

(Preliminary)  
Housing Element &  
Fair Share Plan



## SECTION 13 - HOUSING ELEMENT AND FAIR SHARE HOUSING PLAN

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" to provide an opportunity for the provision of its "Fair Share" of low and moderate income housing through its master plan and development regulations. In 1983, the Court handed down a second decision, which has been referred to as Mount Laurel II. In that decision, the Court opined that the obligation to provide affordable housing was not limited to "developing municipalities" but to all municipalities within the state. Mount Laurel II related this 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 which 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 within 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 through 1993. In May, 1994, COAH amended its substantive rules and established revised affordable housing requirements for municipalities for the period of 1987 through 1999. COAH determined Denville's total affordable housing obligation to be 191 affordable housing units. To date, the Township has received credit for 378 units, thereby creating a surplus of 187 units (*Denville Twp. 2006 Housing Plan*).

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 methodology used 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 was once again process of recalculating the methodology used as well as revised obligations to municipalities.

In December, 2007, COAH released, yet again, 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.

The third-round rules however, were further amended based on revisions proposed on June 16, 2008 and adopted on September 22, 2008. Established presumptive densities and affordable housing set-asides for inclusionary developments were based on the State Development and Redevelopment Plan. Higher density standards were established in Planning Area 1, 2 and Centers and lower densities outside of these growth areas;

The rules were subject to change once again based on Bill A500 which was passed in June, 2008 that became effective July 17, 2008. This rule change had substantial impacts to provisions for affordable housing. Some of the major modifications were the eliminated Regional Contribution Agreements (RCA's); restrictions on payments in lieu of constructing affordable units for non-residential developers; as well as creation of a statewide development fee bank for fees collected from non-residential developers in non-COAH participating towns;

The revised rules were further changed as a result of Executive Order #114, which was signed on September 5, 2008. The major provisions of this change included the creation of and regulations concerning the Highlands and the Highlands Council

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.

In 2010 the Appellate Court invalidates a large portion of the revised third round regulations suffer from "many of the same deficiencies as the original Third Round Rules". In June of 2011 Governor Christie issues Reorganization Plan No. 001 which abolishes COAH and transfers its functions to the Department of Community Affairs. Two years later, in July of 2013, the Supreme Court holds that the Governor had no authority to abolish COAH.

In November of 2014 the Supreme Court grants COAH's motion for an extension for enacting the Third Round Rules to be completed within eight months. Proposed Third Round Rules addressing Statewide affordable housing need from 1999 to 2024, and prospective need from 2014 to 2024, were published in the New Jersey Register in June of 2014. The members of the Council On Affordable Housing voted on these revised third round regulations and were deadlocked at a three to three vote.

In March of 2015 the Supreme Court declares that since COAH could not pass third round regulations, the court would set up declaratory judgment process for evaluating constitutional compliance. Which brings the Township to the conundrum it now finds itself facing; a constitutional obligation to provide for affordable housing and no regulations to follow to achieve such an obligation.

To face this daunting task of creating statewide regulations alone would be an unattainable goal for any municipality. To address this issue a consortium of municipalities banded together to hire a consultant (Econsult) to prepare rules and regulations on a statewide level that is scalable down to the municipal level. Any municipality that joined this group would be bound by terms and conditions found in the regulations. This housing element and fair share plan has been drafted in conformance with the proposed rules and regulations as published by the Econsult Report.

## Inventory of Municipal Housing Stock

This section of the Housing Element of the Township of Denville provides an inventory of the community's housing stock including:

- a) Number of Year Round and Seasonal Housing Units;
- b) Housing Age;
- c) Housing Condition;
- d) Purchase and Rental Value;
- e) Occupancy Characteristics and Type;
- f) Substandard Housing Units Capable of Being Rehabilitated.

a) Year Round And Seasonal Housing Units

The Bureau of the Census in 2010 reported there were a total of 6,734 year-round housing units in the Township. As depicted on Table 13-1, the 6,734 housing units contained a total of 302 vacant units at the time of the Census - a vacancy rate of 4.5 percent. Morris County had a vacancy rate of 4.9 percent at the time of the 2010 census. Occupied housing in Denville totaled 6,432 dwelling units. Of this number, 5,519 were owner-occupied and 913 were renter-occupied.

From 2004 to 2014, a total of 409 building permits were issued for residential dwelling units in the community. Demolition permits were also issued for destruction of residential units, totaling 106 units during this time period. Therefore, the net total increase in the Township's housing stock totaled 303 unit during this time period; or 27.5 dwelling units per year.

Table 13-1  
Housing Characteristics  
Township of Denville and the Morris County  
2010

	Denville		Morris	
	Township	Percentage	County	Percentage
Total Year-Round Housing Units.....	6,734	100.0	189,842	100.0
Total Occupied Housing Units.....	6,432	97.5	180,534	95.1
Owner-occupied	5,519	85.8	135,316	75.0
Renter-occupied	913	14.2	45,218	25.0
Total Year-Round Vacant Housing Units.....	302	4.5	9,308	4.9

Source : U.S. Department of Commerce, Bureau of the Census, Table DP-1 Profile of General Demographic Characteristics, 2010.

