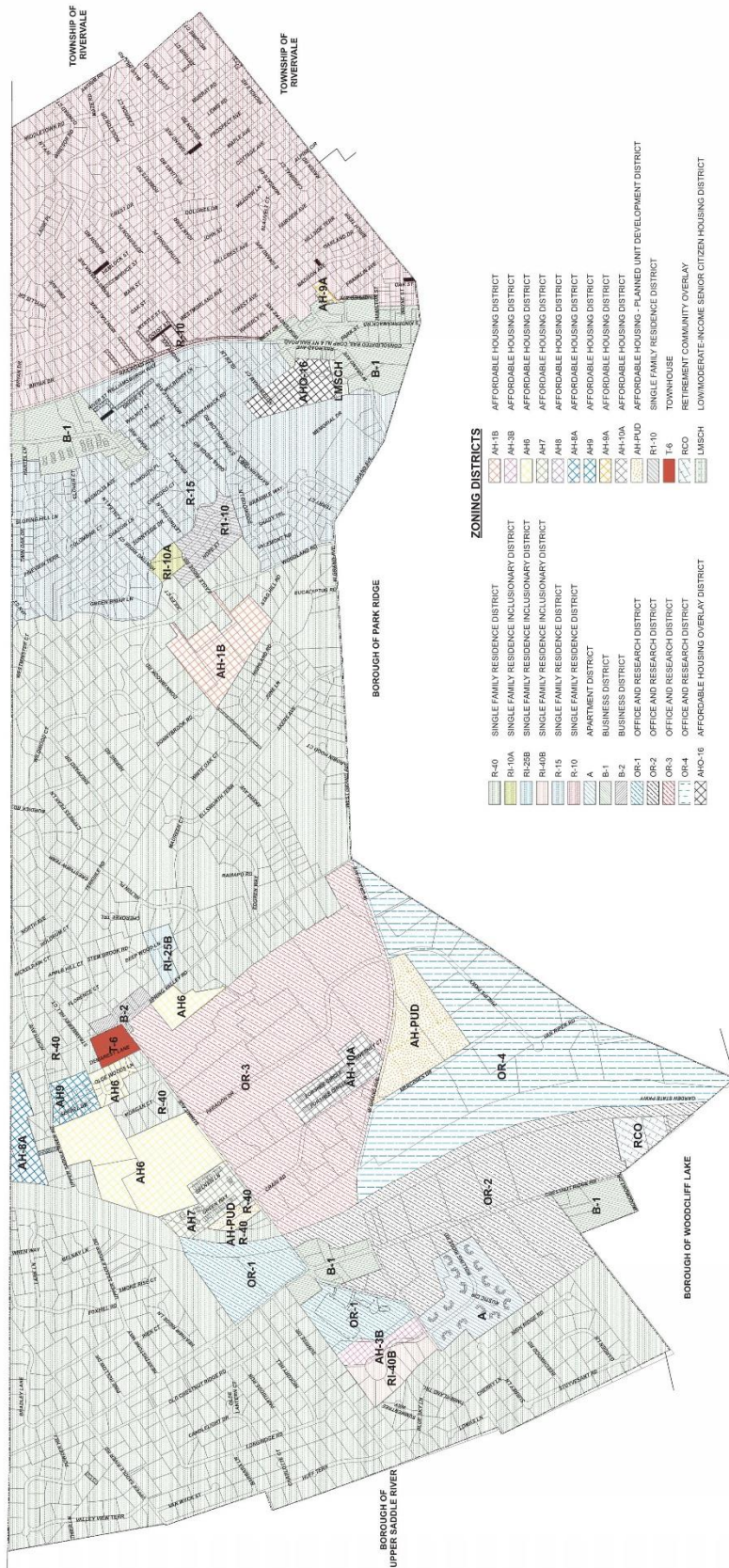
Anticipated Development Patterns

Anticipated land use patterns within the Borough of Montvale will follow the established zoning map (shown on page 30), except for the locations noted below. There are three business districts and four office/research districts within the Borough. Montvale has been proactive over the years and created more than a dozen affordable housing districts. The exception to the zoning map’s anticipated patterns are:

- Mercedes – Ordinance No. 2017-1436 was adopted on December 11, 2017, which permits mixed-use inclusionary development. This new zone is called Mixed-Use Planned Unit Development (M-PUD) District. The new district requires multi-family residential, office, retail and a hotel to be constructed on the former Mercedes campus. The Ordinance permits a maximum of 350 residential units.
- A & P – Ordinance No. 2017-1437 was adopted on December 11, 2017. The Ordinance created a new zone, called Affordable Housing (AH-6A) District. The zone permits townhomes and apartment flats. Buildings are permitted to be a maximum of three stories and 45 feet. A total of 80 units are permitted.
- Sony – Ordinance No. 2017-1438 was adopted on December 26, 2017. The Ordinance created the Affordable Housing (AH-26) District. The zone permits multi-family residential development. Buildings are permitted to have four floors of residential over parking. A maximum of 185 units is permitted.

⁹ Note the original Application included 24 townhomes with five affordable units. Due to density concerns expressed by the Board, the Applicant reduced the total number of units to 20.

- 110 Summit Avenue – Assisted living facilities are permitted as a conditional use in the OR-3 and OR-4 Districts. If this development is built, it will change the site from a commercial (office) character to a residential character. However, this does not change the site's zoning designation.
- Annie Sez/Southeast B1 (east and west) District – These areas will be overlay zoned to permit mixed-use inclusionary development. See page 62 for a description of Annie Sez, page 62 for the Southeast B1 (east) District and page 64 for the Southeast B1 (west) District.



VIII. FAIR SHARE PLAN

Content of Fair Share Plan

The Fair Share Plan contains the following information:

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

Regional Income Limits

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

Using COAH's last published limits from 2014, a four-person household moderate-income is capped at \$67,538. Two-person households could make up to \$54,030 and be considered a moderate-income household or make up to \$33,769 and be considered a low-income household.¹⁰ See the table below for greater detail.

2014 REGIONAL INCOME LIMITS FOR REGION 1				
Income	Household Size			
	1 Person	2 Person	3 Person	4 Person
Median	\$59,095	\$67,539	\$75,980	\$84,422
Moderate	\$47,276	\$54,030	\$60,784	\$67,539
Low	\$29,548	\$33,769	\$37,990	\$42,211
Very Low	\$17,729	\$20,261	\$22,794	\$25,327

Source: http://www.nj.gov/dca/services/lps/hss/admin_files/incomelimits.pdf

¹⁰ Note that the Borough may file a motion with the Court to approve the 2017 income limits prepared by the Affordable Housing Professionals of New Jersey. Said motion would also include provisions regarding the municipality's obligation to update those income limits annually.

IX. MONTVALE'S FAIR SHARE PLAN

Montvale's Fair Share Plan describes the projects and strategies the Borough proposes to address its affordable housing obligation. The three components addressed by this chapter are the Borough's Rehabilitation, Prior Round and Third Round obligations, as follows:

Three-Part Obligation

AFFORDABLE HOUSING OBLIGATION			
	Rehabilitation	Prior Round	Third Round
Obligation	5	255	542
RDP	-	188	181
Unmet Need	-	67	361

Rehabilitation

The Borough has a five-unit Rehabilitation Obligation.

Prior Round

On December 15, 2004, the Borough of Montvale was granted Substantive Certification for the Second Round. The Second Round Substantive Certification included a Vacant Land Adjustment. Resolution #250-99 granting Substantive Certification to Montvale states that the Borough has a Second Round Obligation of 255. Page 1 of the Resolution states that COAH issued a report establishing a RDP of 188 units on August 30, 2001. This resulted in an Unmet Need of 67. However, this HEFSP addresses the entire Prior Round Obligation of 255.

There are minimum and maximum requirements regarding the development of rentals and age-restricted units for the Prior Round Obligation (hereinafter "PRO"), which are outlined in N.J.A.C. 5:93-5.14 and 5.15. The formula to determine the maximum number of age-restricted units is as follows:

$$= 25\% (\text{RDP} - \text{transferred or proposed RCA units}) - \text{first round age-restricted units}$$

$$= 25\% (188 - 59) - 0 = 32$$

Based on the above, Montvale may **age-restrict** a maximum of **32 units** in the Prior Round.

Montvale is required to provide a minimum number of rental units. As the Borough is satisfying its entire obligation, the formula is as follows:

$$= 25\% (\text{pre-credited need} - \text{prior cycle credits} - \text{rehabilitation component})$$

$$= 25\% (255 - 0 - 0) = 64$$

Based on the formula, Montvale must provide at least **64 rental units** in the Prior Round.

Furthermore, it should be noted that N.J.A.C. 5:93-5.15(d)3 limits the number of rental bonuses to the minimum required rental obligation. Therefore, Montvale may receive a **maximum of 64 rental bonuses** for the PRO.

Additionally, there is a limit on the number of units that may be transferred through an RCA. As per N.J.A.C. 5:93-6.1, Montvale may transfer up to one-half its affordable housing obligation via an RCA. The formula is as follows:

= 50% (RDP + rehabilitation obligation – rehabilitation credits – any previously transferred RCAs)

= 50% (188-0-0) = 94 units

As indicated by the formula, the Borough may transfer up to 94 units through RCAs in the Prior Round.

Third Round

Montvale must plan for a Third Round Obligation (hereinafter “TRO”) of 542 units. However, the Borough has been granted a VLA, which determined the RDP to be 181. Similar minimum and maximum requirements apply to the TRO.

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

= 25% (RDP) – first round age-restricted units

= 25% (181) – 0 = 45.25 (Round to 45)

As per the formula, Montvale may **age-restrict** a maximum of **45 units** for the TRO.

Montvale is required to provide a minimum number of rental units. The formula is as follows:

= 25% (RDP)

= 25% (181) = 45.25 (Round to 46)

Montvale must provide at least **46 rental units**.

Furthermore, it should be noted that N.J.A.C. 5:93-5.15(d)3 limits the number of rental bonuses to the minimum required rental obligation. Therefore, Montvale may receive a **maximum of 46 rental bonuses** for the TRO.

Existing Credits

Montvale has a total of 209 existing credits from group homes, RCAs and inclusionary housing developments that can be applied to the PRO and TRO. The sections below describe the existing credits and the obligation they are allocated to.

Rehabilitation Credits

The Borough does not have any existing Rehabilitation Credits.

Prior Round Credits

There are 12 completed mechanisms allocated to the PRO. This section details each mechanism and its associated credits.

1. Janovic I (Brookview Estates)

Janovic I was part of the Borough's 1994 Judgment of Compliance. The developer provided a \$300,000 payment-in-lieu, which was then utilized to fund an RCA of 15 units with the City of Garfield in Bergen County. An Amended Regional Contribution Agreement was executed on November 23, 2004 between the Borough of Montvale and the City of Garfield, which transferred 47 units (Janovic I and Four Seasons). The municipalities agreed to \$25,000 per unit, for a total of \$1,175,000. The money was transferred between 2005 and 2006.¹¹ See the 2004 Round Two Substantive Certification in Appendix A for additional information.

Based on this information, Janovic I is eligible to receive **15 credits**.

2. Janovic II

Janovic II is a four-lot subdivision, where the developer agreed to provide a \$50,000 payment-in-lieu, which was utilized to fund two RCAs with Cliffside Park in Bergen County. A Regional Contribution Agreement was executed on September 30, 2003 between the Borough and Cliffside Park. The municipalities agreed to \$25,000 per unit, for a total of \$50,000. The money was transferred between 2005 and 2006.¹² See Appendix A for additional information.

Based on this information, Janovic II is eligible to receive **2 credits**.

3. Chamberlain

Chamberlain is an 18-lot subdivision that was approved in 2004. The approval required a \$250,000 payment-in-lieu, which was utilized to fund 10 RCA units in Cliffside Park. A Regional Contribution Agreement was executed on July 8, 2003 between the Borough and Cliffside Park. The municipalities agreed to \$25,000 per unit, for a total of \$250,000. The money was transferred in 2005.¹³ See Appendix A for additional details.

Based on this information, Chamberlain is eligible to receive **10 credits**.

4. K. Hovanian/Rink/Dill

The K. Hovanian/Rink/Dill site is also known as Four Seasons. The Four Seasons development sits on the Montvale and Woodcliff Lake border. Roughly 7.3 acres of the property is located within Montvale. As part of the approval, the developer agreed to provide an \$800,000 payment-in-lieu. These funds were utilized to finance 32 RCA units with the City of Garfield. An Amended Regional Contribution Agreement

¹¹ Data from Borough's CTM System.

¹² Ibid.

¹³ Ibid.

was executed on November 23, 2004 between the Borough of Montvale and the City of Garfield, which transferred 47 units (Janovic I and Four Seasons). The municipalities agreed to \$25,000 per unit, for a total of \$1,175,000. The money was transferred between 2005 and 2006.¹⁴ See Appendix A for additional details.

Based on this information, Four Seasons is eligible to receive **32 credits**.

5. Greenway

Located off of Summit Avenue, Greenway is a 59-unit condominium complex (see image below¹⁵). Greenway is commonly referred to as “Summit Ridge” and was a part of the Borough’s 1994 Judgment of Compliance. The complex contains two affordable family rental units and 10 affordable family for-sale units. The affordable units received Certificates of Occupancy between 2000 and 2001. As per the 2004 COAH Compliance Report, the rental units are eligible to receive rental bonus credits. See Appendix A for additional details.

Based on this information, Greenway is eligible to receive **12 credits and 2 bonus credits**.



