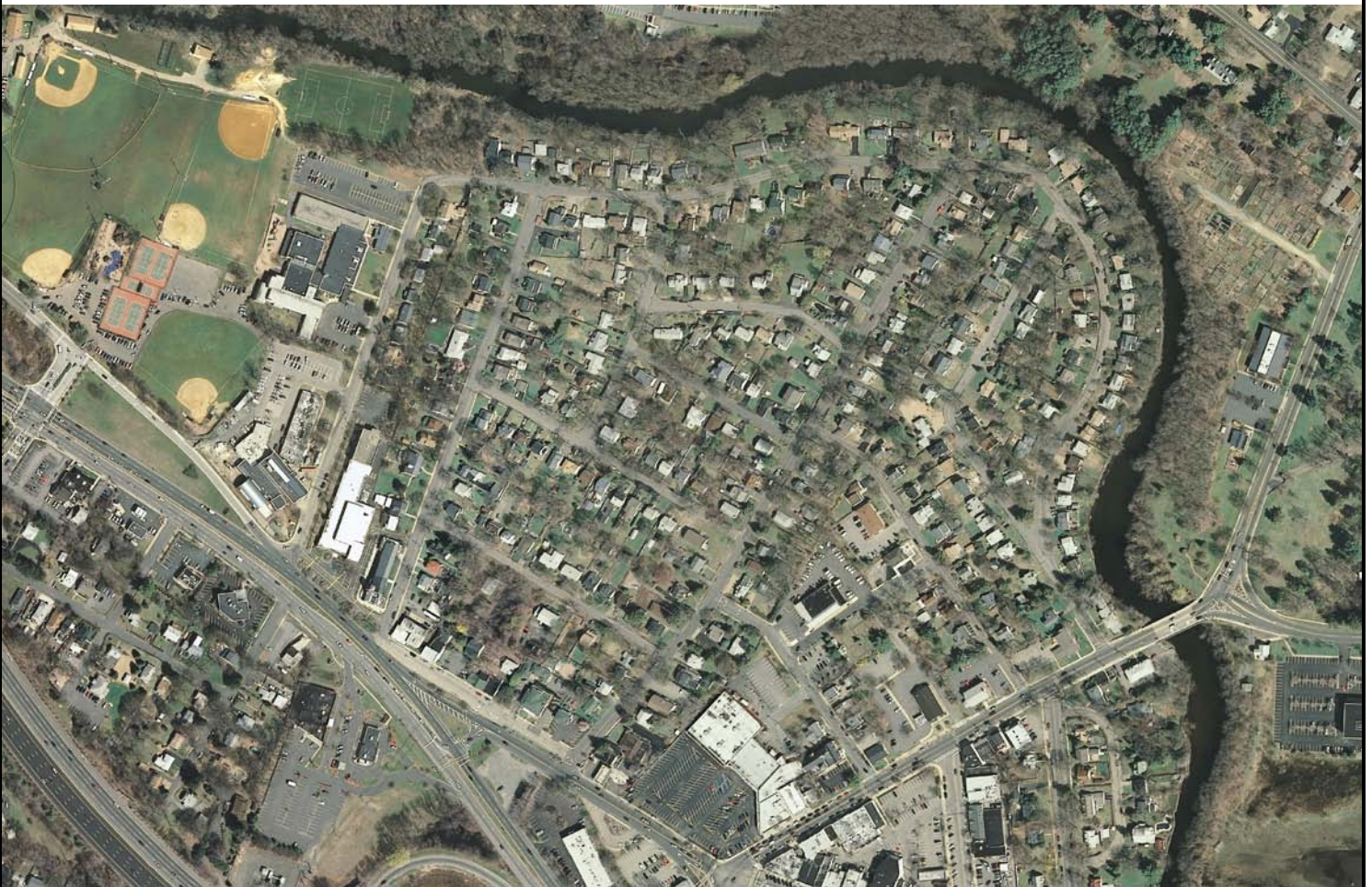


HOUSING ELEMENT AND FAIR SHARE PLAN

TOWNSHIP OF DENVILLE
MORRIS COUNTY, NEW JERSEY

May, 2010



WILLIAM DENZLER AND ASSOCIATES
COMMUNITY PLANNING CONSULTANTS
21 Orchard Street, Suite A • Denville, NJ 07834
Ph: (973) 627-3929; E-Mail: njplanner@earthlink.net

Adopted: May 26, 2010

HOUSING ELEMENT & FAIR SHARE PLAN TOWNSHIP OF DENVILLE

Adopted May 26, 2010

Planning Board

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Donald Kuzer, Councilman
Sue Filauro, Chairwoman
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Deborah Smith
Nick Stecky
Donald Kuzer
Christopher Golinski
Gene Fitzpatrick

Marie Goble, Twp Administrator/CFO
Donna Costello, Twp Clerk
Fred Semrau, Esq., Twp Attorney
Paula DeBona, Esq., COAH Counsel

Prepared by:

William C. Denzler, PP
William Denzler and Associates
Community Planning Consultants
21 Orchard Street, Suite A
Denville, NJ 07834



WILLIAM DENZLER AND ASSOCIATES
COMMUNITY PLANNING CONSULTANTS
21 Orchard Street, Suite A • Denville, NJ 07834
Ph: (973) 627-3929; E-Mail: njplanner@earthlink.net

William C. Denzler, PP
P.P. License No. 5220

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HOUSING ELEMENT and FAIR SHARE PLAN

Introduction

The housing element is that portion of the municipal Master Plan which addresses the housing needs, both present and future, of the community, and to some extent, the region. The housing element has taken on special importance due to various court decisions and legislation involving the need to provide a realistic opportunity for affordable housing.

In 1975, the New Jersey Supreme Court handed down its first Mount Laurel decision. In that decision, the Court imposed an obligation on "developing municipalities", through their plans and development regulations, to provide an opportunity for the provision of a share of the regional housing need for families of low and moderate income, or "affordable housing" as it has become known. In 1983, the Court handed down a second decision, which has been referred to as Mount Laurel II. In that decision, the Court no longer limited the requirement to provide for affordable housing to developing municipalities, but related the obligation to the State Development Guide Plan, which delineated the State into various planning areas. The Township of Denville, like other municipalities in the State are required to provide and plan for the provision of affordable housing for the local community and a portion of the region's population.

In January, 1985, New Jersey adopted the Fair Housing Act. This act was the Legislature's response to the Supreme Court affordable housing decisions. The act established the Council on Affordable Housing (COAH), and assigned to COAH the responsibility for monitoring affordable housing activity throughout the State. Included among COAH's responsibilities are the establishment of housing regions, the determination of state and regional low and moderate income housing needs and the promulgation of guidelines and criteria for determination of municipal shares of the regional need for affordable housing. The act also strongly links municipal planning and zoning to the provision of affordable housing. Under the act, a municipal zoning ordinance is valid only if the municipality adopts a housing

element as part of its master plan, and only if the zoning ordinance is substantially consistent with the housing element.

Subsequent to the adoption of the Fair Housing Act, COAH adopted procedural and substantive rules which set forth the requirements for municipalities under the Act. The rules determined the local and regional need for affordable housing units, and allocated a "fair share" of the regional need to each municipality in the region for the period of 1987 to 1993. In May, 1994, COAH amended its substantive rules and established revised affordable housing requirements for municipalities for the period of 1987 to 1999. COAH determined Denville's total affordable housing obligation to be 108 housing units.

In December 2004, COAH once again amended its rules (Third Round), which adjusted the prior fair share obligations and promulgated a new methodology for determining a municipality's future obligation to plan for affordable housing. The new methodology determines the municipal obligation on the basis of development activity, or growth, in the municipality during the period from January 1, 2004 to December 31, 2013, as measured by certificates of occupancy issued. The rules require that municipalities provide a plan for one new affordable housing unit for every increase of 8 market-rate housing units and for every 25 jobs (as estimated using various use groups and employment/floor area ratios).

On January 25, 2007 however, the courts found that the method was not valid and ordered COAH to come up with amended rules within 6 months. Subsequently, there have been further extensions of time granted by the courts and COAH is in the process of recalculating the methodology used as well as revised obligations to municipalities.

In December, 2007, COAH released new draft third round rules which were ultimately adopted in May, 2008. Major provisions of the revised rules require that municipalities provide one affordable unit among every 5 residential units built, and one affordable unit for every 16 jobs generated. As part of the revision, COAH provided projected affordable housing numbers based on estimated growth. The rules require that municipalities have to plan for the construction of those units, but

only are obligated to construct affordable units based on actual growth. Additional amendments included:

- Expanded compliance options for municipalities, including bonus credits for supportive and special needs housing, new credit for affordable housing in redevelopment areas, and optional plan phasing based on economic feasibility.
- Proposed staggering schedule would require towns currently under COAH's jurisdiction to submit revised third round plans between four and seven months after the effective date of the regulations, based on county.
- Continuation of the growth share approach, with affordable housing need measured as a percentage of residential and non-residential growth from 2004 to 2018.
- Provide density bonuses for developers of residential projects where development provides for either on-site affordable housing or payment-in-lieu contributions.
- Provide compensatory benefits (i.e. increased F.A.R., height, taxes, etc.) for developers of non-residential projects where development provides for either on-site affordable housing or payment-in-lieu contributions.
- New affordable housing need for the state is 115,000 affordable units (an increase from 52,000 units in previous adoption).
- Establishes a payment in lieu standard (cost of constructing an affordable unit) averaging \$161,000 per affordable unit (\$148,000 for Morris County region).
- Regional Contribution Agreement amounts increased from \$35,000 per unit to \$67,000 to \$80,000 per unit (by COAH region).
- Development fees for new construction increased from 1% of equalized assessed value (EAV) for residential to 1 ½ % of EAV and from 2% of EAV to 3% of EAV for non-residential.

The third-round rules however, have been further amended based on revisions proposed on June 16, 2008 and adopted on September 22, 2008. Major rule changes include:

- Replacement of the staggered petition schedule with a new deadline for municipalities to submit affordable housing plans to COAH by December 31, 2008;

- Municipal level household and employment growth projections have been updated to reflect new DEP Water Quality Management rules, municipal zoning data for municipalities in the Highlands region, and actual growth through 2006 for each municipality;
- Vacant land analysis was revised to incorporate new DEP spatial data to expand the definition of C-1 streams, remove environmentally sensitive lands from current sewer service areas and recompute the development capacity of lands supported by septic systems pursuant to the pending DEP Water Quality Management Act Rule (WQMR), and use recently released Highlands spatial and other data to recompute the development capacity of lands in the Highlands Planning Area;
- Municipalities that approved affordable housing projects between December 20, 2004 and June 2, 2008 will receive a one-for-one bonus for each affordable housing unit approved;
- To promote development in smart growth and redevelopment areas, municipalities that include affordable housing units in smart growth areas near mass transit or those that include affordable housing units in redevelopment areas will receive a one-third bonus for every affordable unit approved;
- Established presumptive densities and affordable housing set-asides for inclusionary developments based on the State Development and Redevelopment Plan. Higher density standards are established in Planning Area 1, 2 and Centers and lower densities outside of these growth areas;
- Municipalities may subtract demolitions of occupied non-residential buildings from the calculation of net growth in the municipality;
- More flexibility has been added to the provision allowing credit for affordable housing in redevelopment areas.
- Number of jobs generated by warehouse construction was reduced from 1.5 to 1 job per 1,000 square feet.