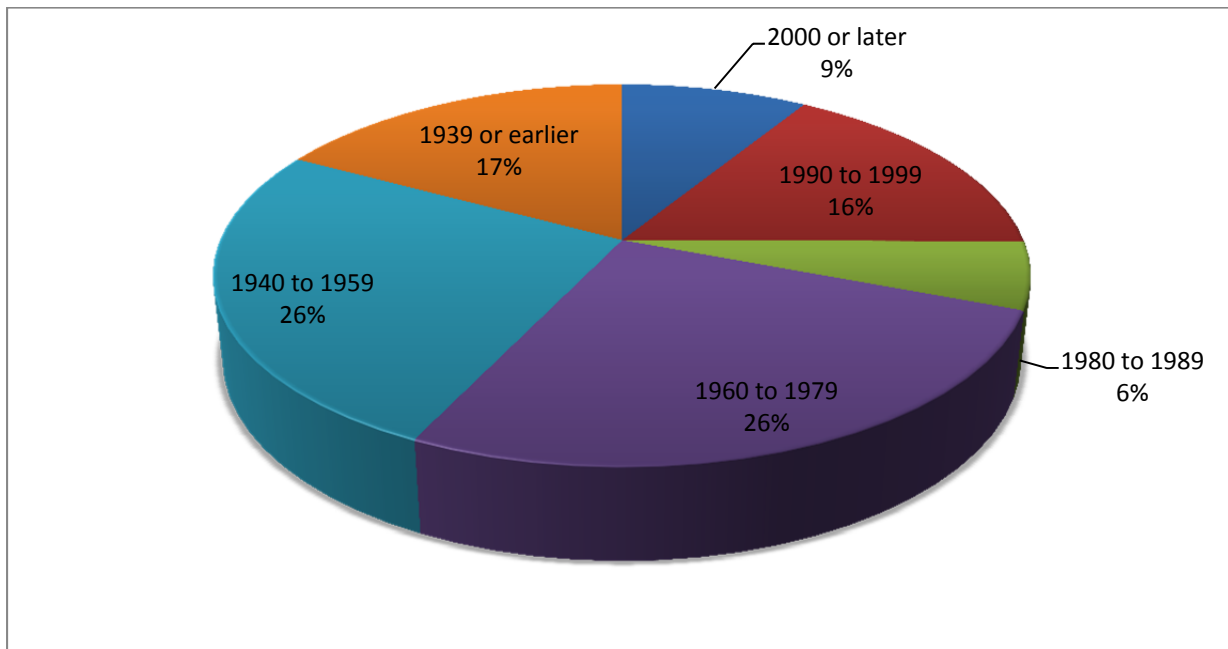
b) Housing Age

Table 13-2 below provides an analysis of the age of housing in Denville as reported in the 2010 Census. The data indicated that approximately 17.1 percent of all housing in the community have been built before 1940. Between 1940 and 1979, three thousand five hundred and eight (3,508) housing units were constructed, totaling fifty-two and one tenth (52.1) percent of all housing in the Township. From 1980 to 1999, one thousand four hundred and eighty two (1,482) housing units were constructed totaling 22 percent of all housing in Denville. Between 2000 and 2010 five hundred and ninety two (592) homes were constructed in Denville representing 8.8 percent of all housing in the community.

Table 13-2 Year Structure Built  
Township of Denville  
2010

<i>Year Structure Built</i>	<i>Percent</i>	<i>Number of Units</i>
2000 or later	8.8	592
1990 to 1999	16.3	1,098
1980 to 1989	5.7	384
1960 to 1979	26.3	1,771
1940 to 1959	25.8	1,737
1939 or earlier	17.1	1,152

Source : U.S. Department of Commerce, Bureau of the Census, Summary Tape File 3, 2010



c) Housing Conditions

Table 13-3 below provides a variety of additional housing characteristics relating to utility services and heating facilities supplied to the housing stock found in the municipality. More than half of all of the housing units (60.9percent) in Denville are served by gas or oil heat. Another 29.4 percent of homes utilize fuel oil or kerosene, 6.6 percent utilize electricity and 2.4 percent utilized bottled, tank or LP gas for heating. Less than one (1) percent of the homes have less than complete plumbing facilities (40 homes), and less than one (1) percent lack complete kitchen facilities (54 homes). The lack of telephone service is typically not utilized as an indicator of poor housing conditions due to prevalence of cellular phones.

Table 13-3 Equipment and Plumbing Facilities  
Township of Denville, New Jersey  
2010

	Number	Percentage
<b>HOUSE HEATING FUEL</b>		
Utility gas	4,101	60.9
Bottled, tank, or LP gas	163	02.4
Electricity	444	6.6
Fuel oil, kerosene, etc.	1,981	29.4
Coal or coke	0	0.0
Wood	0	0.0
Solar energy	0	0.0
Other fuel		0.8
No fuel used	54	0.0
<b>SELECTED CHARACTERISTICS</b>		
Lacking complete plumbing facilities	40	0.6
Lacking complete kitchen facilities	54	0.8
No telephone service	74	1.1

Source: U.S. Department of Commerce, Bureau of the Census, Summary Tape File 3



d) Purchase and Housing Values

The 2010 Census of Housing details owner- and renter-occupied housing values. Table 13-4 below indicates the distribution of housing costs of owner-occupied units. The median sales value of owner-occupied units is noted to be four hundred and twenty three thousand two hundred dollars (\$423,200) while renter occupied housing units were identified with a median rental value of one thousand two hundred and eighty one dollars (\$1,281) per month.