Image 1: Greenway

6. Bear Brook/US Cable

Located off of Spring Valley Road, Bear Brook was a part of the Borough’s 1994 Judgment of Compliance. The 33-unit condominium complex (see image on the following page¹⁶) contains five affordable family rental units. The affordable units received Certificates of Occupancy in 1998. As per the 2004 COAH

¹⁴ Ibid.

¹⁵ Image courtesy of <https://www.google.com/maps>

¹⁶ Image courtesy of <http://www.bing.com/maps>

Compliance Report, the rental units are eligible to receive rental bonus credits. See Appendix A for additional information.

Based on this information, Bear Brook is eligible to receive **5 credits and 5 bonus credits**.



Image 2: Bear Brook

7. Baldanza/Charlestowne Court

Commonly known as Charlestowne Court, this multi-family development is located off of Franklin Avenue. The 12-unit inclusionary development contains three affordable family rental units. The affordable units received Certificates of Occupancy on October 10, 2007. As per the 2004 Compliance Report, the rental units are eligible to receive rental bonus credits. See Appendix A for additional information.

Based on this information, Charlestowne Court is eligible to receive **3 credits and 3 bonus credits**.

8. Nottingham Manor

Located along Nottingham Court is Nottingham Manor, a garden apartment complex originally constructed in the 1950s (see image on the following page¹⁷). In the early 2000s the property owner approached the Borough, seeking to construct additional garden apartments on an undeveloped portion of the site. The Borough rezoned the property to AHO-16 Affordable Housing Overlay-16 District on February 24, 2004 (Ordinance No. 2004-1216) and subsequently the developer constructed 36 additional units, of which eight are affordable family rental units. It should be noted that Montvale received a waiver from COAH regarding the bedroom distribution as there are no three-bedroom affordable units. The affordable units received Certificates of Occupancy on September 27, 2007. As per the 2004 COAH

¹⁷ Image courtesy of <https://www.google.com/maps>

Compliance Report, the rental units are eligible to receive rental bonus credits. See Appendix A for additional details.

Based on this information, Nottingham Manor is eligible to receive **8 credits and 8 bonus credits**.



Image 3: Nottingham Manor

9. National Institute for People with Disabilities

National Institute for People with Disabilities (hereinafter "NIPD") operates a licensed group home for five very-low income clients.¹⁸ The home is located on Middletown Road on Block 1709, Lot 1. NIPD bought the property in 2001. The group home is licensed by the Department of Human Services. Clients are age 18 or older. According to page 14 of the 2004 COAH Compliance Report, the Division of Developmental Disabilities provided the facility with capital funding that has a 20-year renewable deed restriction. As per the Compliance Report, these units are eligible to receive rental bonus credits. See Appendix A for additional details.

Based on this information, the NIPD facility is eligible for **5 credits and 5 bonus credits**.

10. Axxin/K. Hovnanian/Valley View

Commonly referred to as Valley View, this development is located along Craig Road. Valley View was part of Montvale's 1994 Judgment of Compliance. This inclusionary project received approval from the Borough in 2004 and contains 102 market-rate units and 26 affordable units (see image on the following page¹⁹). The 26 affordable units are family for-sale condominiums. The affordable units received Certificates of Occupancy from 2007 to 2009 as the site was constructed in phases. Montvale received a

¹⁸ Email from Ralph Coloma, Assistant Director NIPD-NJ, received on May 20, 2015.

¹⁹ Image courtesy of <http://www.bing.com/maps>

waiver for the bedroom distribution in this development as 50% of the affordable units are two-bedroom and 50% are three-bedroom units. See Appendix A for additional information.

Based on this information, Valley View is eligible to receive **26 credits**.



Image 4: Valley View

11. Montvale Senior Housing/Montvale Commons

Initially referred to as Montvale Senior Housing, this site is now referred to as Montvale Commons. The multi-family building is located at 150 Nottingham Court, adjacent to the Nottingham Manor development (see image on page 39²⁰). Page 24 of the 2004 COAH Compliance Report describes the project as a 36-unit affordable age-restricted rental development. The Compliance Report also noted that the site was eligible for rental bonuses at a rate of 0.33 per age-restricted rental unit.

However, since 2004 the size of the project and type of unit has changed. This municipally-sponsored, 100% affordable housing development was approved by the Borough in 2012 to construct a 28-unit building. Ten of the 28 units are reserved for special needs households. The remaining 18 rental units are not age-restricted and are open to anyone.²¹ The units were occupied in 2013. The development has received Low Income Housing Tax Credits and HMFA financing.

²⁰ Image courtesy of <http://www.bing.com/maps>

²¹ Email from Ken Regan, Vice President of Regan Development, received on May 19, 2015.



Image 5: Montvale Commons

As per the 2013 Special Needs Housing Trust Fund Grant Agreement, Deed Restriction and Regulatory Agreement, the 10 special needs units are permanent supportive housing. As per the 2013 Deed of Easement and Restrictive Covenant for Extended Low-Income Occupancy agreement, 10% or more of the residential units in the development are to be occupied by households with an income that is 30% or less of Area Median Gross Income. See Appendix A for additional information.

Based on the above information, Montvale Commons is eligible for **28 credits and 28 bonuses**.

12. Del Ben/Montvale Reserve

Located along Upper Saddle River Road, Del Ben was a part of the Borough's 1994 Judgment of Compliance. The development is now referred to as Montvale Reserve. The property is known as Block 302, Lot 1. In the 2004 COAH Compliance Report, Montvale Reserve was proposed to generate 39 affordable units. However, after 2008, K. Hovnanian (the builder) sued the Borough and the litigation resulted in an overall reduction in the total number of units to 80. Consequently, this reduced the affordable units to six.

On October 19, 2012 a Fairness Hearing was held before Judge Carver, who approved the settlement between the Borough and K. Hovnanian as fair to persons of low- and moderate-income. Since the litigation was settled, the 16.876-acre site received site plan approval and has been constructed. Certificates of Occupancy were issued in 2016 and 2017. The six affordable units are for-sale units. See Appendix A and F for additional details.

Based on this information, Montvale Reserve is eligible to receive **6 credits**.

Existing Prior Round Credit Summary

Below is a summary of the existing credits used to satisfy a portion of the 255-unit PRO.

EXISTING PRIOR ROUND CREDITS						
Mechanism	Credit Type	Tenure	Age-Restricted	Credit	Bonus	Total
Janovic I (Brookview Estates)	RCA	-	-	15		15
Janovic II	RCA	-	-	2		2
Chamberlain	RCA	-	-	10		10
K. Hov/Rink/Dill (Four Seasons)	RCA	-	-	32		32
Greenway	Inclusionary	Rental	No	2	2	4
Greenway	Inclusionary	For-Sale	No	10		10
Bear Brook/US Cable	Inclusionary	Rental	No	5	5	10
Baldanza/Charlestowne Court	Inclusionary	Rental	No	3	3	6
Nottingham Manor	Inclusionary	Rental	No	8	8	16
Nat. Inst. For People w/ Disabilities	Group Home	Rental	No	5	5	10
Axxin/Hovn. (Valley View)	Inclusionary	For-Sale	No	26		26
Montvale Senior Housing/Montvale Commons	100% Affordable	Rental	No	18	18	36
Montvale Senior Housing/Montvale Commons	100% Affordable/ Supportive	Rental	No	10	10	20
Del Ben/Montvale Reserve	Inclusionary	For-Sale	No	6		6
Total				152	51	203

Third Round RDP Credits

1. Children's Aid and Family Services

In May of 2014, Children's Aid and Family Services Inc. purchased a single-family home at 42 South Middletown Road, known as Block 2509, Lot 51 (0.8 acres in size). The Borough was informed in 2015 that the final approved plan was for a five-bedroom group home, which was also reflected in the Settlement Agreement. However, the Borough has finally obtained the license and "Financing, Deed Restriction and Regulatory Agreement", which indicates six bedrooms. (See Appendix G.)

Based on this information, the facility is eligible for **6 credits**.²²

Existing Third Round RDP Credit Summary

The table on the next page provides a summary of the existing credits used to satisfy a portion of the 181 Third Round RDP.

²² Note that this facility is eligible for rental bonuses, but the Borough cannot exceed the bonus cap.

EXISTING THIRD ROUND RDP CREDITS						
Mechanism	Credit Type	Tenure	Age-Restricted	Credit	Bonus	Total
Children's Aid	Group Home	Rental	No	6		6
Total				6	0	6

Proposed Mechanisms

Rehabilitation Mechanisms

The purpose of a rehabilitation program is to rehabilitate substandard housing units occupied by low- and moderate-income households. A substandard housing unit is defined as a unit with health and safety code violations that require the repair or replacement of a major system. A major system includes weatherization, a roof, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems) and/or a load bearing structural system. Upon rehabilitation, housing deficiencies must be corrected, and the house must be brought up to code standard. The standard for evaluating rehabilitation activity shall be the local property maintenance code, or, if none is available, the BOCA Property Maintenance Code, in effect at the time of evaluation. The rehabilitation activity shall not include luxury improvements, the purchase of appliances (with the exception of stoves) or improvements that are strictly cosmetic. A rehabilitated unit is considered complete at the date of final inspection.

As per the Settlement Agreement, Montvale has a five-unit Rehabilitation Obligation.

Montvale will designate an experienced entity to administer the rehabilitation program, the entity may be an employee, a private consultant, or a combination of the two. The designated entity will prepare a marketing plan for Montvale's rehabilitation program, subject to the Court's approval. The rehabilitation program will be marketed through a combination of some, though not necessarily all, of the following: brochures; posters in prominent locations; notices in municipal tax bills; notices included in municipal publications; and informational meetings with civic and religious leaders, senior citizen groups and fraternal organizations.

The designated entity will maintain files on each program applicant. Montvale will require at least six-year controls on affordability on owner-occupied units and at least 10-year controls on affordability on rental units. The controls on affordability will be in the form of a amortized depreciating lien filed with the appropriate property's deed. Rents in rehabilitated units may increase annually based on the standards in N.J.A.C. 5:93-9.15.

The \$125,000 being reserved for the Borough Rehabilitation Program includes administrative and actual rehabilitation activities. Montvale will set aside \$20,000 per unit of its rehabilitation component towards administration and \$5,000 per unit for rehabilitation activity to total \$25,000 per unit of its rehabilitation component.

It is anticipated that the Borough's Rehabilitation Program will be structured to encourage rehabilitation and continued occupancy with a forgivable loan/lien program. If a housing unit is sold prior to the end of

the controls on affordability, at least part of the loan shall be recaptured and used to rehabilitate another housing unit. If the Borough structures a loan program to recapture money, recaptured money shall be used for another low- and moderate-income housing purpose or to repay a municipal bond issued to finance a low- and moderate-income housing activity. See Appendix H for a copy of the proposed Rehabilitation Program Manual.

Based on the above, the Borough's Rehabilitation Program would be eligible for **5 credits**.

Prior Round Mechanisms

1. DePiero

Page 32 of the 2004 COAH Compliance Report lists the DePiero property (Block 2802, Lots 2 and 3) under Unmet Need. DePiero was a part of Montvale's 1994 Judgment of Compliance and was proposed to provide 34 affordable units. The Compliance Report indicates that the Borough was going to create an overlay zone to permit multi-family inclusionary development. However, after 2004, the Borough rezoned the farm AH-8 Affordable Housing District.

As detailed in the April 2013 Amendment to the Land Use Element, no formal site plan applications for the development of an inclusionary project were ever filed by the property owner or even discussed conceptually.²³ During this same time period, six inclusionary housing projects were approved and/or built within the Borough. In 2012, the owner of the DePiero farm approached the Borough with an alternative plan. The owner proposed to dedicate Block 1002, Lot 5 (which they also owned) to the Borough. Additionally, the DePieros had an adjacent property at Block 1002, Lot 3, under contract to purchase. As part of the rezoning process of 25+/- acres of farmland for development of a lifestyle retail center, the property owners proposed to dedicate the two lots on Block 1002 to the Borough in order to facilitate the construction of 32 affordable units.

In 2012 and 2013 the Borough adopted Amendments to the Land Use Element, which detailed the proposal for the DePiero farm and the properties on Block 1002. Subsequently, on April 30, 2013, the Borough adopted Ordinance #2013-1374 creating the Affordable Housing – Planned Unit Development District or AH-PUD. The 25+/- acre farm and two properties on Block 1002 are included in the new zone. The purpose of the AH-PUD is to "provide a realistic opportunity for the provision of low- and moderate-income residential units, consistent with the purpose and intent of Montvale's adopted and substantively certified Second Round Housing Element and Fair Share Plan within the context of an affordable housing planned unit development, comprising both residential and retail development. AH-PUD regulations are intended to capitalize on the district's unique locational, physical and historical characteristics to simultaneously provide for its first and second round affordable housing obligation coupled with a lifestyle retail shopping center in which retail services more appropriate to the established character of the area in which the two sites encompassed by this Affordable Housing - Planned Unit Development District are located."²⁴

²³ April 2013 Amendment to the Land Use Element, prepared by Phillips Preiss Grygiel LLC, page 6.

²⁴ Borough Code, Section 128-5.14A.

The ordinance requires a minimum of 32 low- and moderate-income housing units to be constructed by the Borough of Montvale or by a private, public or non-profit entity designated by the Borough of Montvale. On July 15, 2014, the Planning Board approved a two-story 32-unit multi-family building on Block 1002, Lots 3 and 5. This approval was in conjunction with the approval of a Wegmans Supermarket and a lifestyle center on Block 2802, Lots 2 and 3. Condition #2 of the Resolution requires conveyance of the Block 1002 parcels to the Borough upon or prior to the issuance of the first building permit. The properties were transferred to the Borough in 2017. It is anticipated that the affordable units will be rental units. See Appendix A for additional details.