On September 22, 2008, COAH also voted to propose an amendment to N.J.A.C. 5:97-2.5 regarding the exclusion of the demolition and replacement of owner-occupied residential structures from the growth share obligation.

The rules were subject to change once again based on Bill A500 which was passed in June, 2008 and effective July 17, 2008. This rule change had substantial impacts to provisions for affordable housing. Major rule changes include:

- Eliminated Regional Contribution Agreements (RCA's);
- Does not permit payments in lieu of constructing affordable units for non-residential developers;
- Reduces development fees for non-residential construction to 2.5%;
- Establishes statewide development fee bank for fees collected from non-residential developers in non-COAH participating towns;
- Permits regional planning for affordable housing if in Highlands Region.

The revised rules were further changed as a result of Executive Order #114, which was signed on September 5, 2008. Major provisions of this change include:

- Governor Corzine approves the Highlands Plan;
- Requires COAH and the Highlands Council to work with the NJDEP and the DCA to:
 - a. Review the third round growth projections for consistency with the Highlands Plan and develop projections consistent with Highlands
 - b. create realistic opportunities for municipalities to address the actual growth share obligation for the third round in the Highlands Region
 - c. Identify sites and opportunities for affordable housing in the Highlands region
 - d. Coordinate deadlines to comply with both Highlands Act and Fair Housing Act, including reasonable extensions of deadlines
- COAH and Highlands Council must reach a Memorandum of Understanding with regard to the above within 60 days (11/04/08).

With the new administration in Trenton, 2010 has seen additional potential amendments to affordable housing. At the time of this writing, there is outstanding legislation known as Senate Bill "S-1" which proposes sweeping changes to affordable housing. The bill essentially abolishes COAH and places administration to the State Planning Commission. Other important elements of the bill effecting affordable housing include:

- The elimination of the statewide calculation of need;
- Forgives prior round unmet need;
- Limitations for “Builder’s Remedy” lawsuits;
- Defines Inclusionary Criteria;
- Variance procedures for affordable housing if a municipality doesn’t meet the definition of an inclusionary municipality;
- For any new residential development of 5 or more , , a municipality shall require that 20% of the housing units be set aside for occupancy by low and moderate income households, provided that project remains “economically viable.”
- For any new residential development less than 5 units, a municipality shall require that a payment in lieu of 2.5% of the documents constructions costs shall be deposited into the municipal housing trust fund. There is no payment if the developer is providing for the construction of the housing units onsite.
- A municipality is permitted to give an occupancy preference in affordable housing units to households that have at least one member who works in the municipality and to households that have at least one member who resides in the municipality.

In addition to the S-1 bill, Governor Christie formed a Housing Taskforce which was charged to review COAH and the affordable housing process in New Jersey and come up with some alternatives, consistent with the principles of the Mt. Laurel doctrines. The taskforce issued a report on March 19, 2010 detailing the “failure” of COAH to provide affordable housing. The report noted that from its inception to date, only 5% of new residential construction statewide went towards affordable housing. The report made suggestions for short-term corrections as follows:

- Replace the projections of growth in the allocation model, with the projections of growth for housing units and employment for each municipality contained in the Impact Assessment of the New Jersey State Development and Redevelopment Plan prepared by Rutgers, Center for Urban Policy Research, for the State Planning Commission.

- Reduce the statewide need by the full amount of filtering found by the COAH consultants, not just one half, and revise the growth share ratios accordingly.
- When a municipality can demonstrate, through its household demographics, it has not excluded low and moderate income households, such municipality shall not have an obligation above its “rehabilitation share” as presently defined in the regulations.
- Vacant land adjustments should be permitted based upon a municipality showing that the vacant land included in the mapping provided by COAH’s consultant is in error.
- Land which is too small to accommodate five (5) residential units should not be considered vacant and developable in accordance.
- If a municipality receives an adjustment to the projected growth based upon a vacant land adjustment, it should not have to plan for the growth which was originally projected.
- Adjustments to the growth projections should also be permitted based upon a lack of sewer and/or water capacity. If a municipality can demonstrate there is insufficient infrastructure or capacity in a system to support the projected growth, COAH should allow a proportionate reduction in the projected obligation.
- Resolutions of intent to bond or appropriate funds in connection with various compliance mechanisms should be repealed because they are in violation of the Fair Housing Act’s prohibition against requiring a municipality to raise or expend municipal revenues to provide for affordable housing.
- An economic impact statement should be part of any regulatory proposal.
- A growth share obligation should not occur if a building is demolished and replaced. It is one thing to assess growth where a dilapidated unoccupied building is demolished to make way for new construction.
- The table for calculating jobs contained in N.J.A.C. 5:97, Appendix D, should be abandoned. This table attempts to calculate jobs based upon various square footage amounts for different nonresidential uses. It is very inaccurate.
- No municipality should be denied the right to expend its affordable housing trust fund money in connection with any affordable housing effort just because it is not in the spending plan. The regulations need to respect that

fluid situations arise, where municipalities may need to act immediately to acquire or protect affordable units (e.g., acquisition of land for a municipal project).

At the time of this writing, there has not been a response from the Governor's office on the taskforce report.

This housing element is intended to satisfy the plan requirement for addressing this obligation and obtain substantive certification of the Township's third round fair share plan by providing a realistic opportunity for the construction and/or rehabilitation of affordable housing in the Township of Denville. At the time of this writing, there continues to be court challenges to the overall methodology of calculation of the 3rd round figures issued by the Council on Affordable Housing by numerous public/private entities and municipalities.

Housing Plan Requirements

The Municipal Land Use Law (MLUL) requires a housing element as a mandatory part of the municipalities Master Plan. Under the statute, the housing plan must contain the following information:

- Inventory and analysis of the municipality's housing stock, demographic characteristics and existing and future employment characteristics;
- A projection of future housing construction;
- A determination of the municipality's present and prospective fair share of low and moderate income housing and its capacity to accommodate low and moderate income housing;
- A consideration of the lands that are most appropriate for the construction of low and moderate income housing including land owned by developers who have expressed a commitment to provide affordable housing.

Based on the latest set of rules, the following information in addition to the aforementioned must be included when preparing a housing plan:

- A projection of the municipality's probable future construction of housing through January 1, 2018, based on certificates of occupancy (CO's), construction permits, approved development and historic development trends;
- An analysis of existing jobs and employment characteristics of the municipality and a projection of the probable future jobs and employment characteristics through January 1, 2018, based upon certificates of occupancy (CO's), construction permits, approved development and historic trends;
- An analysis of how existing zoning and planned changes in zoning provide adequate capacity and provisions to accommodate residential and non-residential growth projections;
- The number of new affordable housing units the municipality was obligated to provide during the 1987 to 1999 period and the number of affordable units actually provided;

- The number of deficient units occupied by low and moderate income households that the municipality is obligated to rehabilitate;
- The projected growth share affordable housing need (based on residential and non-residential growth);
- A general description of any sites slated for affordable housing including acreage, property owner, block and lot, current zoning, surrounding land uses and street access.

Fair Share Plan Provisions

A municipal Fair Share Plan must be adopted by the Planning Board and endorsed by the governing body prior to the municipality's petition to COAH for substantive certification. The Fair Share Plan must address the municipalities total 1987 – 2018 fair share obligation (Rounds I, II & III), including implementing ordinances created to ensure that the affordable housing obligation is met.

The municipal Fair Share Plan is to include a strategy for ensuring the development of one (1) affordable housing unit for every five (5) market-rate units of new construction and one (1) affordable housing unit for every sixteen (16) newly created jobs as created by new or expanded non-residential construction.

HOUSING & FAIR SHARE PLAN

Based upon the analyses presented herein, the Township of Denville proposes to satisfy a projected 2004 to 2018 growth share obligation of 290 affordable housing units, through several means, including provisions for 100% non-profit sponsored affordable housing and the imposition of "growth share" requirements upon developments that increase the Township's affordable housing obligation.

The following is a summary of the housing plan obligation and compliance mechanisms.

Municipal Fair Share Plan Summary - 1987-2018

I. PRIOR ROUNDS (1987-1999)

A. Precredited Need from Prior Rounds: 325du Total

B. Credit and Reductions from Prior Rounds: 356du Total

| | | |
|--------------------------------|----------|--------------------------------------|
| RCA | 136 | |
| Denville Family Housing | 57 | |
| Cook's Pond Senior Housing | 64 | |
| Bonus credits for rentals | 82 | (25% of prior round obligation) |
| Bonus credits – age-restricted | 13 | (.33 unit/unit in excess of the 25%) |
| Group Homes: | <u>4</u> | |
| | 356 | |

II. THIRD ROUND (2004-2018) *(COAH rules as adopted through 09/22/08)*

A. Obligation: 290du *(COAH Substantive Rules – Appendix F)*

B. Total Obligation

| | |
|--------------|-----------------------|
| 325 | First & Second Rounds |
| + <u>290</u> | Third Round |
| 615 | Total |
| - <u>356</u> | Credit and Reductions |
| 259 | |

Additional Third-Round Credits:

| | | |
|------------------------------------|--------------|---|
| Cook's Pond | 5 | (units not credited during second round) |
| Habitat for Humanity Homes | 2 | |
| Palmar subdivision's obligation | 2 | (Original Approval) |
| Bonus credits for Habitat & Palmar | 4 | |
| Group Homes | 6 | 187 Morris Ave (5); 56 Morris Ave (5) – total of 10, 6 new |
| Group Homes bonus | 1.5 | |
| Morris County Housing Authority | 6 | (for sale units) |
| Orchard Street | 1 | |
| | <u>27.5</u> | |
| | | |
| Total credits | 383.5 | |
| | | |
| Remaining obligation | 231.5 | |

C. Rehabilitation Obligation: 31 Units *(COAH Substantive Rules – Appendix B)*

D. Compliance Mechanisms

1. Work with non-profit organizations to build 100% affordable housing projects on available vacant, non-restricted parcels owned by Township. Site Proposed: Block 62002, Lot 1 – Vanderhoof Avenue (19.0 acres): Yield 100 rental units plus matching rental bonuses;
2. Mandatory 20% set-a-side for all development creating 3 or more new lots. Township Housing Trust Fund to provide \$ funding for fractional unit on-site. Dwelling type may be constructed as a duplex or triplex provided utilized for affordable housing. This development type maintains the appearance of conventional neighborhood development. Anticipated Yield: 40 units
3. Encourage development of supportive and special needs homes for the developmentally or mentally disabled. These units provide 1.25 units of credit with a bedroom being the applicable unit.
4. Accessory apartments and/or buy-down program.