Since 2017 the Borough has been working with the United Way of Bergen County to devise a plan to construct the affordable housing units. United Way has expressed its willingness and intent to partner with the Borough on the project. The Borough is currently preparing a Transfer and Development Agreement, which will transfer the parcels to United Way. Meanwhile, United Way has prepared a concept plan, pro-forma, a construction schedule and Schedule 10-A Project Description, which are attached under Appendix I. Furthermore, the Borough has committed a maximum of \$375,000 of its Affordable Housing Trust Fund to buy down moderate-income units to low-income units. This is illustrated in the Draft Spending Plan, Appendix J.

As illustrated in the concept plan, the site could accommodate a total of 32 units. Twenty-eight of the units would be one-bedroom age-restricted and one building would be a four-bedroom group home.

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

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

The properties meet the four prongs of the rules (hereinafter "Four-Prong Test" as follows:

- Approvable site – The properties are currently zoned AH-PUD, which requires 32 low- and moderate-income housing units to be constructed on the site. The site received approvals to construct 32 affordable units in 2014. However, amended site plan approval will likely be needed to reflect United Way's concept plans.

- Available site – The properties were transferred to the Borough of Montvale in 2017 as per Condition #2 of the Resolution of Approval for the Wegmans/lifestyle center development. Therefore, there are no title issues.
- Developable site – The properties are located in water and sewer service areas.
- Suitable site – The lots are adjacent to the Garden State Parkway to the north, Greenway inclusionary condominium development to the east, farming and office uses to the south and single-family residential uses to the west. As for environmental constraints, an area of wetlands with a 50-foot buffer (hereinafter “wetlands”) is located along the eastern border of Lot 5 but a minimal amount is actually located on the site. See the map on page 45.

As demonstrated above, the DePiero site meets the four prongs of the rules and is eligible for crediting. Based on this information, DePiero is eligible to receive **32 credits**.²⁵

2. Bonnabel/Trailing Ridge/The Alexa

Located off Spring Valley Road, The Alexa is located along the New York State border. It is designated on the tax maps as Block 301, Lots 2 and 3. Lot 2 is owned by Y Not Montvale LLC. Lot 3 is owned by 160 Spring Valley Road, LLC and encompasses 8.7 acres.²⁶

The properties are zoned AH-8A multi-family inclusionary development zone. In the 2004 COAH Compliance Report the project is described as a 70-unit complex, with 14 affordable rental units. Page 19 of the Compliance Report indicates that The Alexa is eligible for 14 credits and 14 rental bonuses.

However, in November of 2007 the Applicant returned to the Board for amended site plan approval as they now controlled Lot 2. The Applicant received amended approval for a total of 80 units, of which 17 were reserved for affordable units. The Applicant received minor subdivision approval in 2008, which included as a condition that the developer provide one additional affordable unit. The requirement of 18 affordable units was memorialized via Resolution on August 19, 2008. Premier Developers, LLC is the builder and the project is presently under construction. See Appendix K for a copy of the three Resolutions related to this site. The Borough anticipates COs will start to be issued in 2018 with construction continuing into 2019.

Based on this information, The Alexa is eligible to receive **18 credits and 13 bonuses**.²⁷

3. 127 Summit Avenue










127 Summit Avenue is located south of Montvale Reserve and east of Greenway. The site (Block 1002, Lot 7) contains 28.4 acres and is owned by Reno Del Ben according to the online tax records. The site is currently zoned AH-6 Affordable Housing 6 District, which permits planned residential development at a density of 5.8 units per acre.

²⁵ All of the units are eligible for rental bonuses, but the Borough is unable to claim credit for bonuses due to the 25% bonus cap.

²⁶ http://tax1.co.monmouth.nj.us/cgi-bin/m4.cgi?district=0236&lot=023601002____00005____M

²⁷ All of the units are eligible for rental bonuses, but the Borough can only claim credit for 13 bonuses due to the 25% bonus cap.


Legend

-  Municipal Border
-  Parcels
-  DePiero
-  Water
-  Utility Easement
-  Wetlands w/ 50' Buffer
-  Steep Slopes (15% or greater)
-  C1 Water 300' Buffer
-  FEMA Special Flood Hazard Area



\\HQFAS11\Survey\GIS\PROJECTS\Municipal\PM\PP\MPP-014C1180306app_DePiero.mxd



0 125 250

 Feet
 1 inch = 250 feet

DePiero
Block 1002, Lots 3 & 5
 Borough of Montvale
 Bergen County, New Jersey

 **MASER**
 CONSULTING P.A.
 March 2018

The site meets the Four-Prong Test as follows:

- Approvable site – The site is currently zoned to permit planned inclusionary residential development at a density of 5.8 units per acre.
- Available site – The property is privately-owned with no known title or encumbrance issues.
- Developable site – The site is located within water and sewer service areas.
- Suitable site – Two existing inclusionary housing developments are adjacent to the property. (See map on following page.) The Montvale Reserve is located to the north and the Greenway development is located to the west. Single-family residential housing is to the east of the property and the former A & P headquarters is to the south across Summit Avenue (which is also zoned to permit inclusionary housing). The property contains environmental constraints including wetlands, Category 1 waters 300-foot buffer area (hereinafter “C1 water buffer area”), steep slopes and a stream. Approximately 18.9 acres of the site are within the C1 water buffer area. Within that area is also 8.9 acres of wetlands. There is just over 1 acre of steep slopes located on the property, with a majority located within the C1 water buffer area. According to the GIS mapping and the online tax record acreage, 9.36 acres are developable.

Based on this information, 127 Summit Avenue is eligible to receive up to **13 credits**.

Proposed Prior Round Credit Summary

The proposed PRO mechanisms provide 63 credits towards the PRO. The Borough can claim a maximum of 64 bonus credits for the PRO. Existing mechanisms generate 51 bonus credits as detailed previously, leaving a maximum of 13 bonus credits for the proposed PRO mechanisms.

PROPOSED PRIOR ROUND CREDITS						
Mechanism	Credit Type	Tenure	Age-Restricted	Credit	Bonus	Total
DePiero	100% Affordable	Rental	Yes	32		32
Bonnabel/Training Ridge/The Alexa	Inclusionary	Rental	No	18	13	31
127 Summit Avenue	Inclusionary	Rental	Yes	13		13
Total				63	13	76

Existing and proposed developments generate a total of 215 credits and 64 bonuses that can be applied against the 255-unit PRO. The credits plus bonuses total 279. Therefore, the Borough of Montvale can satisfy its entire PRO with existing and proposed mechanisms. Furthermore, there are 24 surplus credits that are being carried forward to the TRO.










Third Round RDP Mechanisms

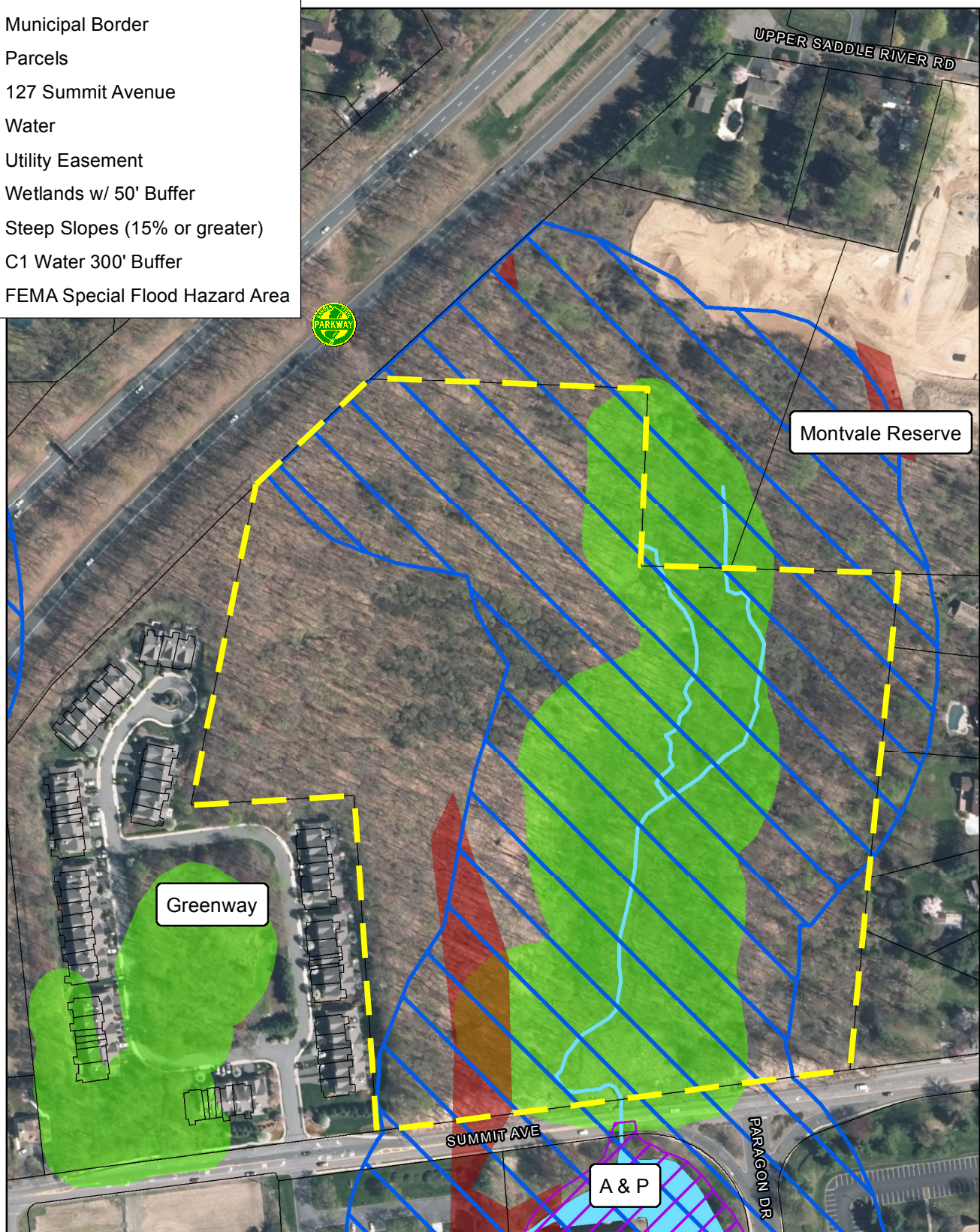
Eight mechanisms are either under construction or proposed for the Third Round RDP.

1. Carry-over Credits

There are 24 surplus credits being carried forward from the PRO and applied to the TRO.

Legend

-  Municipal Border
-  Parcels
-  127 Summit Avenue
-  Water
-  Utility Easement
-  Wetlands w/ 50' Buffer
-  Steep Slopes (15% or greater)
-  C1 Water 300' Buffer
-  FEMA Special Flood Hazard Area



\\HQFAS11\Survey\GIS\PROJECTS\Municipal\127_Summit_Ave.mxd



0 125 250
Feet
1 inch = 250 feet

127 Summit Avenue
Block 1002, Lot 7
Borough of Montvale
Bergen County, New Jersey

MASER
CONSULTING P.C.
March 2018

2. School #2

This mechanism was not included in the December 2008 HEFSP. School #2 is located at 11 Grand Avenue East. In July of 2013 the Borough purchased Block 1606, Lot 6 from the Montvale Board of Education. The former school building is two blocks from the Montvale Train Station.²⁸

The site consists of 69,111 square feet and in 2014 was rezoned as Affordable Housing Senior District (AHS) via Ordinance #2014-1393. The AHS District permits apartments and community residences for the developmentally disabled.

In 2014, Madeline Housing Partners, LLC appeared before the Planning Board seeking preliminary and final site plan approval as well as minor subdivision approval for the property. The application proposed to subdivide the existing parcel into two lots, one which would remain the existing ball field and recreation area of the Borough. The remaining land area, which would be designated as Lot 6, included the existing school and comprised roughly 45,000 square feet. The existing vacant school would be retrofitted to be used for 10 affordable senior apartments. A new addition was proposed to be constructed with four units of special needs housing. The application was approved by the Borough on January 6, 2015. (See Appendix L.)



Image 6: School #2

In 2017 Lot 6 was subdivided into Lot 6, 6.01 and 6.02. Lot 6 (senior units) and 6.02 (group home) are owned by Madeline Housing Partners and Lot 6.01 is owned by the Borough.

It should be noted that on February 13, 2018 the Council approved Resolution No. 69-2018, which provides \$80,000 from the Borough's Affordable Housing Trust Fund to assist in the development of the

²⁸ Image courtesy of <http://www.bing.com/maps>

project. (See Appendix M.) The building is expected to be completed in 2018. School #2 is eligible for crediting under N.J.A.C. 5:93-5.8 (alternate living arrangements) and 5:93-5.14 (age-restricted housing).

Based on the above information, School #2 will produce **14 credits**.²⁹

3. 99 Spring Valley Road

99 Spring Valley Road, identified as Block 403, Lot 2, is just over an acre in size (see map on page 50). The property is located in the B-2 District but abuts the R-40 Single-Family District on two sides. The property was previously used for commercial and multi-family purposes. To the north of the property is a three-story office building. To the east and south are single-family detached homes. Across Spring Valley Road is an office building and the inclusionary Bear Brook housing development.

In the fall of 2015, Baldanza Construction appeared in front of Montvale's Zoning Board with an application to construct 12 townhomes in four buildings. The proposal included the construction of two affordable for-sale units. The application was approved on December 15, 2015. (See Appendix N.)

As per the Development Agreement, both affordable units will be two-bedroom units. One unit will be low-income, and one unit will be moderate-income. The units are required to have a minimum 30-year deed restriction. The project is currently under construction and anticipated to receive its COs in 2018. Based on this information, 99 Spring Valley Road is eligible for crediting as per N.J.A.C. 5:93-5.6 (inclusionary development).

Based on the information above, 99 Spring Valley Road will provide **2 credits**.

4. 7 Franklin Avenue










7 Franklin Avenue, known as Block 2408, Lot 26, contains roughly 0.83 acres. The property is located in the B-1 Business District. See map on page 51. It is adjacent to the AH-9A District, which encompasses Charlestowne Court, an inclusionary housing development. The property is surrounded by the townhomes at Charlestowne Court, retail uses and a mixed-use building. The site is one block from the train station. The property previously contained a 4,000 square foot commercial building, which was demolished in the late 2000s.

The site is flat and is free from environmental constraints, according to the GIS mapping.

In 2017, the property owner, Montvale Partners, LLC, submitted an Application for Development to the Zoning Board. Public hearings were held on December 5, 2017, February 20, 2018, March 6, 2018 and April 3, 2018. The application required conditional use variance approval as well as variances related to setbacks. The final plan calls for the construction of 13 rental units in a two-story building. Of this total, three of the units will be reserved for affordable households. One unit shall be a one-bedroom low-income unit. One unit shall be a two-bedroom low-income unit and the final unit shall be a two-bedroom moderate-income unit. The resolution of approval, dated April 3, 2018, requires the affordable units to

²⁹ All of the units are eligible for rental bonuses, but the Borough is unable to claim credit for bonuses due to the 25% bonus cap.


Legend

-  Municipal Border
-  Parcels
-  99 Spring Valley Road
-  Water
-  Utility Easement
-  Wetlands w/ 50' Buffer
-  Steep Slopes (15% or greater)
-  C1 Water 300' Buffer
-  FEMA Special Flood Hazard Area



\\HQFAS11\Survey\GIS\PROJECTS\Municipal\M-PMP\PPMPP-014C\180306appb_99_Spring_Valley.mxd











0 75 150

 Feet
 1 inch = 150 feet

99 Spring Valley Road
Block 403, Lot 2
 Borough of Montvale
 Bergen County, New Jersey

 **MASER**
 CONSULTING P.A.
 March 2018


Legend

-  Municipal Border
-  Parcels
-  7 Franklin Avenue
-  Water
-  Utility Easement
-  Wetlands w/ 50' Buffer
-  Steep Slopes (15% or greater)
-  C1 Water 300' Buffer
-  FEMA Special Flood Hazard Area



\\HQFAS11\Survey\GIS\PROJECTS\Municipal\M-P\PPP\PPP-014C1180313app_7_Franklin_Ave.mxd



0 75 150
 Feet
 1 inch = 150 feet

7 Franklin Avenue
Block 2408, Lot 26
 Borough of Montvale
 Bergen County, New Jersey

 **MASER**
 CONSULTING P.A.
 March 2018

be deed restricted for a minimum period of 30 years. This site would be eligible for credits under N.J.A.C. 5:93-5.6 (inclusionary development). See Appendix O for the adopted resolution of approval.

The property meets the Four-Prong Test as follows:

- Approvable site – The property is located in the B-1 Business district, which conditionally permits apartments. An Application to construct an inclusionary developed was approved by the Zoning Board on April 3, 2018.
- Available site – The property was previously used for commercial purposes and was developed with a commercial building that was demolished in the late 2000s. Since then, the property has remained vacant with no known encumbrances. The property owner is ready and willing to construct an inclusionary housing development.
- Developable site – The property is in the water and sewer service area.
- Suitable site – The property is surrounded by a mixed-use building to the north, Charlestowne Court development to the east and commercial buildings to the north and west. The property does not contain any environmental constraints according to GIS data. The site has approximately 160 feet of frontage on Franklin Avenue.

Based on the information above, 7 Franklin Avenue will provide **3 credits**.

5. 110 Summit Avenue

110 Summit Avenue, identified as Block 1102, Lot 2 on the Borough Tax Map, is located in the OR-3 District. The property is surrounded by single-family residential uses to the north and office buildings to the east, south and west. See map on page 54.

In 2017, the Borough amended the Zoning Ordinance to permit assisted living facilities as a conditional use in the OR-3 and OR-4 Zones. The Ordinance requires a minimum of 10% of the beds to be reserved for Medicaid-eligible persons and such units will qualify as affordable units. The conditions set forth in the Ordinance are:

1. Primary access shall be achieved from a road under the jurisdiction of Bergen County.
2. Minimum lot size: 10 acres.
3. Minimum lot width: 200 feet.
4. Minimum front yard setback: 75 feet.
5. Side yard setback:
 - a. Minimum side yard setback: 50 feet.
 - b. Aggregate minimum side yard setback (both sides): 100 feet.
6. Minimum rear yard setback: 50 feet.
7. Maximum lot coverage: as regulated in the underlying zone.
8. Maximum FAR: 0.35.
9. Maximum building height: 50 feet and three stories.
10. Parking: 0.5 parking space per residential unit.

11. Building exteriors shall have vertical and/or horizontal offsets and variations of construction materials to create visual breaks on the exterior.
12. There shall be provided a safe and convenient system of sidewalks, accessible to all occupants. Due consideration should be given in planning walks, paths, and ramps to prevent slipping or stumbling. Handrails and ample space for rest shall be provided. All walks, paths and risers shall be designed according to the requirements of the Americans with Disabilities Act (ADA).
13. A buffer area as defined in §128-3.1, which shall be no less than 15 feet in width from all external property lines of the site.
14. Sign regulations: as regulated in the underlying zone.
15. Maximum 25 units per acre.

See Appendix P for a copy of the Ordinance.










During the preparation of the conditional use Ordinance, the owners of the site confirmed 280 units could fit on the property. Pike Development is currently the contract purchaser and is preparing a concept plan. The Borough has met with Pike on several occasions to discuss the project. The site would be eligible for credits under N.J.A.C. 5:97-6.11 (assisted living residence).

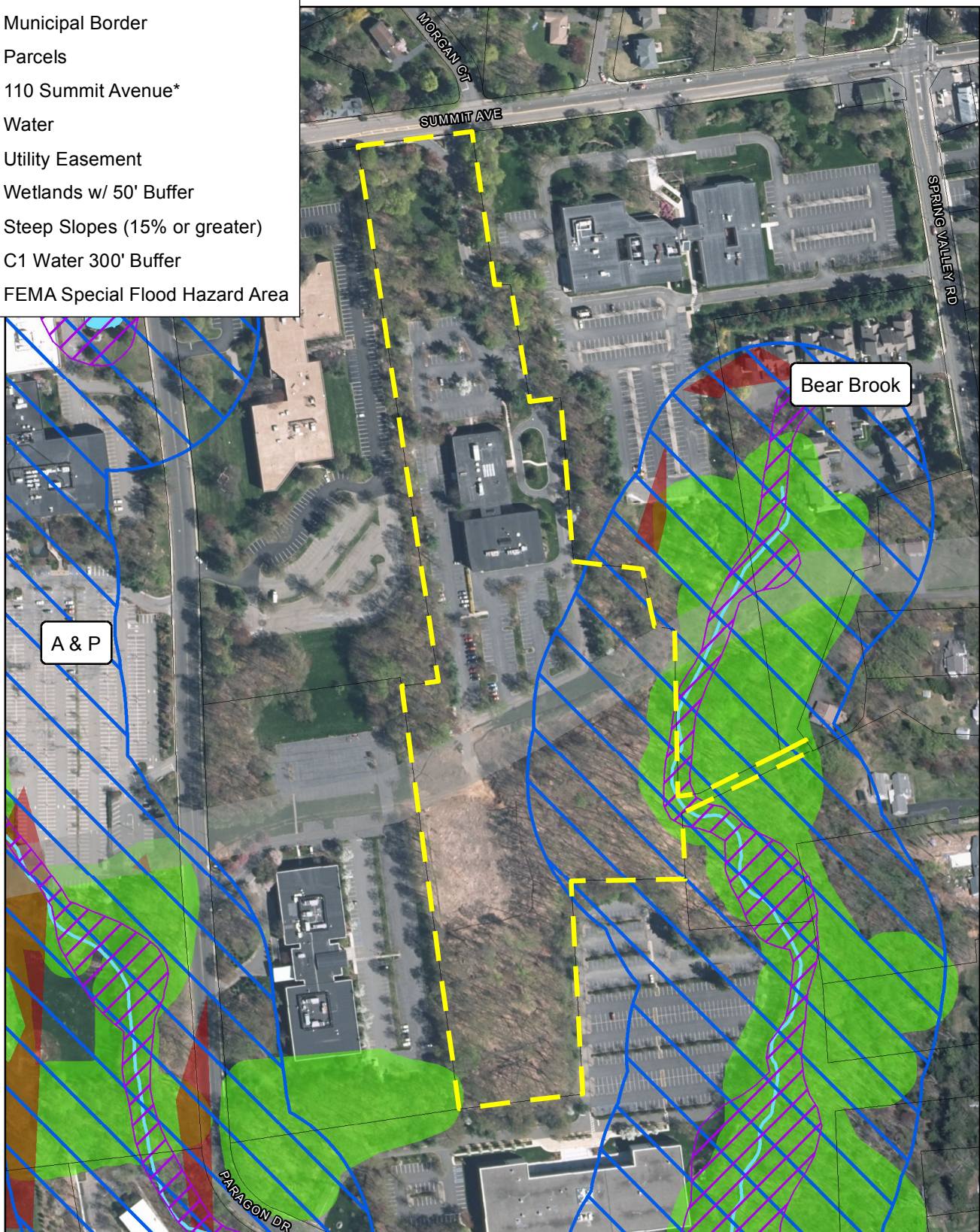
1. 110 Summit Avenue meets the Four-Prong Test as follows:

- Approvable site – The property is located in the OR-3 District, which was amended in 2017 to conditionally permit assisted living facilities with at least 10% of the beds being reserved for Medicaid-eligible persons.
- Available site – The property is developed with an office building that is currently vacant. The property does not have any known title or encumbrance issues. It should be noted that the rear property line has been modified. The lot line modification appears to be related to the power sub-station located to the rear of the property. Finally, Pike Development has indicated to the Borough that it is ready, willing and able to construct an assisted living facility.
- Developable site – The site is connected to water and sewer facilities.
- Suitable site – The property is across Summit Avenue from single-family residential uses and surrounded on three sides by office uses. As for environmental constraints, the C1 water buffer area occupies 4.16 acres of the property and also contains wetlands, a FEMA Special Flood Hazard Area (hereinafter “SFHA”) and a portion of a utility easement. Approximately 0.63 acres of the utility easement is located outside of the C1 water buffer area. Therefore, a total of 4.79 acres of the site is environmentally constrained. Of the 4.79 constrained acres, approximately 0.32 acres are currently developed/disturbed.

Based on the above information, 110 Summit Avenue could provide **25 credits**.

Legend

-  Municipal Border
-  Parcels
-  110 Summit Avenue*
-  Water
-  Utility Easement
-  Wetlands w/ 50' Buffer
-  Steep Slopes (15% or greater)
-  C1 Water 300' Buffer
-  FEMA Special Flood Hazard Area



\\HQFAS11\Survey\GIS\PROJECTS\Municipal\110 Summit Ave.mxd



0 150 300
Feet
1 inch = 300 feet

110 Summit Avenue
Block 1102, Lot 2
Borough of Montvale
Bergen County, New Jersey

MASER
CONSULTING P.C.
March 2018

* Boundary lines have been modified along the rear of the property but GIS data has not been updated to reflect this change.

6. A & P

Identified as Block 1903, Lot 7, and located at 2 Paragon Drive, this property contains nearly 20 acres and is located at the intersection of Paragon Drive with Summit Avenue (see map on the following page). The property was previously zoned OR-3 Zone District and was rezoned via Ordinance No. 2017-1437 to the AH-6A Affordable Housing District on December 11, 2017. (See Appendix Q for Ordinance No. 2017-1437.) The site is adjacent to two existing inclusionary housing developments, the AH-6 Zone District (Greenway) to the north across Summit Avenue and the AH-10 Zone District (Valley View) to the west and south. Surrounding land uses include vacant land to the north, office buildings to the east and an inclusionary townhome development to the west and south. To the west is a nursery. The site was the former office headquarters of A & P.










The current property owner, Two Paragon Drive, LLC, entered into a Settlement Agreement on November 14, 2017 with the Borough. (See Appendix D.) Since the Settlement Agreement was executed, the property has been rezoned to permit an inclusionary residential development of no more than 80 units with a 20% affordable housing set-aside. This would translate to 16 affordable units, which are creditable under N.J.A.C. 5:93-5.6 (inclusionary development).