BACKGROUND STUDIES
Housing Inventory

A major part of a housing element is an inventory of existing housing in the municipality. Primary sources of information relating to the housing stock include tax assessment data, municipal land use surveys and the U.S. Census. The estimated housing supply in Denville based on 2000 Census data is shown in Table 1 which indicates a total of 5,990 housing units as of April 1 of that year. The majority (4,823 units or 81%) of the housing units were one-family detached units. There were 365 attached, one-family units and 91 units in two-family structures (1.5%). The remaining 711 units or 11.8% were predominantly multi-family.

| Type of Unit | Number | % |
|---------------------|--------------|---------------|
| 1 - Family Detached | 4,823 | 80.5% |
| 1 - Family Attached | 365 | 6.1% |
| 2 - Family | 91 | 1.5% |
| 3 & 4 Family | 105 | 1.8% |
| 5 - 9 Family | 92 | 1.5% |
| 10 - 19 Family | 134 | 2.2% |
| 20 or More Family | 380 | 6.3% |
| Mobile Home | 0 | 0.0% |
| Others | 0 | 0.0% |
| Total | 5,990 | 100.0% |

Source: 2000 U.S. Census

| | Number | Percent |
|----------------------------|--------------|---------|
| Total Housing Units | 6,178 | |
| Occupied | 5,990 | 97.0% |
| Vacant | 188 | 3.0% |
| Occupied Units | 5,990 | |
| Owner Occupied | 5,148 | 85.9% |
| Renter Occupied | 842 | 14.1% |
| Vacant Units | 188 | |
| For Sale | 15 | 8.0% |
| For Rent | 55 | 29.3% |
| Occasional Use | 77 | 41.0% |
| Other | 41 | 21.8% |

Units Lacking Complete Plumbing: 8
 Units Lacking Complete Kitchen Facilities: 19
 Median Value-Owner Occupied Units: \$228,300 (2000 Dollars)
 Median Gross Rent-Renter Occupied Units: \$1,129 (2000 Dollars)

Source: 2000 U.S. Census Profiles

Selected housing characteristics as reported by the 2000 Census are reflected in Tables 2 and 2.1 which indicate a dominance of owner-occupied housing, generally consistent with a single-family home community. With the exception of 19 units, all had complete kitchen facilities and the median value of owner-occupied housing was \$228,300. This compares to \$257,400 for Morris County. Median gross rent was \$1,129, compared to \$883 for the

County.

As a general trend, family and household size has declined in recent years and 532 units or about 10.4% contain more than 4 persons. The mean number of persons per unit (owner & renter occupied) was 2.59, or slightly less than that of 2.7 in Morris County.

There was extremely little overcrowding in Denville. Only 31 of the 5,144 owner-occupied units, or 0.6% of the units contained an average of more than one (1) person per room.

Table 2.1
OCCUPIED HOUSING UNIT CHARACTERISTICS - 2000
Township of Denville

| | Owner Occupied | | Renter Occupied | |
|---|----------------|---------|-----------------|---------|
| | Number | Percent | Number | Percent |
| Persons Per Unit | | | | |
| 1 Person | 949 | 18.4% | 467 | 9.1% |
| 2 Persons | 1,752 | 34.1% | 209 | 4.1% |
| 3 Persons | 959 | 18.6% | 77 | 1.5% |
| 4 Persons | 952 | 18.5% | 58 | 1.1% |
| 5 Persons | 385 | 7.5% | 21 | 0.4% |
| 6 or more Persons | 147 | 2.9% | 14 | 0.3% |
| Total: | 5,144 | 100.0% | 846 | 16.4% |
| Persons Per Unit: | 2.79 | | 1.82 | |
| Persons Per Unit (Township Total): 2.59 | | | | |
| Persons Per Room | | | | |
| 0.50 or less | 4,154 | 80.7% | 617 | 73.3% |
| 0.51 - 1.00 | 963 | 18.7% | 203 | 24.1% |
| 1.01 - 1.50 | 31 | 0.6% | 22 | 2.6% |
| 1.51 or more | 0 | 0.0% | 0 | 0.0% |
| Total: | 5,148 | 100.0% | 842 | 100.0% |

Source: 2000 U.S. Census Profiles

This compares to 22 units, or 2.6% of the renter-occupied units. Township-wide, this represents only 3.2% of occupied units where one (1) or more persons per room exist.

Table 3 provides a very broad description of housing characteristics. In general, it reflects a condition of sound quality, high value, owner-occupied housing. Significant features of the table can be summarized as follows:

1. The majority (81%) of units were one-family detached units.
2. Denville is a community of diverse housing stock in terms of unit age. Approximately 46% of all housing was built prior to 1959 and where 29% of housing was built between 1960 and 1980. Since 1980, new homes in Denville represented 26% of the housing stock.

3. Approximately 37% of owner-occupied units contained four or more bedrooms, compared to only 6.5% for renter occupied units. Units containing no bedrooms or only one bedroom totaled 49.2% (predominately rental units). In terms of percentages, the largest owner-occupied bedroom category were three-bedroom units, where one-bedroom units were the largest category for renter occupied units. As indicated within the table, 50% of the housing stock had units with 7 or more rooms, compared to 8.6% which had 3 rooms or less.
4. Similar to the diverse housing stock age, household turnover is robust. Since 1995, over 41% of the 2000 population had moved into their dwelling units. Approximately 13.1% of the population has resided in Denville for over 30 years (at time of 2000 census).
5. Based on year 2000 dollars, owner-occupied units represented approximately 34.7% of housing units in Denville which ranged in value between \$200,000 and \$299,999, compared to 1.8% with values of less than \$100,000. During this same period, 17.6% paid more than 35% of their gross income towards mortgage costs, compared to 20.4% who paid 15% or less of their income towards mortgage costs.
6. As it pertains to renters during the same period, the majority of renters paid between \$1,000-\$1,499 (28%) and \$1,500 or more (25.6%). Over 36% paid 35% or more of their income towards rental costs, compared to 14.9% who paid less than 15% towards the rent.

DETAILED HOUSING CHARACTERISTICS Table 3

Township of Denville

| | TOTAL | | | TOTAL | |
|----------------------|--------|---------|------------------------|--------|---------|
| | Number | Percent | | Number | Percent |
| Housing Units | | | Number of Rooms | | |
| Single Detached | 4,823 | 80.5% | 1 | 48 | 0.8% |
| Single Attached | 365 | 6.1% | 2 | 98 | 1.6% |
| Two Family | 91 | 1.5% | 3 | 384 | 6.2% |
| 3 & 4 Family | 105 | 1.8% | 4 | 506 | 8.2% |
| 5 or More Family | 606 | 10.1% | 5 | 681 | 11.0% |
| Mobile Home | 0 | 0.0% | 6 | 1,371 | 22.2% |
| Other | 0 | 0.0% | 7 | 1,093 | 17.7% |
| Total: | 5,990 | 100.0% | 8 | 995 | 16.1% |
| | | | 9 or More | 1,002 | 16.2% |
| | | | | 6,178 | 100.0% |

| | TOTAL | | | TOTAL | |
|-----------------------------|--------|---------|------------------------------|--------|---------|
| | Number | Percent | | Number | Percent |
| Tenure by Bedrooms | | | Tenure by Bedrooms | | |
| Owner Occupied Units | | | Renter Occupied Units | | |
| No Bedroom | 21 | 0.4% | No Bedroom | 37 | 4.4% |
| 1 Bedroom | 127 | 2.5% | 1 Bedroom | 353 | 41.9% |
| 2 Bedrooms | 914 | 17.8% | 2 Bedrooms | 236 | 28.0% |
| 3 Bedrooms | 2,163 | 42.0% | 3 Bedrooms | 161 | 19.1% |
| 4 Bedrooms | 1,534 | 29.8% | 4 Bedrooms | 45 | 5.3% |
| 5 or More Bedrooms | 389 | 7.6% | 5 or More Bedrooms | 10 | 1.2% |
| Total: | 5,148 | 100.0% | | 842 | 100.0% |

| | TOTAL | | | TOTAL | |
|-------------------|--------|---------|---|--------|---------|
| | Number | Percent | | Number | Percent |
| Year Built | | | Year Householder Moved Into Unit | | |
| 1999 - 3/2000 | 65 | 1.1% | 1999 - 2000 | 692 | 11.6% |
| 1995 - 1998 | 797 | 12.9% | 1995 - 1998 | 1,767 | 29.5% |
| 1990 - 1994 | 356 | 5.8% | 1990 - 1994 | 984 | 16.4% |
| 1980 - 1989 | 381 | 6.2% | 1980 - 1989 | 953 | 15.9% |
| 1970 - 1979 | 703 | 11.4% | 1970 - 1979 | 812 | 13.6% |
| 1960 - 1969 | 1,063 | 17.2% | 1969 or earlier | 782 | 13.1% |
| 1940 - 1959 | 1,689 | 27.3% | | 5,990 | 100.0% |
| Before 1940 | 1,124 | 18.2% | | | |
| Total: | 6,178 | 100.0% | | | |