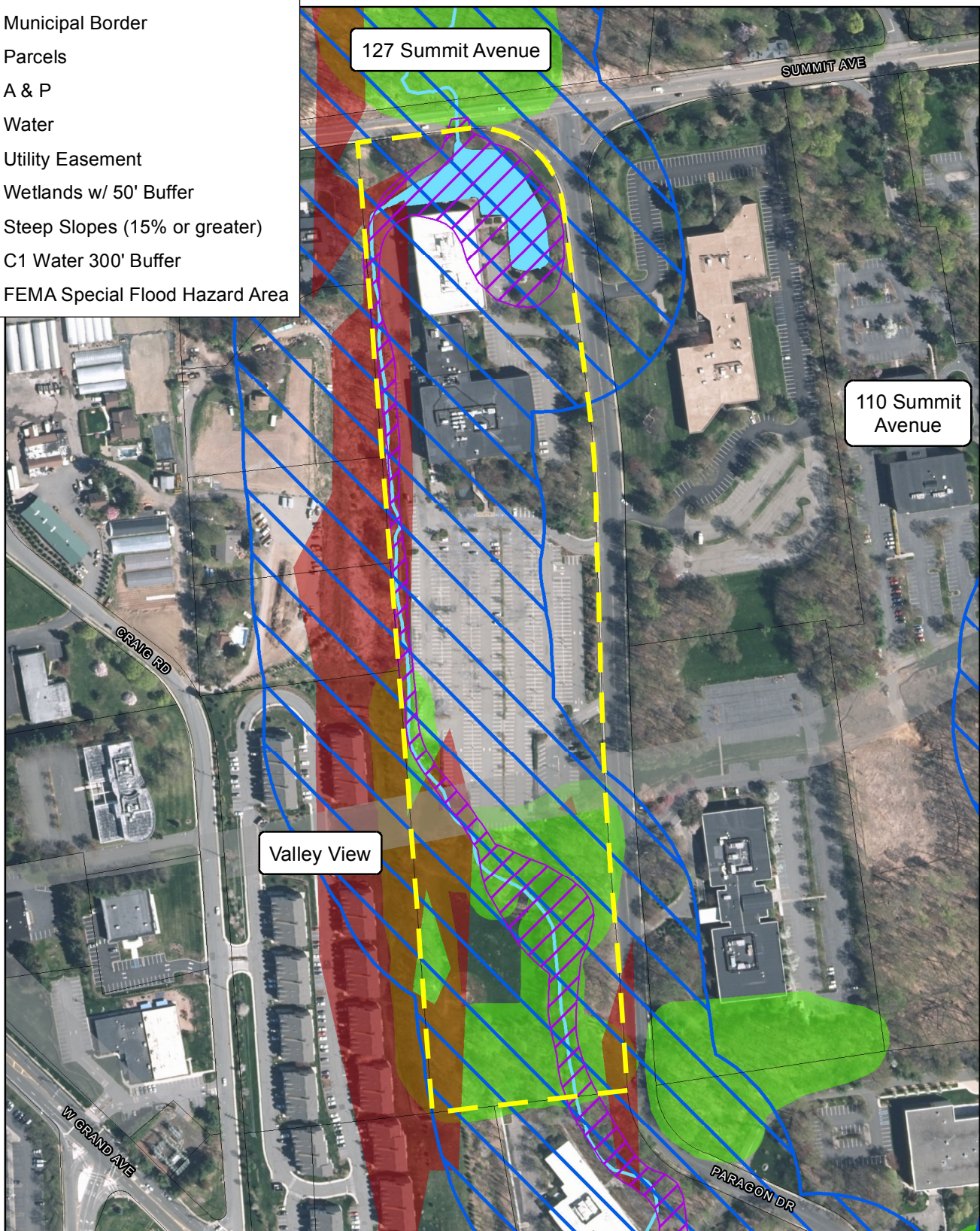
The former A & P headquarters site meets the Four-Prong Test as follows:

- Approvable site – The property owner entered into a Settlement Agreement with the Borough to develop the property with no more than 80 units with a 20% affordable housing set-aside. The property was rezoned in December of 2017 from OR-3 to AH-6A Affordable Housing District to permit the agreed number of units. The site was previously developed with an office building, which has since been demolished.
- Available site – The property is the former headquarters of A & P. The Borough is unaware of any title issues. A portion of the site is encumbered by a utility easement. Parking exists on the easement today. Based on the concept plans received, this easement will not limit the ability to construct 80 townhomes.
- Developable site – The site is connected to water and sewer services.
- Suitable site – The property has vacant land to the north, office buildings to the east and an inclusionary townhome development to the west and south. To the west is a nursery. As for environmental constraints, a C1 water buffer area occupies approximately 17.6 acres of the 19.3-acre site. A 3.2-acre area of steep slopes runs along the western property line and 5.4-acre area wetlands is located in the southern half of the property. Additionally, a pond is located at the north end of the property with a stream running along the western property line and traversing the rear half of the property towards southeast corner. A SFHA is located around the stream and pond and encompasses approximately 3.9 acres. It should be noted that the all the constraints are located within the C1 water buffer area. Despite all these environmental limitations, 11.8 acres of the site is impervious coverage today and can be redeveloped.

Based on the above information, the former A & P headquarters could provide **16 credits**.


Legend

-  Municipal Border
-  Parcels
-  A & P
-  Water
-  Utility Easement
-  Wetlands w/ 50' Buffer
-  Steep Slopes (15% or greater)
-  C1 Water 300' Buffer
-  FEMA Special Flood Hazard Area



\\HQFAS11\Survey\GIS\PROJECTS\Municipal\A-P\MPP\MPP-014\C1180306appb_AP.mxd



0 150 300
 Feet
 1 inch = 300 feet

A & P
Block 1903, Lot 7
 Borough of Montvale
 Bergen County, New Jersey

 **MASER**
 CONSULTING P.A.
 March 2018

7. Mercedes










The former Mercedes Benz campus, consisting of three properties, Block 2702, Lot 1 and Block 2801, Lot 2 (hereinafter "Mercedes Site") and Block 3201, Lot 6 (hereinafter "Glenview Site"). The Mercedes Site consists of approximately 32 acres and is located at the intersection of Mercedes Drive and West Grand Avenue. The Glenview Site is located about a quarter mile east of the Mercedes Site on the southern side of West Grand Avenue and contains approximately four acres. (See map on the following page.) Both the Mercedes Site and the Glenview Site were previously located within the OR-4 Zone District. Uses adjacent to the Mercedes Site include office buildings to the north and south, a retail lifestyle complex to the east and the Garden State Parkway to the west. The Glenview site is surrounded by office uses to the north, east and west while a townhome development in the Borough of Park Ridge is to the south of the property.

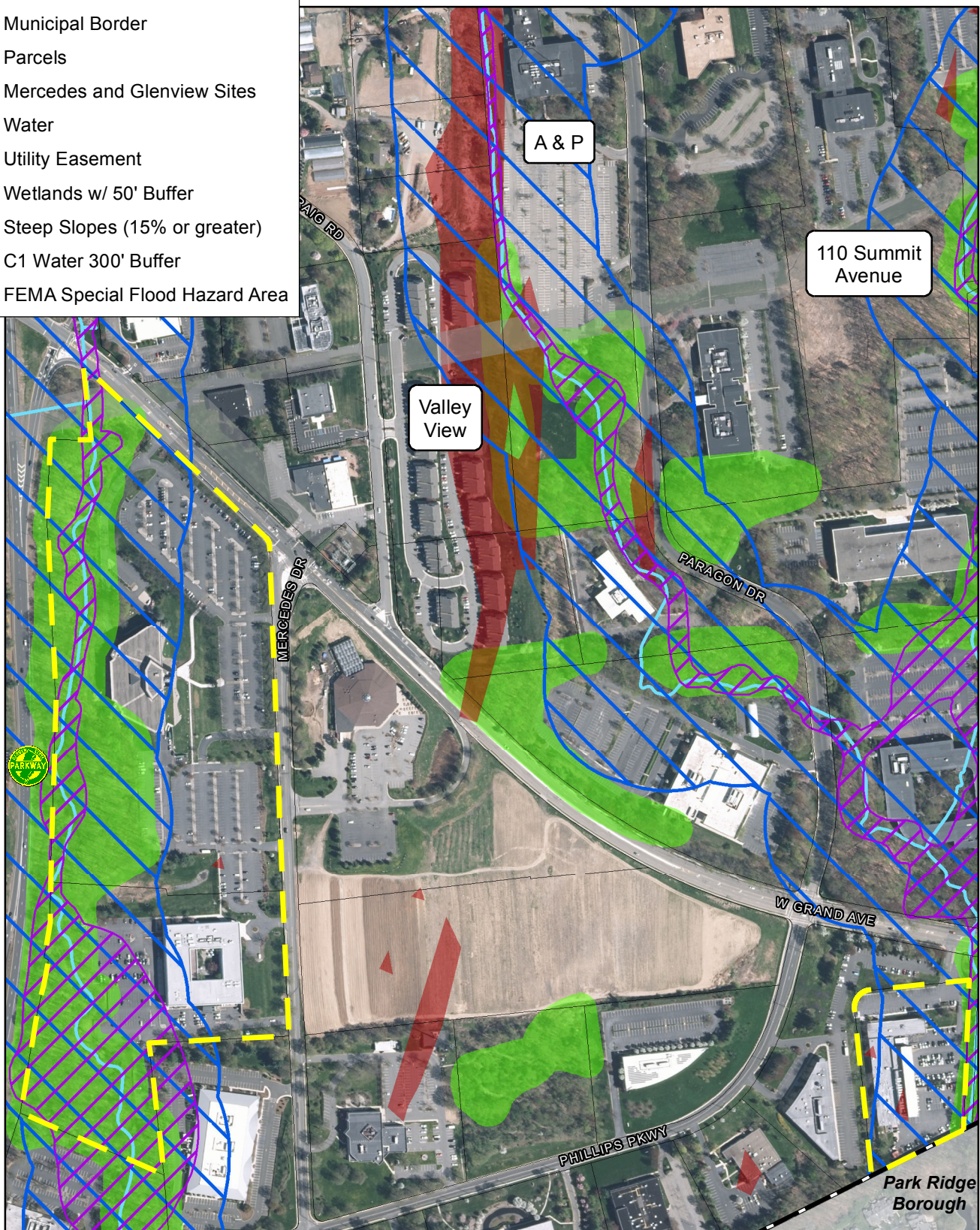
The current property owner and developer, Hekemian, entered into a Settlement Agreement with Montvale on November 14, 2017. The Settlement Agreement permits 308 units on the Mercedes Site, consisting of 264 market rate units and 44 family rental units. The agreement also permits 42 units on the Glenview site, including nine affordable units. The Borough adopted Ordinance No. 2017-1436 on December 11, 2017 (see Appendix R). This Ordinance permits a maximum of 350 multi-family units, as well as retail, office and hotel space. Hekemian has submitted a formal application, which is currently being reviewed for completeness.

The three properties of the former Mercedes Benz campus meet the Four-Prong Test as follows:

- Approvable site – Hekemian entered into a Settlement Agreement with the Borough to develop the properties with no more than 350 units, including 53 affordable units. The property was rezoned in December of 2017 from OR-4 to Mixed-Use Planned Unit Development (M-PUD) District. The developer has submitted a formal application, which is currently being reviewed for completeness.
- Available site – All three lots contain improvements (buildings, parking areas, etc.). The Borough is unaware of any title or encumbrance issues.
- Developable site – The properties are presently developed and connected to sewer and water services.
- Suitable site – The Mercedes site is located to the south of office buildings, west of the Wegmans/lifestyle center development and offices, north of offices and east of the Garden State Parkway. The Glenview site is surrounded by office uses on all sides except to the south where there is a townhouse development in the Borough of Park Ridge. The Mercedes site is constrained by approximately 20.5 acres of a C1 water buffer area with approximately 13.45 acres of wetlands and 8.2 acres of a SFHA within the C1 water buffer area. A small area of steep slopes is also located on the Mercedes site. Finally, a stream traverses the site along the western property line. However, 6.66 acres of the site that are otherwise constrained are currently disturbed/developed and can be redeveloped along with the existing 12.35 buildable acres. The Glenview site is constrained by a C1 water buffer area (3.34 acres). Within that buffer area, approximately 0.26 acres of wetlands is located along the eastern property line. A flood hazard


Legend

-  Municipal Border
-  Parcels
-  Mercedes and Glenview Sites
-  Water
-  Utility Easement
-  Wetlands w/ 50' Buffer
-  Steep Slopes (15% or greater)
-  C1 Water 300' Buffer
-  FEMA Special Flood Hazard Area



\\HQFAS11\Survey\GIS\PROJECTS\Municipal\M-P\MP\MP-014C180306app_Mercedes.mxd



0 225 450
 Feet
 1 inch = 450 feet

Mercedes and Glenview Sites
 Block 2702, Lot 1 and Block 2801, Lot 2;
 Block 3201, Lot 6
 Borough of Montvale
 Bergen County, New Jersey

 **MASER**
 CONSULTING P.A.
 March 2018

area is located along the eastern property line as well but does not encroach on the site more than 0.01 acres. Additionally, 0.06 acres of the Glenview site contains steep slopes. However, 2.64 acres of the site are currently disturbed/developed. The Mercedes site has 787 feet of street frontage along Grand Avenue and 1,542 feet of street frontage along Mercedes Drive. The Glenview site does not technically have street frontage, but has an access easement over Block 3201, Lot 5 which connects it to Grand Avenue.

Based on the information above, the Mercedes and Glenview Sites could provide **53 credits**.

8. Sony










The former Sony corporate headquarters campus is located on a 37-acre tract of land located within the Boroughs of Montvale, Park Ridge and Woodcliff Lake. Approximately seven acres of the development are located within Montvale on Block 3302, Lot 1. (See the map on page 60.) The entire tract is adjacent to commercial uses (Lifetime Fitness) in Montvale to the north, office uses in the Borough of Park Ridge to the east, single-family residential uses to the south in the Borough of Woodcliff Lake and the Garden State Parkway to the west. It should be noted that the portion of the Sony property in Montvale is only adjacent to two single-family homes in Woodcliff Lake.