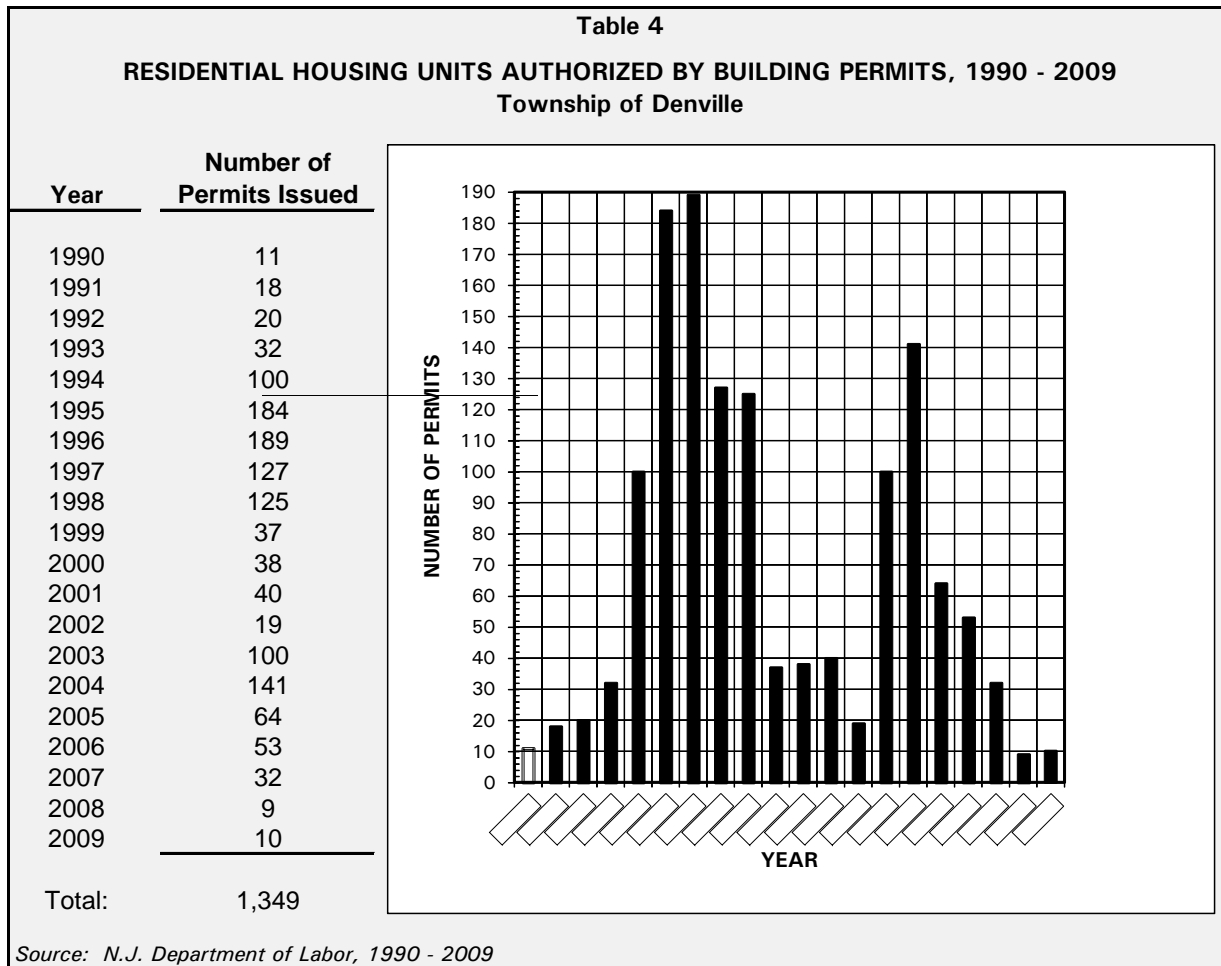
| Occupied Housing Unit Value (2000 Dollars) | | | Occupied Housing (2000 Dollars) Mortgage Costs as a Percentage of Income | | |
|---|-------|--------|---|-------|--------|
| Less than \$50,000 | 5 | 0.1% | Less than 15% | 744 | 20.4% |
| \$50,000 - \$99,999 | 80 | 1.7% | 15% - 19.9% | 726 | 19.9% |
| \$100,000 - \$149,999 | 399 | 8.3% | 20% - 24.9% | 680 | 18.7% |
| \$150,000 - \$199,999 | 1,320 | 27.6% | 25% - 29.9% | 432 | 11.9% |
| \$200,000 - \$299,999 | 1,662 | 34.7% | 30% - 34.9% | 409 | 11.2% |
| \$300,000 - \$499,999 | 943 | 19.7% | 35% or more | 641 | 17.6% |
| \$500,000 - \$999,999 | 381 | 8.0% | Not computed | 10 | 0.3% |
| \$1,000,000 or more | 0 | 0.0% | | 3,642 | 100.0% |
| Total: | 4,790 | 100.0% | | | |

| Gross Rents (2000 Dollars) | | | Gross Rents (2000 Dollars) Rent Costs as a Percentage of Income | | |
|-----------------------------------|-----|--------|--|-----|--------|
| Less than \$200 | 7 | 0.9% | Less than 15% | 123 | 14.9% |
| \$200 - \$299 | 0 | 0.0% | 15% - 19.9% | 94 | 11.4% |
| \$300 - \$499 | 13 | 1.6% | 20% - 24.9% | 118 | 14.3% |
| \$500 - \$749 | 136 | 16.5% | 25% - 29.9% | 60 | 7.3% |
| \$750 - \$999 | 151 | 18.3% | 30% - 34.9% | 27 | 3.3% |
| \$1,000 - \$1,499 | 231 | 28.1% | 35% or more | 296 | 36.0% |
| \$1,500 or more | 211 | 25.6% | Not computed | 105 | 12.8% |
| No cash rent | 74 | 9.0% | | 823 | 100.0% |
| Total: | 823 | 100.0% | | | |

Source: 2000 U.S. Census Profiles

Housing Stock Projection

Building activity is usually indicative of future growth. Although a more detailed growth analysis and projection is provided in the following sections, we note that based on residential building permits (authorized new dwellings), a total of 1,349 new residential housing units were issued between 1990 and December, 2009, and are indicated on Table 4. This number represents a gross average of 67.5 units per year, however we note that the average is somewhat skewed by the various multi-family developments approved during the 1990's and in 2003 (Regency at Denville). The previous five-year average is substantially lower at 33.6 units per year between 2005 & 2009. As a trend however, future development in Denville will be generally limited to infill, smaller subdivisions and/or redevelopment due to the general lack of available environmentally free (wetlands, flood hazard areas and steep slopes) developable land.



DEMOGRAPHIC CHARACTERISTICS

Population/Demographics

Any revision or up-dating of a Housing Plan must take into consideration population growth and other demographic characteristics. A municipality is a community of people, not just a physical entity. Local planning requirements are directly related to the number of persons residing and working in the municipality and the characteristics of those people. As those numbers and characteristics change, so do community requirements. Thus, plans must be altered or adjusted to meet these changing needs. Detailed information relating to population characteristics was most recently recorded in the 2000 U.S. Census.

Regional Growth

Significant changes have been taking place in terms of regional population trends. Since all communities are regionally oriented and, in a sense, owe their existence to regional influences, a review of related population considerations in the region is the initial step in determining potential future conditions locally.

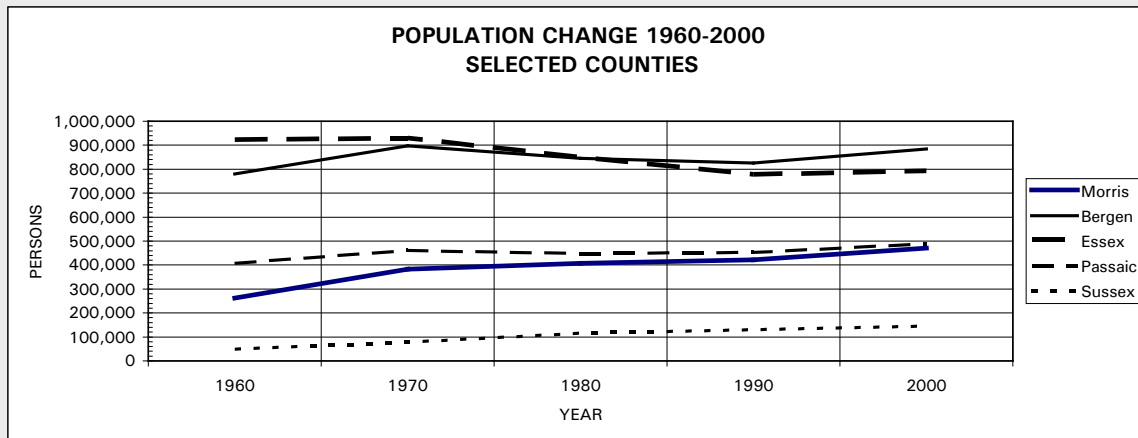
The outward development pressures in the northern New Jersey area can best be demonstrated by a review of population growth trends in recent decades. Table 5 indicates growth trends since 1960 in Morris and selected regional New Jersey counties. The figures in this table reflect a somewhat dramatic increase in county populations in 2000, where in the previous decades, county populations either decreased or only experienced low population growth, particularly in the built-up counties closer to New York City, the core of the Region, such as Bergen and Essex. As shown by the data, Morris County experienced the largest growth between 1990 and 2000, where a population increase of 11.6% occurred. In comparison, Sussex County experienced an increase of over 10% while Bergen and Passaic Counties experienced a 7.1 and 7.9% increase respectively. Essex County experienced only a moderate increase of 2%, however, this represents a shift from moderate population losses between 1970 and 1990.

Morris County experienced substantial growth between the 1950 and 1970 period, but the rate of growth declined to 6.3% during the 1970's. Its growth rate continued to decline in the 1980's, but picked up substantially through the 1990's. The 2000 population of Morris County was 470,212 persons, which represented an increase of 48,859 persons or 11.6%.

**Table 5
REGIONAL POPULATION COMPARISONS
SELECTED COUNTIES
1960 - 2000**

| County | 1960 | 1970 | Change, 1960-70 | | 1980 | Change, 1970-80 | | 1990 | Change, 1980-90 | | 2000 | Change, 1990-00 | |
|---------------|----------------|----------------|-----------------|-------------|----------------|-----------------|------------|----------------|-----------------|------------|----------------|-----------------|-------------|
| | Persons | Persons | Number | Percent | Persons | Number | Percent | Persons | Number | Percent | Persons | Number | Percent |
| Morris | 261,620 | 383,454 | 121,834 | 46.6 | 407,630 | 24,176 | 6.3 | 421,353 | 13,723 | 3.4 | 470,212 | 48,859 | 11.6 |
| Bergen | 780,255 | 898,012 | 117,757 | 15.1 | 845,385 | -52,627 | -5.9 | 825,380 | -20,005 | -2.4 | 884,118 | 58,738 | 7.1 |
| Essex | 923,545 | 929,986 | 6,441 | 0.7 | 850,451 | -79,535 | -8.6 | 778,206 | -72,245 | -8.5 | 793,633 | 15,427 | 2.0 |
| Passaic | 406,616 | 460,782 | 54,166 | 13.3 | 447,585 | -13,197 | -2.9 | 453,060 | 5,475 | 1.2 | 489,049 | 35,989 | 7.9 |
| Sussex | 49,255 | 77,528 | 28,273 | 57.4 | 116,119 | 38,591 | 49.8 | 130,943 | 14,824 | 12.8 | 144,166 | 13,223 | 10.1 |

Source: U.S. Census of Population, 1960-2000



Growth in Denville

Growth in Denville and surrounding municipalities has varied since the 1960's. In fact, between 1970 and 1990, several municipalities adjacent to Denville declined in population while others substantially increased (see Table 6). Within Denville Township, the population increased by 2,012 persons or a 14.6% increase. This follows a slight population decline between 1980 and 1990 where the population fell by 568 persons, or a 3.9% decline. In terms of number and percentage, the Township experienced its largest growth during the 1960-1970 decade where the municipality grew by 3,413 persons or 32.1%.

In comparison, all the adjacent municipalities experienced an increase in population between the 1990 and 2000 period, Randolph, Denville and Rockaway Townships continued to experience the largest population growth of the adjacent municipal as a result of the available developable land.

The Morris County Planning Board projects a 2010 population of 16,160 persons, or an increase of 336 persons (+ 2.1%) from the 2000 Census. This population is anticipated to grow by an additional 200 persons (+ 1.2%) to 16,360 by 2020.

Population Density

The pattern of population density is also indicated by Table 6. Total population density for a community is influenced by many factors, including the amount of developable land, the amount of land devoted to housing development, the type and density of housing developments, etc.. For these reasons, comparisons between communities are not fair in a strict sense, however, density figures are useful in a broad sense to indicate the level of development in a community. It is interesting to note that Denville's population density is somewhat lower than the adjacent municipalities and Morris County as a whole. While this may suggest that Denville has available land for development, for all practical matters, these remaining lands are either water bodies, or environmentally constrained for development by freshwater wetlands, wetland transition area buffers and steep slopes.