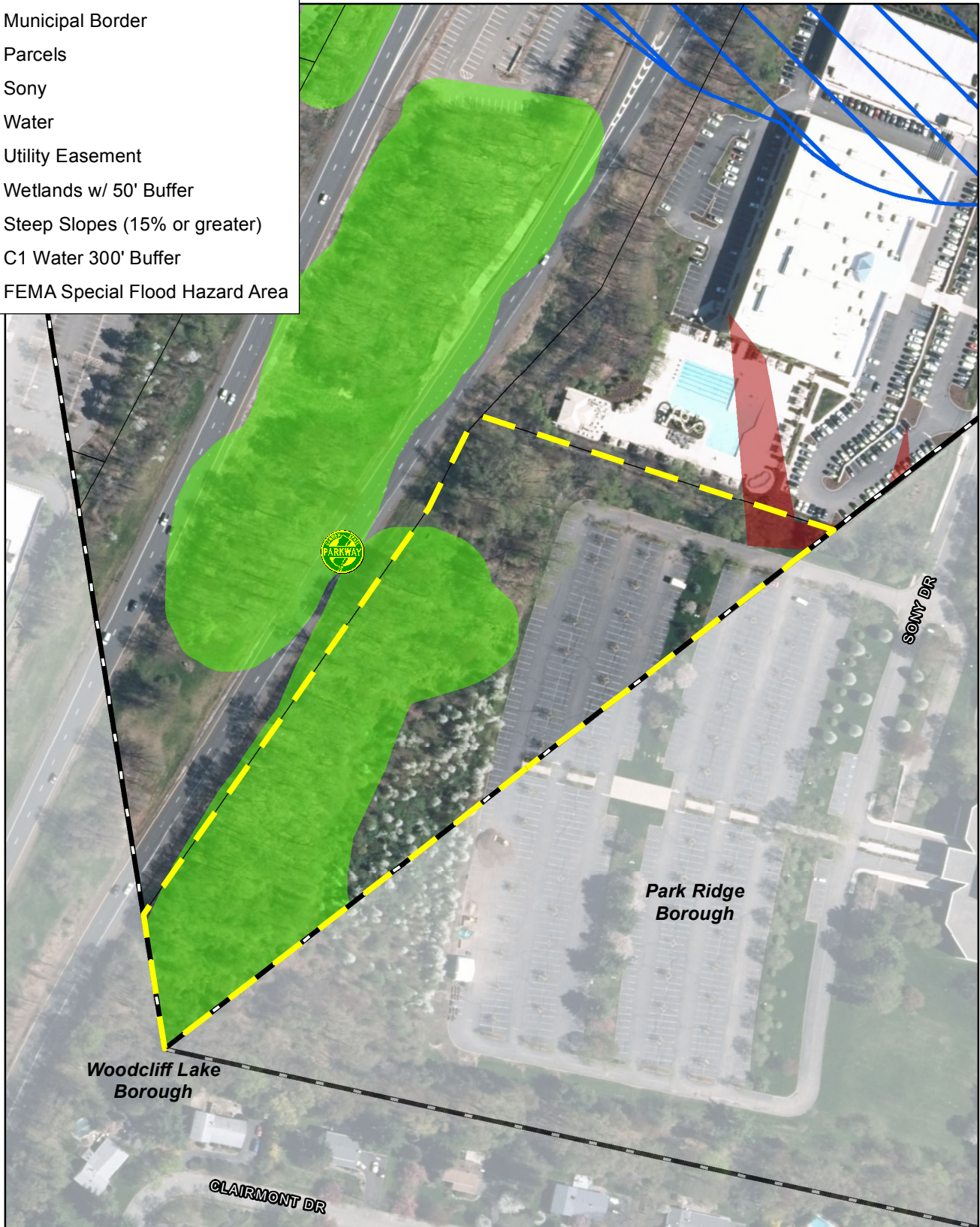
The current property owner and developer, Hornrock Properties, MPR, LLC (hereinafter "Hornrock"), entered into a Settlement Agreement with the Borough on November 14, 2017. The Settlement Agreement permits a maximum of 185 residential rental units and requires a 20% affordable housing set-aside, resulting in a maximum of 37 affordable rental units if all 185 units are constructed. The Borough adopted Ordinance No. 2017-1438 on December 11, 2017 (See Appendix S). This Ordinance permits inclusionary multi-family development on the property. The buildings are permitted to be a maximum of four residential stories over one level of parking. The new zone is called Affordable Housing (AH-26) District. Based on this information, the development would be eligible for crediting pursuant to N.J.A.C. 5:93-5.6 (inclusionary development).

The former Sony property meets the Four-Prong Test as follows:

- Approvable site – The property owner and developer entered into a Settlement Agreement with the Borough to develop the site with no more than 185 units with a 20% affordable housing set-aside. The property was rezoned on December 11, 2017 via Ordinance No. 2017-1438, which permits a maximum of 185 multi-family units.
- Available site – The property is currently developed with a parking lot servicing an adjacent vacant office building. The property has no known title or encumbrance issues. The owner is ready, willing and able to construct the inclusionary development.
- Developable site – The site is within the water and sewer service area.
- Suitable site – The property is surrounded by commercial uses to the north and east. South are single-family residential uses. It should be noted that the property does not have direct access to street frontage (outside of the Garden State Parkway) and site plan approval from the Borough of Park Ridge to construct any access way in Park Ridge would be required (or a Court Ordinance in connection with their Declaratory Judgment Action). As for environmental constraints,


Legend

-  Municipal Border
-  Parcels
-  Sony
-  Water
-  Utility Easement
-  Wetlands w/ 50' Buffer
-  Steep Slopes (15% or greater)
-  C1 Water 300' Buffer
-  FEMA Special Flood Hazard Area



\\HQFAS11\Survey\GIS\PROJECTS\Municipal\PM\PP\MPP-014C\180306apb_Sony.mxd



0 100 200
 Feet
 1 inch = 200 feet

Sony
Block 3302, Lot 1
 Borough of Montvale
 Bergen County, New Jersey

 **MASER**
 CONSULTING P.A.
 March 2018

approximately 3.1 acres of wetlands are located along the western property line outside of the existing parking area. A 5,000 square foot area of steep slopes is located in the northeast corner.

Based on the information above, the former Sony site could provide **37 credits**.³⁰

Proposed Third Round RDP Mechanisms Summary

As noted above, the Borough has conducted a Vacant Land Adjustment analysis, which has produced a RDP of 181 and an Unmet Need of 361. A minimum of 25% of the obligation (46 units) must be rental units. The Borough proposes to provide more than 100 rental units. Additionally, the bonus credits are capped at 46 for the TRO. The chart below illustrates the proposed 174 credits and 46 bonuses that can be applied to the Third Round RDP.

PROPOSED THIRD ROUND RDP MECHANISMS						
Mechanism	Credit Type	Tenure	Age-Restricted	Credit	Bonus	Total
24 Surplus Credits from Prior Round				24		24
School #2	100% Affordable	Rental	Yes	14		14
99 Spring Valley Road	Inclusionary	For-Sale	No	2		2
7 Franklin Avenue	Inclusionary	TBD	No	3		3
110 Summit Avenue	Assisted Living	Rental	Yes	25		25
A & P	Inclusionary	For-Sale	No	16		16
Mercedes	Inclusionary	Rental	No	53	46	99
Sony	Inclusionary	Rental	No	37		37
Total				174	46	220

Pursuant to the Settlement Agreement with FSHC dated November 14, 2017, Montvale has the right to apply the 45-unit surplus generated in excess of the Borough's TRO to any future change in land development patterns that would increase the Borough's RDP. If a site that had not been vacant, available, suitable or developable at the time of the VLA and did not contribute to the Borough's 181-unit RDP becomes vacant, the Borough is entitled to apply any or all of the 45-unit surplus towards the increased RDP. The Borough would be required to identify in a filing with the Court the additional site(s) and the RDP generated by those sites consistent with N.J.A.C. 5:93-4.2 within 45 days of becoming aware of the changed circumstance. If a newly vacated site(s) results in an RDP greater than the 45-unit surplus, the Borough will still have an obligation to address the unmet portion of the RDP in excess of the 45-unit surplus.

Third Round Unmet Need Mechanisms

There are four proposed mechanisms, which are allocated towards Unmet Need.

³⁰ All of the units are eligible for rental bonuses, but the Borough is unable to claim credit for bonuses due to the 25% bonus cap.

1. Annie Sez

Annie Sez, identified as Block 703, Lot 7 on the Borough Tax Maps, is a 4.98-acre parcel located on the east side of North Kinderkamack Road, less than 200 feet from the New York Border.³¹ (See map page 63.) The property is adjacent to a retail business to the north, the Pascack Valley Rail Line to the east, utilities and a restaurant to the south and the Alayna and Katy townhouse developments to the west across North Kinderkamack Road. The property is currently located in the B-1 Zoning District. The site will be overlay zoned for mixed-use development with a residential density of 12 units per acre. The overlay would require a 20% affordable housing set-aside for for-sale developments and a 15% set-aside for rental developments. The site contains approximately 5 acres and could therefore be developed with a maximum of 60 units. This would result in 12 affordable for-sale units or 9 rental units. The draft ordinance is located in Appendix T.

The Annie Sez property meets the Four-Prong Test as follows:

- Approvable site – The site is currently developed with a strip mall. The Borough will adopt an overlay ordinance (See Appendix T for the draft), which will permit mixed-use development to provide for affordable housing development. The Ordinance will permit first floor commercial and two stories of residential above.
- Available site – The property is currently developed with a strip mall that has many vacant tenant spaces. The owner has expressed interest in redeveloping the site for mixed-use and has even prepared a concept plan. There are no known title issues. There is an easement along the southern edge of the property as shown by the map on page 63.
- Developable site – The existing building is connected to water and sewer services.
- Suitable site – The property is surrounded by a variety of uses including commercial and residential. Approximately 4.14 acres of C1 water buffer area is on the property. Within that area is a 0.78-acre SFHA, a 0.6-acre area of steep slopes and a stream along the eastern property line. A 0.39-acre utility easement is located in the southwestern corner of the property. It should be noted that 3.25 acres of the parcel is currently disturbed/developed within the environmental constraints, along with 1.36 acres of buildable land.









Based on the information above, the Annie Sez overlay zone could provide up to **12 credits** if redeveloped.

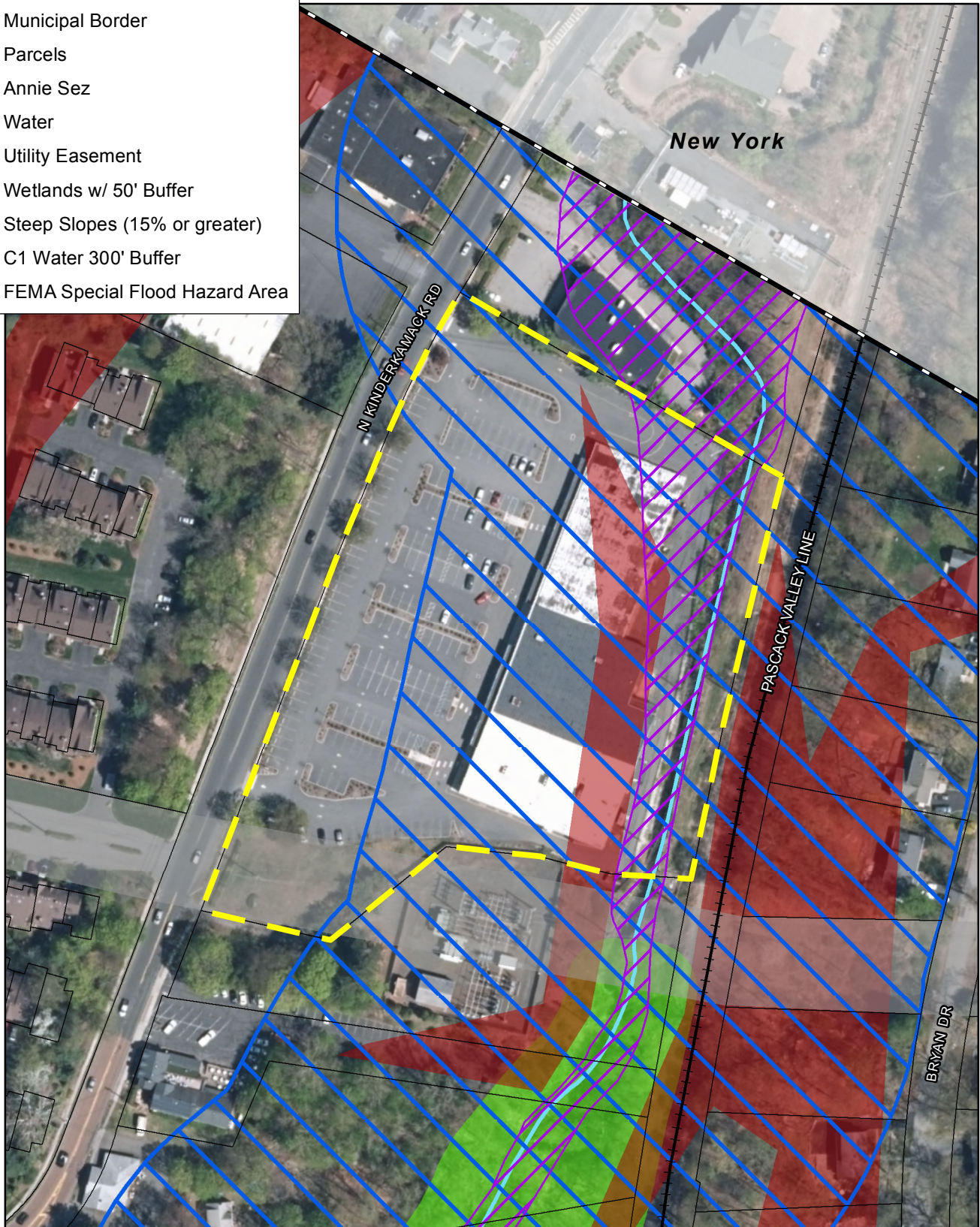
2. Southeast B-1 District (east of the train tracks)

The Borough has four areas within the municipality zoned B-1. The Southeast B-1 District is commonly referred to as the downtown area in and around Kinderkamack Road. The Borough has agreed to place an overlay on the downtown B-1 area, which is divided into two subcategories – east of the train tracks and west of the train tracks.