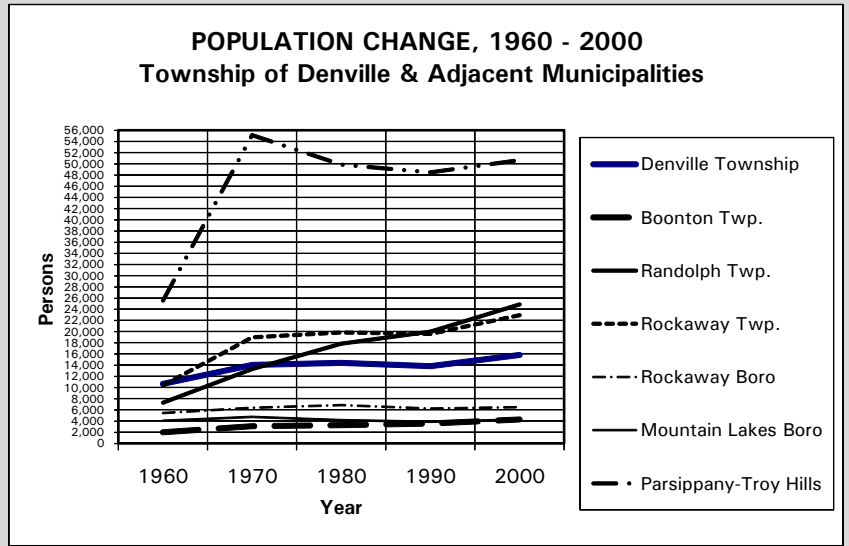
**Table 6
POPULATION CHANGE, 1960 - 2000
TOWNSHIP OF DENVILLE AND ADJACENT MUNICIPALITIES**

| Municipality | 1960 | 1970 | Change, 1960-70 | | 1980 | Change, 1970-80 | | 1990 | Change, 1980-90 | | 2000 | Change, 1990-00 | |
|--------------------------|---------------|---------------|-----------------|-------------|---------------|-----------------|------------|---------------|-----------------|-------------|---------------|-----------------|-------------|
| | Persons | Persons | Number | Percent | Persons | Number | Percent | Persons | Number | Percent | Persons | Number | Percent |
| Denville Township | 10,632 | 14,045 | 3,413 | 32.1 | 14,380 | 335 | 2.4 | 13,812 | -568 | -3.9 | 15,824 | 2,012 | 14.6 |
| Boonton Twp. | 1,998 | 3,076 | 1,078 | 54.0 | 3,273 | 197 | 6.4 | 3,561 | 288 | 8.8 | 4,287 | 726 | 20.4 |
| Randolph Twp. | 7,295 | 13,296 | 6,001 | 82.3 | 17,828 | 4,532 | 34.1 | 19,974 | 2,146 | 12.0 | 24,847 | 4,873 | 24.4 |
| Rockaway Twp. | 10,356 | 18,955 | 8,599 | 83.0 | 19,850 | 895 | 4.7 | 19,572 | -278 | -1.4 | 22,930 | 3,358 | 17.2 |
| Rockaway Boro | 5,413 | 6,383 | 970 | 17.9 | 6,852 | 469 | 7.3 | 6,243 | -609 | -8.9 | 6,473 | 230 | 3.7 |
| Mountain Lakes Boro | 4,037 | 4,739 | 702 | 17.4 | 4,153 | -586 | -12.4 | 3,847 | -306 | -7.4 | 4,256 | 409 | 10.6 |
| Parsippany-Troy Hills | 25,557 | 55,112 | 29,555 | 115.6 | 49,868 | -5,244 | -9.5 | 48,478 | -1,390 | -2.8 | 50,649 | 2,171 | 4.5 |

POPULATION DENSITIES

| Municipality | Area | 2000 Population |
|--------------------------|---------------|-----------------|
| | Sq. Miles | Per Sq. Mile |
| Denville Township | 12.63 | 159 |
| Boonton Twp. | 8.59 | 499 |
| Randolph Twp. | 21.08 | 231 |
| Rockaway Twp. | 45.99 | 73 |
| Rockaway Boro | 2.11 | 3,068 |
| Mountain Lakes Boro | 2.89 | 1,473 |
| Parsippany-Troy Hills | 25.42 | 1,992 |
| Morris County | 468.98 | 1,003 |

Source: U.S. Census of Population, 1960-2000



Age Composition

Basic to any discussion of population are the changes which occur within the various age groups. Analysis of age group characteristics will provide insight into the actual changes in population composition, which, in turn, may be helpful when assessing what impacts they may have on community facilities and services. For example, increases or decreases in the school age population in a given area invariably prompts a reevaluation of school expansion programs and educational facilities. Similarly, increasing life expectancy and improved medical techniques have resulted in an increasing number of elderly citizens, bringing along with it an increased community awareness for their specific needs in the area of health care, housing and transportation.

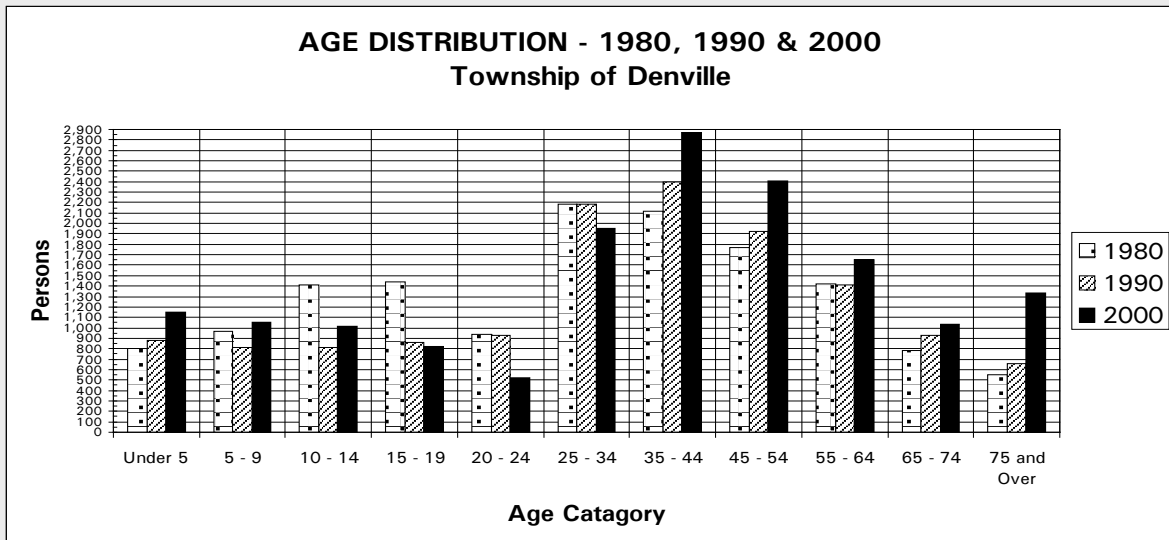
Population by age groups in Denville for 1980, 1990 and 2000 are shown in Table 7, and indicate interesting changes over the past 20 year period. For example, between the 1980 and 1990 period ,the under 5 age group increased slightly by 9.6%, where the other younger age groups (5-19) declined substantially, both numerically and as a percentage of the population. In 1980, these groups represented 32.1% of the population versus 24.5% in 1990. In contrast, the 2000 population reveals that the under 5 age group increased substantially by 265 persons, or a 30% increase from 1990 and that the 5-9 age group increased by 234 persons, or 28.7% This increase can be partially attributed to the aging of the under 5 age group from 1990. The younger age groups (5-19) increased overall by 48.2% from 1990. In 2000, the population aged 19 years and younger represented a total of 25.4% of the population. In comparison, the 20-24 age group decreased substantially by almost 44%, and where the 25-34 age group experienced a 10.4% decline. The 35-54 age group increased 44.7%. Persons aged 55-64 increased moderately by 247 persons (+17.6%), and persons aged 65-74 increased by 11.6%. Persons aged 75 and over increased substantially by 675 persons, or more than doubled from the 1990 census.

AGE DISTRIBUTION, 1980, 1990 & 2000
Township of Denville

Table 7

| | 1980 | Percent of | 1990 | Percent of | Change, 1980 - 1990 | | 2000 | Percent of | Change, 1990 - 2000 | |
|--------------|---------------|--------------|---------------|--------------|---------------------|-------------|---------------|--------------|---------------------|-------------|
| | Population | Total | Population | Total | Number | Percent | Population | Total | Number | Percent |
| Under 5 | 805 | 5.6 | 882 | 6.4 | 77 | 9.6 | 1,147 | 7.2 | 265 | 30.0 |
| 5 - 9 | 967 | 6.7 | 815 | 5.9 | -152 | -15.7 | 1,049 | 6.6 | 234 | 28.7 |
| 10 - 14 | 1,407 | 9.8 | 816 | 5.9 | -591 | -42.0 | 1,012 | 6.4 | 196 | 24.0 |
| 15 - 19 | 1,441 | 10.0 | 864 | 6.3 | -577 | -40.0 | 825 | 5.2 | -39 | -4.5 |
| 20 - 24 | 935 | 6.5 | 925 | 6.7 | -10 | -1.1 | 522 | 3.3 | -403 | -43.6 |
| 25 - 34 | 2,180 | 15.2 | 2,184 | 15.8 | 4 | 0.2 | 1,956 | 12.4 | -228 | -10.4 |
| 35 - 44 | 2,114 | 14.7 | 2,398 | 17.4 | 284 | 13.4 | 2,875 | 18.2 | 477 | 19.9 |
| 45 - 54 | 1,772 | 12.3 | 1,928 | 14.0 | 156 | 8.8 | 2,408 | 15.2 | 480 | 24.9 |
| 55 - 64 | 1,418 | 9.9 | 1,407 | 10.2 | -11 | -0.8 | 1,654 | 10.5 | 247 | 17.6 |
| 65 - 74 | 787 | 5.5 | 931 | 6.7 | 144 | 18.3 | 1,039 | 6.6 | 108 | 11.6 |
| 75 and Over | 554 | 3.9 | 662 | 4.8 | 108 | 19.5 | 1,337 | 8.4 | 675 | 102.0 |
| TOTAL | 14,380 | 100.0 | 13,812 | 100.0 | -568 | -3.9 | 15,824 | 100.0 | 2,012 | 14.6 |

Source: U.S. Census of Population, 1980, 1990 & 2000



Age group populations for the Township of Denville and County in 2000 are compared in Table 8. The data here reveals only slight differences between the two jurisdictions and indicates that Denville Township is representative of Morris County as a whole. For comparative purposes, the following table indicates the breakdown by age groupings for Denville and Morris County:

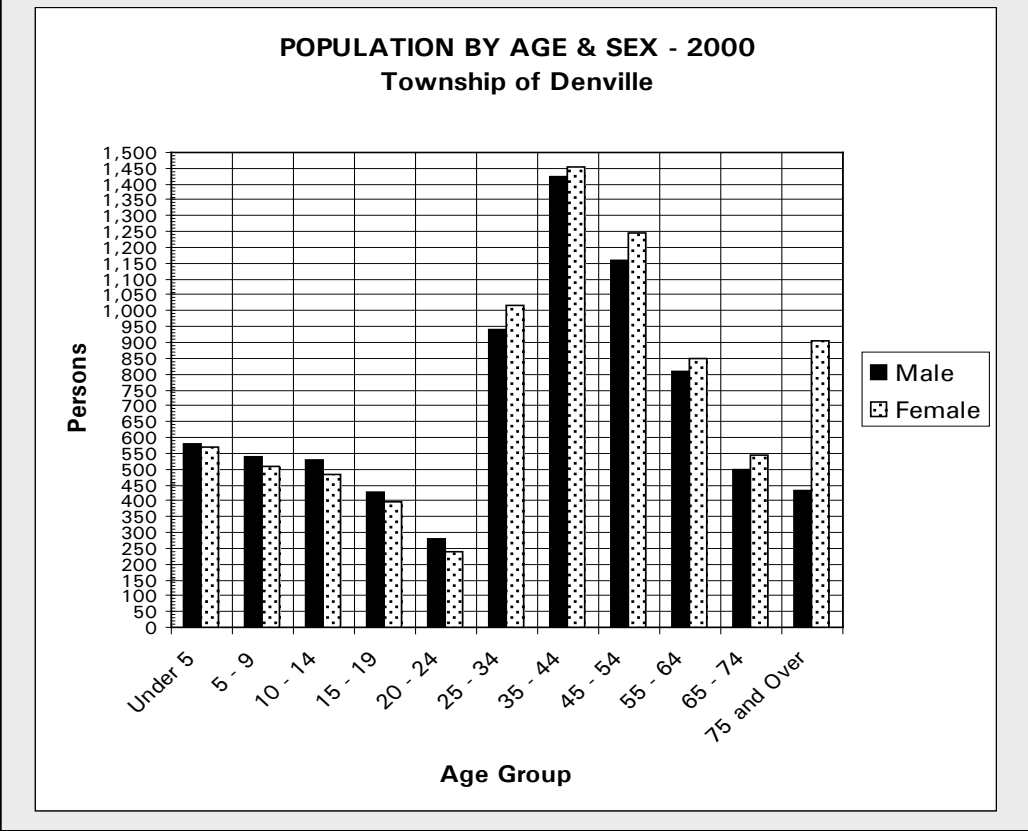
| Age Group | Percent of 2000 Population | |
|-------------------------------------|----------------------------|--------|
| | Town | County |
| Non-School Aged Children (Under 5): | 7.2 | 7.0 |
| School Aged Children (5-19): | 18.2 | 19.9 |
| Young Adult (20-24): | 3.3 | 4.4 |
| Adult (25-54): | 45.8 | 47.2 |
| Senior Citizen (55 and Over): | 25.5 | 21.6 |

POPULATION BY AGE - 2000
Township of Denville and Morris County

Table 8

| | Township of Denville | | | | Morris County | |
|--------------|----------------------|--------------|---------------|--------------|----------------|--------------|
| | Male | Female | Total | Percent | Total | Percent |
| Under 5 | 580 | 567 | 1,147 | 7.2 | 32,906 | 7.0 |
| 5 - 9 | 541 | 508 | 1,049 | 6.6 | 34,234 | 7.3 |
| 10 - 14 | 528 | 484 | 1,012 | 6.4 | 32,425 | 6.9 |
| 15 - 19 | 428 | 397 | 825 | 5.2 | 26,598 | 5.7 |
| 20 - 24 | 282 | 240 | 522 | 3.3 | 20,571 | 4.4 |
| 25 - 34 | 940 | 1,016 | 1,956 | 12.4 | 63,689 | 13.5 |
| 35 - 44 | 1,423 | 1,452 | 2,875 | 18.2 | 86,465 | 18.4 |
| 45 - 54 | 1,160 | 1,248 | 2,408 | 15.2 | 71,867 | 15.3 |
| 55 - 64 | 807 | 847 | 1,654 | 10.5 | 46,927 | 10.0 |
| 65 - 74 | 497 | 542 | 1,039 | 6.6 | 29,391 | 6.3 |
| 75 and Over | 431 | 906 | 1,337 | 8.4 | 25,139 | 5.3 |
| TOTAL | 7,617 | 8,207 | 15,824 | 100.0 | 470,212 | 100.0 |
| Median Age: | 38.4 | 41.0 | 39.7 | | 37.8 | |

Source: U.S. Census of Population



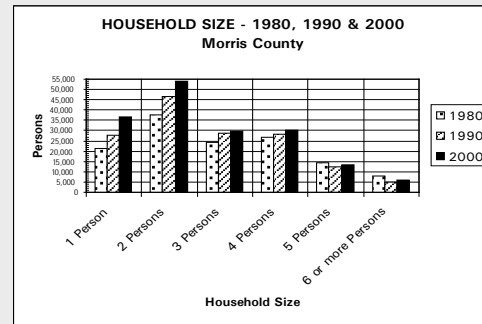
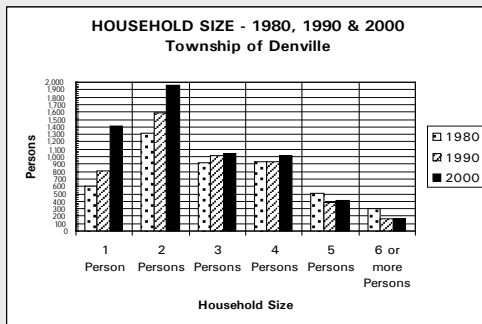
Household Size

In Denville, the dominant household size continues to be the 2-person household. Almost one-third (32.7%) of the households in 2000 are in this category and is slightly greater to that of 31.8% for all of Morris County (see Table 9). The Township had slightly lower percentages than the County in the 3-, 4- 5- and 6-person households and slightly higher percentages in the 1-person households. These figures somewhat explain the smaller average household size in the Township of Denville as compared to the County as a whole. The differences, however, are not significant.

Household size data for 1980, 1990 and 2000 are also shown in Table 9. It is obvious from this data that, on the average, household sizes in both the Township of Denville and Morris County have decreased over the twenty year period. For example, 1- and 2-person households in the Township represented 56.3% of all households in 2000 compared to 49% in 1990, and 41.9% in 1980. A similar difference existed at the County level. The average household size in the Township was 2.59 persons in 2000, a decrease from 2.80 persons in 1990. The County experienced a decrease during the same period, but not as much.

| HOUSEHOLD SIZE - 1980, 1990 & 2000 | | | | | | | | | | | | Table 9 |
|--------------------------------------|----------------------|-------|--------|-------|--------|-------|---------------|-------|---------|-------|---------|---------|
| Township of Denville & Morris County | | | | | | | | | | | | |
| | Township of Denville | | | | | | Morris County | | | | | |
| | 1980 | | 1990 | | 2000 | | 1980 | | 1990 | | 2000 | |
| | Number | % | Number | % | Number | % | Number | % | Number | % | Number | % |
| 1 Person | 597 | 13.1 | 802 | 16.4 | 1,416 | 23.6 | 21,250 | 16.1 | 27,965 | 18.8 | 36,555 | 21.5 |
| 2 Persons | 1,318 | 28.8 | 1,589 | 32.6 | 1,961 | 32.7 | 37,435 | 28.4 | 46,410 | 31.2 | 53,911 | 31.8 |
| 3 Persons | 917 | 20.1 | 1,013 | 20.8 | 1,036 | 17.3 | 24,091 | 18.3 | 28,706 | 19.3 | 29,923 | 17.6 |
| 4 Persons | 933 | 20.4 | 925 | 19.0 | 1,010 | 16.9 | 26,750 | 20.3 | 28,105 | 18.9 | 30,012 | 17.7 |
| 5 Persons | 503 | 11.0 | 388 | 8.0 | 406 | 6.8 | 14,240 | 10.8 | 12,414 | 8.4 | 13,173 | 7.8 |
| 6 or more Persons | 303 | 6.6 | 159 | 3.3 | 161 | 2.7 | 8,011 | 6.1 | 5,027 | 3.4 | 6,137 | 3.6 |
| TOTAL: | 4,571 | 100.0 | 4,876 | 100.0 | 5,990 | 100.0 | 131,777 | 100.0 | 148,627 | 100.0 | 169,711 | 100.0 |
| Average Household Size: | 2.90 | | 2.80 | | 2.59 | | 3.02 | | 2.78 | | 2.72 | |

Source: U.S. Census of Population, 1980, 1990 & 2000



Income

Household incomes in the community are a further reflection of the community character and the nature of its population. In Table 10, 1999 household incomes for Denville, Morris County and New Jersey are compared. Both the median and mean incomes of households in the Township were slightly lower than in the County. This is the result of the fact that the Township generally has lower percentages of its households in income categories under \$75,000. For example, 48.5% of households earned less than \$75,000 compared to 65.1% of the County's households. Denville had a greater percentage however, of households with incomes ranging between \$50,000-\$74,999, \$75,000-\$99,999, and \$100,000-\$149,999. Indicated in Table 10.1 is a summary of individual incomes as related to the poverty level. By comparison, 2.8% of the households in the Township were below poverty level, where 3.9% of the households in Morris County were below poverty level.