³¹ Acreage from online tax records.


Legend

-  Municipal Border
-  Parcels
-  Annie Sez
-  Water
-  Utility Easement
-  Wetlands w/ 50' Buffer
-  Steep Slopes (15% or greater)
-  C1 Water 300' Buffer
-  FEMA Special Flood Hazard Area



\\HQFAS11\Survey\GIS\PROJECTS\Municipal\M-P\PPP\MPP-014C1180306appb_Annie_Seiz.mxd



0 75 150
 Feet
 1 inch = 150 feet

Annie Sez
Block 703, Lot 7
 Borough of Montvale
 Bergen County, New Jersey

 **MASER**
 CONSULTING P.A.
 March 2018

The Southeast B-1 District in the Borough that is to the east of the Pascack Valley Rail line is comprised of 31 parcels totaling approximately 21 acres. This portion of the B-1 District is centered around properties fronting Kinderkamack Road, Park Street and East Grand Avenue. A few properties front Hamilton Street and Wayne Street. The Pascack Valley Rail Line runs along the western border of the area. See the map on the following page.

According to the Settlement Agreement, the area to the east of the train tracks will be overlay zoned to allow for inclusionary development. (The draft ordinance is located in Appendix T.) The overlay zone will permit mixed-use development with a residential density of 15 units per acre subject to the following affordable housing set-asides:

- 20% set-aside when units are offered for sale
- 15% set-aside when units are offered as rentals

This area of the B-1 District meets the Four-Prong Test as follows:

- Approvable site – The Borough will overlay zone this area of the Southeast B-1 District to allow for inclusionary development. (See Appendix U for a copy of the draft ordinance.)
- Available site – The privately-owned parcels are all developed with various types of uses. It is anticipated that redevelopment may occur, either through redevelopment by existing property owners, or through acquisition of parcels by a motivated development. The only undeveloped parcel is 7 Franklin Avenue, which has been approved for a 13-unit inclusionary development as discussed above.
- Developable site – The area is within the water and sewer service area.
- Suitable site – No environmental constraints are present on any property in this area.

Based on the information above, the overlay zoning to be placed on the Southeast B-1 District (east of the train tracks) could provide additional affordable credits that would help satisfy the Borough's unmet need.










3. Southeast B-1 District (west of the train tracks)

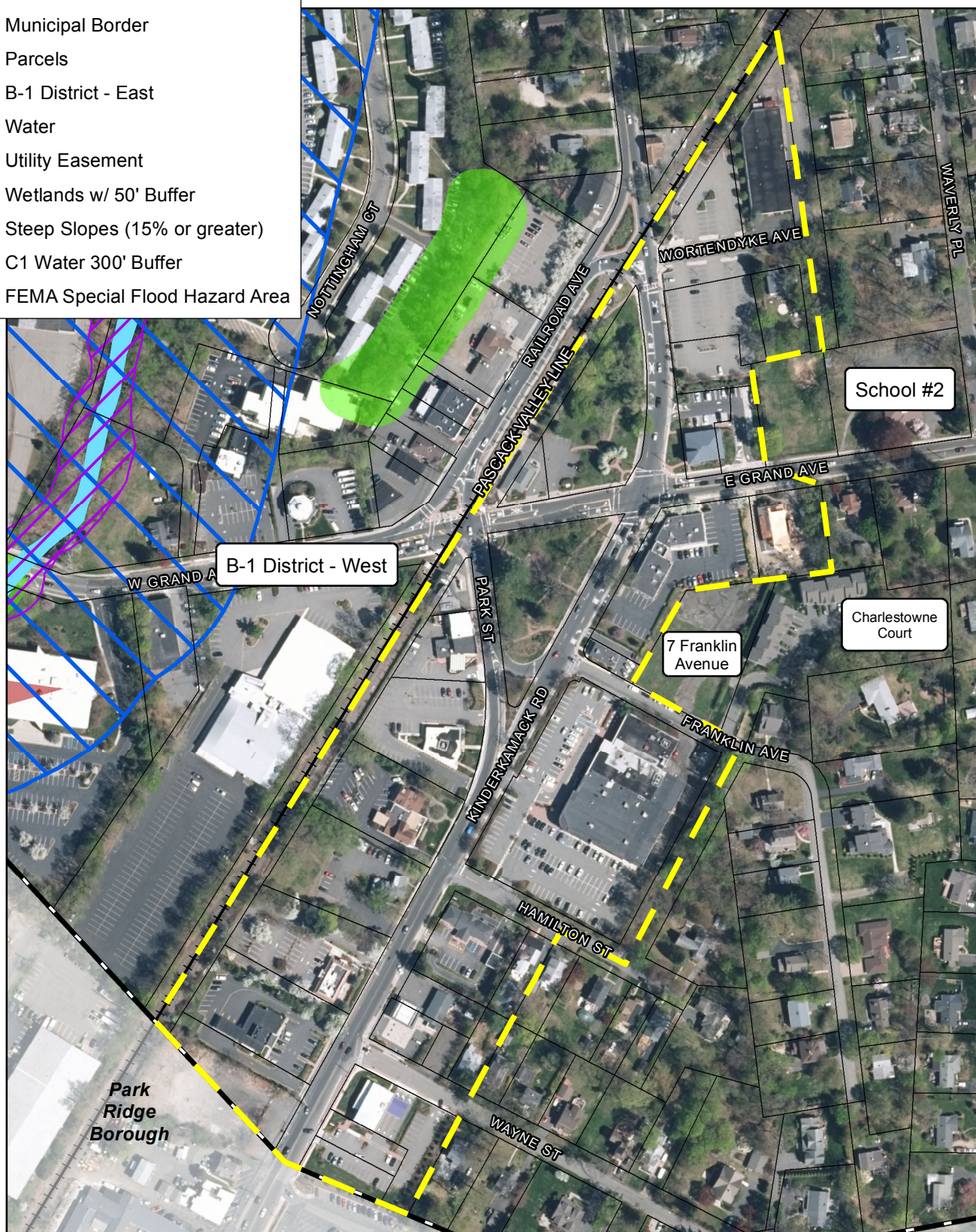
The Southeast B-1 District that is located to the west of the Pascack Valley Rail line is comprised of 16 parcels totaling approximately 16 acres. (See map page 66.) This portion of the Southeast B-1 District contains properties fronting on Railroad Avenue and West Grand Avenue. The Pascack Valley Rail Line runs along the eastern border of the area.

According to the Settlement Agreement, the area to the west of the train tracks in the Southeast B-1 District will be overlay zoned to allow for inclusionary development. (See Appendix T for the draft ordinance.) The overlay zone will permit mixed-use development with a residential density of 12 units per acre subject to the following affordable housing set-asides:

- 20% set-aside when units are offered for sale
- 15% set-aside when units are offered as rentals


Legend

-  Municipal Border
-  Parcels
-  B-1 District - East
-  Water
-  Utility Easement
-  Wetlands w/ 50' Buffer
-  Steep Slopes (15% or greater)
-  C1 Water 300' Buffer
-  FEMA Special Flood Hazard Area



\\HQFAS11\Survey\GIS\PROJECTS\Municipal\B-1\B-1_East.mxd












0 125 250

 Feet
 1 inch = 250 feet

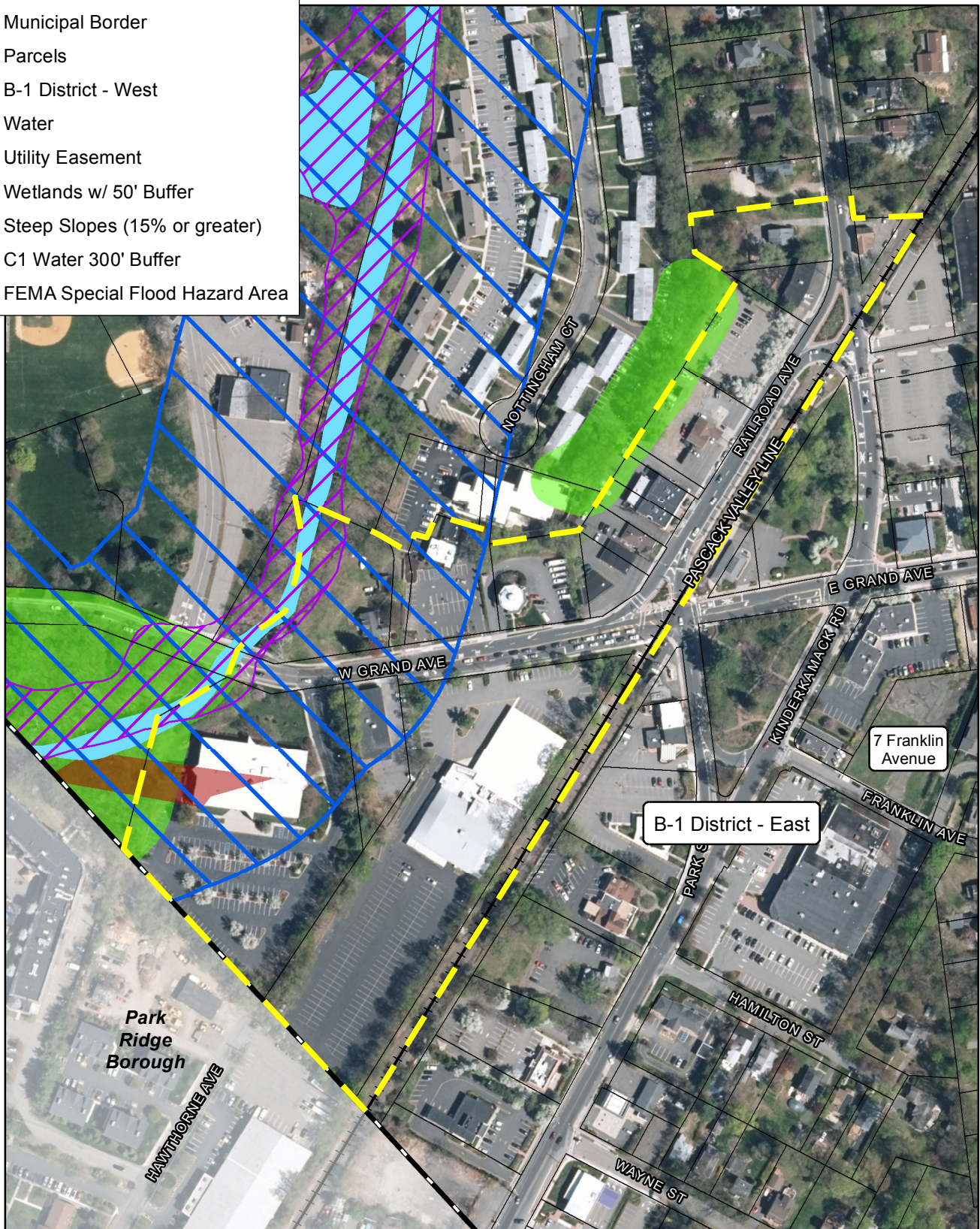
Southeast B-1 District East of Train Tracks

Borough of Montvale
Bergen County, New Jersey




Legend

-  Municipal Border
-  Parcels
-  B-1 District - West
-  Water
-  Utility Easement
-  Wetlands w/ 50' Buffer
-  Steep Slopes (15% or greater)
-  C1 Water 300' Buffer
-  FEMA Special Flood Hazard Area



\\HQFAS11\Survey\GIS\PROJECTS\Municipal\B-1\B-1_180306appB_B-1_West.mxd



0 125 250
 Feet
 1 inch = 250 feet

Southeast B-1 District West of Train Tracks

Borough of Montvale
 Bergen County, New Jersey

 **MASER**
 CONSULTING P.A.
 March 2018

The area of the Southeast B-1 District west of the train tracks meets the Four-Prong Test as follows:

- Approvable site - The Borough will overlay zone this area of the Southeast B-1 District to allow for inclusionary development. (See Appendix V for a copy of the draft ordinance.)
- Available site - The 16 privately-owned parcels are all developed with various types of uses. It is anticipated that redevelopment may occur, either through redevelopment by existing property owners, or through acquisition of parcels by a motivated developer.
- Developable site – The parcels are in the water and sewer service areas.
- Suitable site – Properties in the western most area of the Southeast B-1 District are constrained by approximately five acres of a C1 water buffer area, 0.54 acres of SFHA, 0.46 acres of wetlands and 0.24 acres of steep slopes. It should be noted that the SFHA, wetlands and steep slopes are within the C1 water buffer area. Additionally, a 0.32-acre area of wetlands is located along the rear property lines of parcels fronting Railroad Avenue. Approximately 2.54 acres are developed/distributed within the noted environmental constraints. See the map on page 66 for the location of these environmental constraints.