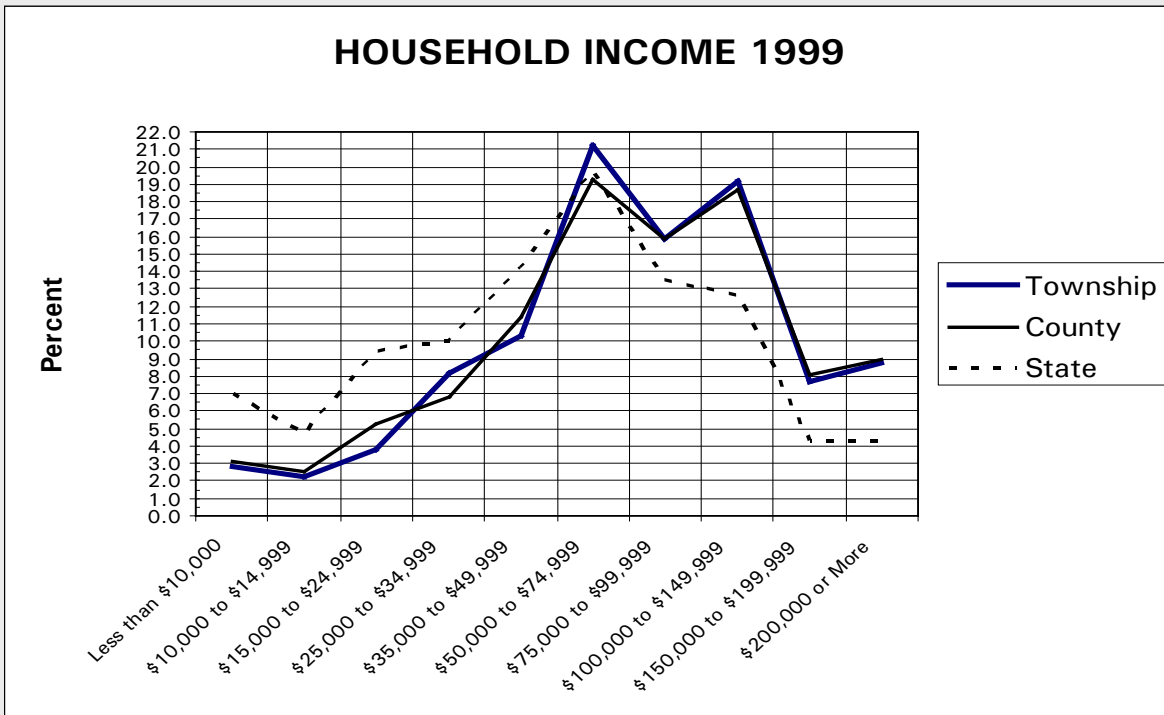
INCOME DATA - 1999

Table 10

Township of Denville, Morris County & New Jersey

| Household Income | Township of Denville | | Morris County | New Jersey |
|------------------------|----------------------|--------------|---------------|--------------|
| | Number | Percent | Percent | Percent |
| Less than \$10,000 | 167 | 2.8 | 3.1 | 7.0 |
| \$10,000 to \$14,999 | 134 | 2.2 | 2.5 | 4.7 |
| \$15,000 to \$24,999 | 229 | 3.8 | 5.3 | 9.4 |
| \$25,000 to \$34,999 | 489 | 8.2 | 6.8 | 10.0 |
| \$35,000 to \$49,999 | 620 | 10.3 | 11.4 | 14.2 |
| \$50,000 to \$74,999 | 1,270 | 21.2 | 19.3 | 19.8 |
| \$75,000 to \$99,999 | 949 | 15.8 | 15.9 | 13.5 |
| \$100,000 to \$149,999 | 1,151 | 19.2 | 18.7 | 12.7 |
| \$150,000 to \$199,999 | 459 | 7.7 | 8.1 | 4.3 |
| \$200,000 or More | 528 | 8.8 | 9.0 | 4.3 |
| TOTAL | 5,996 | 100.0 | 100.0 | 100.0 |
| Median Income: | \$76,778 | | \$77,340 | \$55,146 |
| Per Capita Income: | \$38,607 | | \$36,964 | \$27,006 |

Source: 2000 U.S. Census



| POVERTY STATUS - 1999 | | Table 10.1 | | |
|---|-----------------------------|------------|----------------------|----------|
| Township of Denville & Morris County | | | | |
| | <u>Township of Denville</u> | | <u>Morris County</u> | |
| PERSONS AGED 18 YEARS AND OVER | <u>Number</u> | <u>%</u> | <u>Number</u> | <u>%</u> |
| Income Above Poverty Level | 15,126 | 97.2% | 444,259 | 96.1% |
| Income Below Poverty Level | 436 | 2.8% | 17,872 | 3.9% |
| Total | 15,562 | 100.0% | 462,131 | 100.0% |
| <i>Source: 2000 U.S. Census</i> | | | | |

EMPLOYMENT CHARACTERISTICS

Among the more important demographic factors related to housing needs are employment characteristics. Various labor force and employment data for Denville Township and Morris County are summarized in Table 11.

Occupational profiles for Denville and Morris County are also compared in Table 11. In general, the dominant portion of Denville’s labor force was employed in managerial/professional positions and sales/office compared to production and service occupations. These characteristics are consistent with the moderate income levels in Denville however, they do represent a shift more towards more professional occupations than previously noted in prior plans.

LABOR FORCE & EMPLOYMENT DATA - 2000
Township of Denville and Morris County

Table 11

| | <u>Township of Denville</u> | | <u>Morris County</u> | |
|----------------------|-----------------------------|----------------|----------------------|----------------|
| | <u>Total</u> | <u>Percent</u> | <u>Total</u> | <u>Percent</u> |
| Labor Force* | | | | |
| Armed Forces | 7 | 0.1% | 189 | 0.1% |
| Civilian Labor Force | | | | |
| Employed | 7,830 | 63.1% | 243,783 | 66.8% |
| Unemployed | 224 | 1.8% | 8,920 | 2.4% |
| Not in Labor Force | <u>4,353</u> | <u>35.1%</u> | <u>112,138</u> | <u>30.7%</u> |
| TOTAL: | 12,414 | 100.0 | 364,841 | 100.0 |

| | <u>Township of Denville</u> | | <u>Morris County</u> | |
|---|-----------------------------|----------------|----------------------|----------------|
| | <u>Number</u> | <u>Percent</u> | <u>Number</u> | <u>Percent</u> |
| OCCUPATIONS* | | | | |
| Managerial, Professional & Related Services | 3,821 | 48.8% | 116,282 | 47.7% |
| Sales and Office | 559 | 7.1% | 24,641 | 10.1% |
| Farming, Fishing & Forestry | 2,297 | 29.3% | 66,699 | 27.4% |
| Construction, Extraction & Maintenance | 6 | 0.1% | 226 | 0.1% |
| Production, Transportation & Material Moving | 599 | 7.7% | 16,150 | 6.6% |
| | <u>548</u> | <u>7.0%</u> | <u>19,785</u> | <u>8.1%</u> |
| | 7,830 | 100.0% | 243,783 | 100.0% |
| INDUSTRY GROUP | | | | |
| Agriculture, Forestry, Fishing & Mining | 34 | 0.4% | 591 | 0.2% |
| Construction | 492 | 6.3% | 12,799 | 5.3% |
| Manufacturing | 1,350 | 17.2% | 36,419 | 14.9% |
| Wholesale Trade | 316 | 4.0% | 10,365 | 4.3% |
| Retail Trade | 755 | 9.6% | 24,824 | 10.2% |
| Transportation, Warehousing & Utilities | 336 | 4.3% | 10,268 | 4.2% |
| Information | 452 | 5.8% | 13,227 | 5.4% |
| Finance, Insurance & Real Estate | 886 | 11.3% | 25,857 | 10.6% |
| Professional, Scientific, Management, Administrative & Waste Management | 1,113 | 14.2% | 36,116 | 14.8% |
| Education, Health & Social Services | 1,302 | 16.6% | 43,812 | 18.0% |
| Arts, Entertainment, Recreation, Accommodations & Food Services | 298 | 3.8% | 12,470 | 5.1% |
| Other Services | 293 | 3.7% | 9,686 | 4.0% |
| Public Administration | <u>203</u> | <u>2.6%</u> | <u>7,349</u> | <u>3.0%</u> |
| | 7,830 | 100.0% | 243,783 | 100.0% |

* Labor Force - Persons 16 years of age and older

Source: 2000 U.S. Census

DETERMINATION OF HOUSING NEEDS

General

In general, there is a fairly good match between Denville Township's existing housing stock and its existing population in terms of housing type, size and quality. The number of one-person households has increased. In addition, the number of children has increased indicating that the number of children in the multiple-person households has increased. For example, a multiple-person household that previously had two adults and one or two children now has two adults and two or three children. This will likely lead to the continuation of the current housing market trend where larger homes are preferred over smaller homes. Additionally, similar to surrounding municipalities and the County as a whole, the senior citizen population (age 75 and over) has increased in the Township, thereby increasing the demand for senior housing. The Township should continue to review provisions to provide housing units designed for persons in this age group.

COMPLIANCE PLAN

Based upon COAH's rules and analyses performed for this report, The Township of Denville is required to provide a reasonable opportunity for the development of an increase of 290 low- and moderate-income housing generated by both residential and non-residential growth. The means of addressing this obligation are discussed below:

New Construction Obligation

Based on the latest set of adopted rules, the following general rules apply to the creation of affordable housing including:

- Must provide realistic opportunity for affordable housing to provide for one affordable unit among every 5 residential units built, and one affordable unit for every 16 jobs generated.
- Affordable to income-eligible households/individuals
- Provide controls on affordability
- Must be affirmatively marketed

- Distribution of Low/moderate unit mix
- Bedroom distribution requirements
- Limits on number of age-restricted units (Cap of 25%)
- Family units (Non-Age Restricted) required- Minimum of 50%
- Rental obligation-Minimum 25%
- Minimum 13% of units in Fair Share Plan deed-restricted for households earning no more than 30% of median income (Very Low Income)

As part of amended third round rules, COAH provided projected growth of residential and non-residential growth for each municipality. The rules were to also take into account available vacant land and environmental constraints. The rules were further amended by Executive Order #114 which requires COAH and the Highlands Council reach a “memorandum of understanding” as it pertains to allocated growth to those municipalities located within the Highlands Region (Denville is wholly located within the Highlands planning area.

Within the amended rules (Appendix F), COAH provides projected residential and non-residential growth within the community for the period between January 1, 2004 to 2018. This is to be compared with actual and anticipated future growth as estimated by the municipality. As it pertains to Denville, the following COAH projections are indicated:

Residential Growth: 830 units, generating 166 affordable units (1/5du)
 Non-Residential Growth: 1,984 jobs; generating 124 affordable units (1/16jobs)
 Total Affordable Units: 290 units (3rd Round)

Based on these growth projected, the Township would have to construct an average of 55.3 new residential dwelling units per year and construct commercial structures generating an average of 132.3 jobs for the period to 2018.

The following tables, however, reflects the historic pattern of new residential dwellings authorized by building permits, and the square footage of non-residential development for the period between 2000 to 2009.