Based on the information above, the overlay zoning to be placed on the Southeast B-1 District west of the train tracks could provide additional affordable credits that would help satisfy the Borough's unmet need.

4. Borough-wide Set-aside Overlay Ordinance

Pursuant to the Settlement Agreement with FSHC, dated November 14, 2017, the Borough will adopt an Ordinance requiring a mandatory affordable housing set-aside for all new multi-family residential developments of five or more units that occur as a result of a use or density variance, rezoning or new redevelopment plan. The set-aside will be a minimum of 20% for for-sale developments and 15% for rental developments. This Ordinance gives no rights to any developers to obtain any variance or rezoning.

The draft ordinance is located in Appendix U.

Based on the information above, this mechanism may yield affordable housing credits.

Proposed Third Round Unmet Need Mechanisms Summary

The above-mentioned proposed mechanisms have the potential to produce affordable housing credits, which can then be applied to the Borough's TRO Unmet Need as shown in the table on the following page.

PROPOSED THIRD ROUND UNMET NEED MECHANISMS						
Mechanism	Credit Type	Tenure	Age-Restricted	Credit	Bonus	Total
Annie Sez	Inclusionary	TBD	TBD	TBD	TBD	TBD
Southeast B-1 District - East	Inclusionary	TBD	TBD	TBD	TBD	TBD
Southeast B-1 District - West	Inclusionary	TBD	TBD	TBD	TBD	TBD
Borough-wide Set-aside Overlay	Inclusionary	TBD	TBD	TBD	TBD	TBD
Total				TBD	TBD	TBD

Summary of Mechanisms and Credits

The table on the following pages provides a summary of the mechanisms, credits and bonuses proposes in the HEFSP, for both the Prior Round and the Third Round.

EXISTING & PROPOSED CREDITS				
Mechanism	Credit Type	Credit	Bonus	Total
Rehabilitation				
Borough Rehabilitation Program	Rehabilitation	5		5
	Total	5	0	5
Prior Round				
Janovic I (Brookview Estates)	RCA	15		15
Janovic II	RCA	2		2
Chamberlain	RCA	10		10
K. Hov/Rink/Dill (Four Seasons)	RCA	32		32
Greenway at Montvale	Inclusionary	2	2	4
Greenway at Montvale	Inclusionary	10		10
Bear Brook/US Cable	Inclusionary	5	5	10
Baldanza/Charlestowne Court	Inclusionary	3	3	6
Nottingham Manor	Inclusionary	8	8	16
Nat. Inst. For People w/ Disabilities	Group Home	5	5	10
Axxin/Hov.n. (Valley View)	Inclusionary	26		26
Montvale Sr Housing/Montvale Commons	100% Affordable	18	18	36
Montvale Senior Housing/Montvale Commons	100% Affordable/ Supportive	10	10	20
Del Ben/Montvale Reserve	Inclusionary	6		6
DePiero**	100% Affordable	32		32
Bonnabel/Trailing Ridge/The Alexa*	Inclusionary	18	13	31
127 Summit Avenue**	Inclusionary	13		13
	Total	215	64	279
Third Round RDP				
24 Surplus Credits from Prior Round		24		24
Children's Aid and Family Services	Group Home	6		6
School #2*	100% Affordable	14		14
99 Spring Valley Road*	Inclusionary	2		2
7 Franklin Avenue**	Inclusionary	3		3
110 Summit Avenue**	Inclusionary	25		25
A & P**	Inclusionary	16		16
Mercedes**	Inclusionary	53	46	99
Sony**	Inclusionary	37		37
	Total	180	46	226

*Under Construction

**Proposed/Zoned

EXISTING & PROPOSED CREDITS					
Third Round Unmet Need					
Annie Sez	Inclusionary	TBD	TBD	TBD	
Southeast B-1 District - East	Inclusionary	TBD	TBD	TBD	
Southeast B-1 District - West	Inclusionary	TBD	TBD	TBD	
Borough-wide Set-aside Overlay	Inclusionary	TBD	TBD	TBD	
	Total	TBD	TBD	TBD	

*Under Construction

**Proposed/Zoned

X. IMPLEMENTATION SCHEDULE

The tables below and on the following page provides an anticipated implementation schedule for the mechanisms that are under construction or proposed.

IMPLEMENTATION SCHEDULE								
Mechanism	2018	2019	2020	2021	2022	2023	2024	2025
Borough Rehabilitation Program								
DePiero								
Developer's Agreement								
Conveyance of Land								
Construction								
Occupancy				2021				
Bonnabel/Trailing Ridge								
Construction								
Occupancy		2019						
127 Summit Avenue								
Application Review								
Construction								
Occupancy							2024	
School #2								
Renovations/Construction								
Occupancy	2018							
99 Spring Valley Road								
Construction								
Occupancy	2018							
7 Franklin Avenue								
Construction								
Occupancy			2020					
110 Summit Avenue								
Application Review								
Construction								
Occupancy					2022			
A & P								
Application Review								
Construction								
Occupancy				2021				
Mercedes								
Application Review								
Construction								
Occupancy					2022			
Sony								
Application Review								
Construction								
Occupancy				2021				

IMPLEMENTATION SCHEDULE								
Mechanism	2018	2019	2020	2021	2022	2023	2024	2025
Mercedes								
Application Review								
Construction								
Occupancy					2022			
Sony								
Application Review								
Construction								
Occupancy				2021				
Annie Sez								
Adopt Overlay Zone								
Application Review								
Construction								
Occupancy								2025
Southeast B-1 District - East								
Adopt Overlay Zone								
Application Review								
Construction								
Occupancy								2025
Southeast B-1 District - West								
Adopt Overlay Zone								
Application Review								
Construction								
Occupancy								2025
Borough-wide Set Aside Overlay Ordinance								
Adopt Overlay Zone Ordinance								
Application Review								
Construction								
Occupancy								2025

XI. SETTLEMENT TERMS

As outlined in the November 14, 2017 Settlement Agreement with FSHC, the Borough of Montvale agreed to the following terms. Below each term is a description of how each term will be implemented, highlighted in **bold**.

1. The Borough agrees to require 13% of all the affordable units referenced in this HEFSP, with the exception of units constructed prior to July 1, 2008, and units subject to preliminary or final site plan approval prior to July 1, 2008, to be very-low income units (defined as units affordable to households earning 30% or less of the regional median income by household size), with half of the very-low income units being available to families. **This will be implemented through the Borough's affordable housing ordinance and as applications are reviewed.**
2. At least 50% of the units addressing the Borough's Third Round Prospective Need shall be affordable to a combination of very-low income and low-income households, while the remaining affordable units shall be affordable to moderate income households. **This will be implemented through the Borough's Affordable Housing Ordinance and as applications are reviewed.**
3. At least 25% of the Borough's Third Round Prospective Need shall be met through rental units including at least half in rental units available to families. **This will be incorporated as applications are reviewed.**
4. At least half of the total units addressing the Borough's Third Round Prospective Need in total must be available to families. **This will be incorporated as applications are reviewed.**
5. The Borough agrees to comply with COAH's Round 2 age-restricted cap of 25% and to not request a waiver of that requirement. This shall be understood to mean that in no circumstance may the Borough claim credit towards its fair share obligation for age-restricted units that exceed 25% of all units developed or planned to meet its Prior Round and Third Round fair share obligations. **This will be incorporated as applications are reviewed.**
6. The Borough and/or its Administrative Agent shall add the following entities to the list of community and regional organizations in its affirmative marketing plan, pursuant to N.J.A.C. 5:80-26.15(f)(5): Fair Share Housing Center (510 Park Boulevard, Cherry Hill, NJ 08002), the New Jersey State Conference of the NAACP, the Latino Action Network (P.O. Box 943, Freehold, NJ 07728), the Bergen County NAACP, Bergen Urban League, and Bergen County Housing Coalition. As part of its regional affirmative marketing strategies during implementation of its Housing Element and Fair Share Plan, the Borough and/or its Administrative Agent shall also provide notice of all available affordable housing units to the above-referenced organizations. **This will be implemented through the Affirmative Marketing Plan and the Borough's Administrative Agent.**
7. All affordable housing units created pursuant to the measures set forth in this Agreement shall comply with the Uniform Housing Affordability Controls ("UHAC"), N.J.A.C. 5:80-26.1 et. seq. or any successor regulation, with the exception that in lieu of 10% of affordable units in rental projects being required to be affordable to households earning at or below 35% of the regional median household income by household size, 13% of affordable units in such projects shall be required to be affordable to households earning at or below 30% of the regional median

household income by household size subject to all other applicable law. All new construction units shall be adaptable in conformance with P.L.2005, c.350/N.J.S.A. 52:27D-311b and all other applicable law. The Borough, as part of this Housing Element and Fair Share Plan, shall adopt and/or update appropriate implementing ordinances in conformance with standard ordinances and guidelines developed by COAH to ensure that this provision is satisfied.

- a. **The Borough will implement the required bedroom distribution and the adaptable requirements through its Affordable Housing Ordinance and as the applications are reviewed.**
8. The Borough shall prepare a Spending Plan for approval by the Court during, or prior to, the duly-noticed Compliance Hearing. FSHC reserves its right to provide any comments or objections on the Spending Plan to the Court upon review. Upon approval by the Court, the Borough and FSHC agree that the expenditures of funds contemplated in the Borough's Spending Plan shall constitute "commitment" for future expenditure required pursuant to N.J.S.A. 52:27D-329.2 and -329.3, with the four-year time period contemplated therein commencing in accordance with the provisions of applicable law. Upon approval of its Spending Plan, the Borough shall also provide an annual Mount Laurel Trust Fund accounting report to the New Jersey Department of Community Affairs, Council on Affordable Housing, Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to FSHC and posted on the municipal website, using forms developed for this purpose by the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services.
 - a. **The Borough has prepared a Spending Plan that will be approved after the HEFSP is adopted. Monitoring requirements can be found in the Affordable Housing Ordinance and will be completed by Montvale's Municipal Housing Liaison.**
9. On the first anniversary of the Judgement of Compliance and Repose, and every anniversary thereafter through the end of this Agreement, the Borough agrees to provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website with a copy of such posting provided to FSHC, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC. In addition to the foregoing, the Borough may also post such activity on the CTM system and/or file a copy of its report with the Council on Affordable Housing or its successor agency at the State level.
 - a. **Monitoring requirements can be found in the Affordable Housing Ordinance and will be performed by the Municipal Housing Liaison.**
10. The Fair Housing Act includes two provisions regarding actions to be taken by the Borough during the ten-year period of protection provided in this agreement. The Borough agrees to comply with those provisions as follows:
 - a. For the midpoint realistic opportunity review due on July 6, 2020, as required pursuant to N.J.S.A. 52:27D-313, the Borough will post on its municipal website, with a copy provided to FSHC, a status report as to its implementation of its Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether the mechanisms to meet unmet need should be revised or supplemented. Such posting shall invite any interested party to submit comments to the

municipality, with a copy to FSHC, regarding whether any sites no longer present a realistic opportunity and should be replaced and whether the mechanisms to meet unmet need should be revised or supplemented. Any interested party may by motion request a hearing before the Court regarding these issues.

- b. For the review of very-low income housing requirements required by N.J.S.A. 52:27D-329.1, within 30 days of the third anniversary of the Judgment of Compliance and Repose, and every third year thereafter, the Borough will post on its municipal website, with a copy provided to FSHC, a status report s to its satisfaction of its very-low income requirements referenced herein. Such posting shall invite any interested party to submit comments to the municipality and FSHC on the issue of whether the municipality has complied with its very-low income housing obligation under the terms of this settlement.
- c. **Monitoring requirements can be found in the Affordable Housing Ordinance and will be performed by the Municipal Housing Liaison.**

r:\projects\mpp\mpp-014c\reports\hefsp\180507_dag_mpp_hefsp_adopted.docx

XII. APPENDIX

- A. 2004 Round 2 Substantive Certification
- B. November 14, 2017 Settlement Agreement with FSHC
- C. November 14, 2017 Settlement Agreement with S. Hekemian Group
- D. November 14, 2017 Settlement Agreement with 2 Paragon Drive, LLC
- E. November 14, 2017 Settlement Agreement with Hornrock Properties, LLC
- F. Montvale Reserve Deed Restrictions
- G. 42 S. Middletown Rd, Children's Aid, Financing, Deed Restriction
- H. Rehabilitation Program Manual
- I. DePiero Property
- J. Spending Plan
- K. 2007, 2007, 2008 Board Resolution: The Alexa
- L. 2015 Planning Board Resolution Madeline
- M. Development Agreement Madeline
- N. 99 Spring Valley Resolution
- O. 7 Franklin Avenue Resolution
- P. 110 Summit Ordinance
- Q. Ordinance No. 2017-1437 (A&P)
- R. Ordinance No. 2017-1436 (Mercedes)
- S. Ordinance No. 2017-1438 (Hornrock)
- T. Annie Sez, Southeast B-1 District (east) and Southeast B-1 District (west) Overlay Ordinance
- U. Borough-wide Set-aside Overlay Ordinance
- V. Affirmative Marketing Plan
- W. Affirmative Marketing Plan Resolution
- X. Affordable Housing Ordinance
- Y. Development Fee Ordinance
- Z. Municipal Housing Liaison Resolution
- AA. Administrative Agent Resolution
- BB. Rental Operating Manual
- CC. Sales Operating Manual
- DD. Operating Manual Resolution
- EE. Intent to Bond Resolution