HISTORIC TREND OF NON-RESIDENTIAL CO's BY SQUARE FOOTAGE - 2000-2009

| Use Group | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | TOTAL | Post 01/01/04 TOTAL |
|--------------------------|--------|--------|--------|-------|--------|---------|--------|--------|-------|---------|---------|------------------------|
| B - Office CO's | 5,241 | 44,044 | 7,552 | 1,611 | 382 | 18,592 | 6,487 | 40,054 | 5,180 | 121,931 | 251,074 | 192,244 |
| M - Merchantile CO's | | | 5,394 | | 50,638 | | | | | | 56,032 | 0 |
| S - Storage CO's | 26,400 | 34,770 | | | | 30,701 | 31,100 | | | | 122,971 | 61,801 |
| A1/A3 Assembly CO's | | | | 2,947 | | | 28,637 | | | | 31,584 | 28,637 |
| A2 - Restaurants | | | | | | 4,431 | | | | | 4,431 | 4,431 |
| A4 - Arenas, Pools | | | | | 3,227 | | | 146 | | | 3,373 | 146 |
| A5 - Bleachers, Etc. | | | | | 28 | | | | | | 28 | 0 |
| F - Factories/Industrial | | | 6,600 | | | | | | | | 6,600 | 0 |
| "E" - Education | | | | | 29,046 | 58,630 | 18,844 | | | | 106,520 | 77,474 |
| "I" - Institutional Uses | | 15,202 | | | | | | | | | 15,202 | 0 |
| "R1" - Hotel/Motel Uses | | | | | | | | | | | 0 | 0 |
| TOTAL Sq.Ft. | 31,641 | 94,016 | 19,546 | 4,558 | 83,321 | 112,354 | 85,068 | 40,200 | 5,180 | 121,931 | 597,815 | 364,733 |

**HOUSING UNITS AUTHORIZED BY BUILDING PERMIT
NEW CONSTRUCTION**

| | | |
|------|-----|------------------------------|
| 2000 | 38 | |
| 2001 | 40 | |
| 2002 | 19 | |
| 2003 | 100 | |
| 2004 | 141 | |
| 2005 | 64 | |
| 2006 | 53 | |
| 2007 | 32 | |
| 2008 | 9 | |
| 2009 | 10 | |
| | 506 | 10 Year Average: 50.6du/year |

Post 01/01/2004: 309 Average Since 01/2004: 51.5du/year

NON-RESIDENTIAL GROWTH, 01/2004 TO Present

| Use Group | Square Footage | Factor | Affordable Units |
|--------------------------|----------------|--------|------------------|
| B - Office | 192,244 | 5,714 | 33.64 |
| M - Merchantile | 0 | 9,412 | 0.00 |
| S - Storage/Warehouse | 61,801 | 16,000 | 3.86 |
| A1/A3 Assembly | 28,637 | 10,000 | 2.86 |
| A2 - Restaurants | 4,431 | 5,000 | 0.89 |
| A4 - Arenas, Pools | 146 | 4,706 | 0.03 |
| A5 - Bleachers, Etc. | 0 | 6,154 | 0.00 |
| "F" Factories | 0 | 13,333 | 0.00 |
| "E" - Education | 77,474 | 0 | 0.00 |
| "I" - Institutional Uses | 0 | 6,154 | 0.00 |
| "R1" - Hotel/Motel Uses | 0 | 9,412 | 0.00 |
| | | | 41.29 |

Based on a review of the historic development pattern, the following projections and assumptions are indicated below:

Residential Development

For the period between 2000 and 2009, a total of 506 new dwelling units were constructed. This equates to a 10-year average of 50.6 units per year. Based on actual growth from 2005 however, the construction pace slowed dramatically to 33.6 new dwellings per year. In fact the previous two-year period only saw 19 new dwellings constructed. This reduced pace better reflects the current Township conditions. Based on the historic averages, an additional 759 dwelling units, generating 152 affordable units could be anticipated for the period between 2004 and 2018. This growth however, will most likely be tempered by the available properties left within the Township and current economic conditions.

As part of the on-going wastewater management planning program being conducted by the Morris County Planning Board, a detailed build out analysis was prepared by the County and reviewed by Township professionals. Based on this

review, the County indicated that based on available existing sewer and septic densities, a total of 767 additional dwelling units could be provided throughout the Township. This figure was reduced however to 550 ± units based on correction of data and taking into consideration known environmental constraints (steep slopes/wetlands). A total build out of 550 units would generate an obligation of 110 affordable units (residential component), or approximately 2/3rds of the obligation mandated by the amended COAH third-round rules.

Non-Residential Growth.

The table above, which was compiled from State data, also indicates non-residential CO's by use group for the period between 2000 and 2009. Based on this analysis, non-residential growth since 2004 would generate a total affordable housing obligation of 41.3 units. As part of the build out prepared by the County, an additional 780,000 square feet of non-residential growth (mix of retail/office/industrial) could occur which would generate an additional obligation of 50 affordable units. For comparison, the COAH non-residential component projects a growth of 1,976 jobs, which equates to an obligation of 124 affordable units (1 unit per 16 jobs).

Restrictions to Future Growth

Based on the above analysis for residential and non-residential growth, a remaining net obligation of approximately 102 affordable units would be required to be satisfied through the 2018 period. This figure compares to 232 affordable units under the COAH mandated numbers as noted within the summary. This reduced projection is derived in part from the following facts:

- Lack of large parcels of developable land, environmental constraints (wetlands/steep slopes) and current zone development standards;
- No new multi-family development under as-of-right zoning is anticipated as all the existing multi-family zones are currently built-out. Any new multi-family development could occur as part of any use variance applications, or subsequent master plan land use plan amendments;

- The majority of residential growth over the next 10 year period will be a result of infill development (one dwelling) of the numerous and scattered vacant lots and minor subdivisions in conformance with the historic pattern of development
- The remaining historic growth has been confined to small additions to existing commercial establishments. Based on the current Township of Denville Master Plan and the absence of large vacant developable (without environmental constraints) commercial and industrial lands, together with limited demolitions, additional large scale redevelopment of existing non-residential uses is not anticipated at this time.

Methods to Address Third Round Obligation

The Township proposes to address its remaining affordable housing obligation of 232 units by a variety of methods as described as follows:

1. Municipally sponsored and 100 percent affordable programs
(*N.J.A.C. 5:97-6.7*)
 - a. New construction or reconstruction to create affordable housing.
 - b. Municipally-sponsored or constructed by non-profit or for-profit developer.
 - c. 30-year controls on affordability.

This option is proposed to satisfy the majority of the projected affordable housing obligations. The Township owns Block 62002, Lot 1, which is a vacant 19.0 acre lot located within the north-central portion of the Township along Vanderhoof Avenue near the boundary with the Borough of Rockaway (see aerial below). This lot is currently zoned I-2.

From a planning perspective, this site provides for the most realistic opportunities for affordable housing through the 2018 period. The advantages of this site location within the Township are clear due to the proximity to regional road networks and nearby services. It is recommended that the Township partner with approved non-profit housing developers to develop and construct a 100% municipal-sponsored rental development project which can be scaled accordingly to accommodate actual growth which may occur.

The projected unit yield of this property is 100 affordable rental units. Additional credits of 100 units (for total of 200 units) is provided under 5:97-3.6(a)1 as rental development credits are available for projects in excess of the minimum 25% rental requirement.



2. Based on the remaining developable lands within the Township, there are numerous parcels which have the opportunity to create three (3) or more lots. It is recommended that the existing approved growth-share ordinance be modified to require that for all subdivisions creating three (3) lots or more, an affordable unit must be provided on-site. As the current set-a-side is 20% (1 affordable for every 4 market), the fractional difference may either be retained by the developer for credit within other projects within the Township, or the costs of the fractional difference may be addressed by utilizing the Township's existing Affordable Housing Trust Fund. Incorporated within an ordinance should be provisions that the structure(s) used for affordable housing purposes may be either single-family, duplex or tri-plex structures. Based on the land area available, it is anticipated that this option can generate up to 40 affordable units.

3. Other options available to the Township include the following, however, at this time, these options are not proposed to be utilized, but rather identified for any unforeseen future opportunities.
- A. Supportive and Special Needs Housing (Alternative living arrangements) *(N.J.A.C. 5:97-6.10)*
 - a. Structure in which individuals and households reside, including:
 - (1) Residential health care facilities
 - (2) Group homes for the developmentally disabled and mentally ill
 - (3) Permanent supportive housing
 - (4) Supportive shared living housing
 - b. Long term health care facilities and boarding homes not eligible.
 - c. Counts toward rental obligation.
 - d. Bedroom is considered a unit of credit except for permanent supportive housing (unit of credit is dwelling unit).
 - e. Qualifying persons must be 18 years and over.
 - f. Affirmatively marketed to individuals with special needs.
 - g. 30-year controls on affordability.
 - B. Elder Housing Opportunity (ECHO) Unit *(N.J.A.C. 5:97-6.3)*
 - a. Modular, self-contained units erected on sites containing an existing dwelling – owned or leased by municipality for minimum 10 years
 - b. Low- or moderate-income individuals over-55 and/or disabled
 - c. Credit toward rehabilitation obligation – exempt from affirmative marketing requirements
 - C. Accessory Apartment Program *(N.J.A.C. 5:97-6.8)*
 - a. Self-contained residential dwelling unit with kitchen, sanitary facilities, sleeping quarters and private entrance
 - b. Created within an existing home OR through the conversion of an existing accessory structure on the same site OR by an addition to an existing home or accessory building
 - c. Minimum subsidy is \$20,000 per moderate-income unit or \$25,000 per low-income unit.

- d. May be designed to produce only low-income units, only moderate-income units or both low- and moderate-income units.
 - e. Maximum of 10 units or 10% of fair share obligation, whichever is greater, until viability of program is documented
 - f. Adequate water/sewer infrastructure with sufficient capacity (including individual well and/or septic system)
 - g. 10 year controls on affordability
- D. Market to Affordable Program (Buy-down program) *(N.J.A.C. 5:97-6.9)*
- a. New, pre-owned, or vacant market-rate units purchased or subsidized through written agreement with property owner and sold or rented to low or moderate income households
 - b. Must be in sound condition
 - c. Minimum subsidy \$25,000 per unit per unit for moderate-income and \$30,000 per unit for low-income households (additional subsidy as determined by local market)
 - d. Maximum of 10 units or an amount equal to a combined total of ten percent of the fair share obligation, whichever is greater, until viability of program is documented
 - e. 30-year controls on affordability
- E. Other innovative approaches *(N.J.A.C. 5:97-6.15)*
- a. Municipality may propose innovative programs or approaches, provided that COAH's normally applied standards can be achieved and clearly demonstrated, including:
 - (1) Affordable to income-eligible households
 - (2) Appropriate controls on affordability
 - (3) Affirmatively marketed
 - b. Demonstrated source(s) of funding

Summary

The Township of Denville has taken, and will continue to take a proactive position in providing affordable housing within the limits of the municipality. This Plan proposes the methods to address potential growth while preserving the established small-town character of the Township. Although this Plan projects less development through the 2018 time period, the Plan provides for a minimum of 290 affordable housing units under the current COAH third-round projections, where Township projections indicate a need of approximately 160 affordable units.

This Plan provides for affordable housing within the most appropriate locations within the Township, balanced against the general lack of large scale developable vacant lands, environmental constraints and current competing regulations associated with the Highlands Regional Master Plan, NJDEP regulations and Wastewater Management requirements.

VANDERHOOF

AVENUE

BROOK

10

2.5 AC. (S)

15' SANITARY SEWER R/W

ROAD

POWER

AND

LIGHT

COMPANY

EASEMENT



2
1.34 AC. (S)

SANITARY SEWER EASEMENT

25' WIDE RVRSA

3
1.01 AC. (S)

DENVILLE
ROCKAWAY

TRACT SIZE: 19.01 ACRES
PROPOSED MULTI-PHASED AFFORDABLE RESIDENTIAL DEVELOPMENT
SITE YIELD: 110 ± Units - MIX OF 1BR, 2BR & 3BR Units

CONCEPTUAL DEVELOPMENT Block 62002 Lot 1

TOWNSHIP OF DENVILLE
MORRIS COUNTY, NEW JERSEY



Prepared: May, 2010

WILLIAM DENZLER AND ASSOCIATES
COMMUNITY PLANNING CONSULTANTS • DENVILLE, NEW JERSEY

SCALE (Feet)