Table 13-4 : Specified Owner Occupied  
Housing Units by Value\*  
Township of Denville New Jersey  
2010

	Number	Percentage
<b>Specified owner-occupied units</b>	<b>5,647</b>	<b>100.0</b>
<b>VALUE</b>		
Less than \$50,000	46	0.81
\$50,000 to \$99,999	53	0.94
\$100,000 to \$149,999	31	0.55
\$150,000 to \$199,999	73	1.29
\$200,000 to \$299,999	558	9.88
\$300,000 to \$499,999	2,921	51.73
\$500,000 to \$999,999	1,730	30.64
\$1,000,000 or more	235	4.16
Median (dollars)	423,200	

Source : U.S. Department of Commerce, Bureau of the Census, Summary Tape File 3, 2010  
\* Sample size

Table 13-5 : Specified Renter Occupied Housing Units  
Township of Denville, New Jersey  
2010

	Number	Percentage
<b>Specified renter-occupied units</b>	<b>680</b>	<b>100.0</b>
<b>GROSS RENT</b>		
Less than \$200	15	6.4
\$200 to \$299	42	2.8
\$300 to \$499	30	4.8
\$500 to \$749	45	13.4
\$750 to \$999	30	42.6
\$1,000 to \$1,499	297	22.2
\$1,500 or more	221	4.8
No cash rent	92	3.0
Median (dollars)	1,281	

Source: U.S. Department of Commerce, Bureau of the Census, Summary Tape File 3, 2010

e) Occupancy Characteristics and Types

Table 13-6 provides an analysis of the number of housing units in structures in the community. The data indicates that the vast majority of housing is located in single-family detached structures. In 2010, there were a total of five thousand and seventy one (5,071) units located in single-family housing, representing 74.19 percent of all housing in the community. The second largest housing size is categorized as “1-unit attached” at seven hundred and sixty-three (763) units or 11.16 percent of the community.

Table 13-6 : Units in Structure  
Township of Denville, New Jersey  
2010

<b>Units in Structure</b>	<b>Number</b>	<b>Percentage</b>
1-unit, detached	5,071	74.19
1-unit, attached	763	11.16
2 units	65	0.95
3 or 4 units	80	1.17
5 to 9 units	117	1.71
10 to 19 units	113	1.65
20 or more units	619	9.06
Mobile home	7	0.10
Boat, RV, van, etc.	0	0.0

Source : U.S. Department of Commerce, Bureau of the Census, Summary Tape File 3

Table 13-7 identifies the number of rooms per dwelling unit in the community. In general, most residences provide an ample number of rooms per dwelling, a measure of significance in computing overcrowded conditions. In 2010, the Township of Denville had a mean value of 6.7 rooms per house. In the year 2010, the Township of Denville had 68.86 percent of homes classified as having six (6) rooms or more.

Table 13-7 : Number of Rooms  
In Housing Units  
Township of Denville, New Jersey  
2010

ROOMS	Number	Percentage
1 room	56	0.82
2 rooms	74	0.11
3 rooms	483	7.04
4 rooms	654	9.54
5 rooms	868	12.66
6 rooms	1,074	15.67
7 rooms	952	13.89
8 rooms	1,050	15.32
9 or more rooms	1,644	23.98
Median (rooms)	6.7	

Source: U.S. Department of Commerce, Bureau of the Census, Summary Tape File 3.

## Population Analysis

This section of the Housing Element of the Township of Denville provides an analysis of the following characteristics of the community:

- a) Population Size;
- b) Rate of Population Growth;
- c) Age and Gender Characteristics;
- d) Income Levels;
- e) Household Size.

a) Population Size

In 1980, The Township of Denville had a population of fourteen thousand three hundred and eighty (14,380) according to the United States Census of Population. In 1990, Denville's population stood at thirteen thousand eight hundred and twelve (13,812) people; a decrease of five hundred and sixty eight (568) people. The year 2000 census reported a total population of fifteen thousand eight hundred and twenty-four (15,824) people, an increase of two thousand and twelve (2,012) people. The year 2010 census reported a total population of sixteen thousand six hundred and thirty five (16,635) people, an increase of eight hundred and eleven (811) people.

b) Rate of Population Growth

Table 13-8 presents the rate of growth for Denville from 1920 through 2014. In 1920, the population stood at one thousand two hundred and four (1,204) people. From 1930 to 1980, the community's population expanded from two thousand one hundred and sixty two (2,163) people to fourteen thousand three hundred and eighty (14,380) people. The Township experienced a decrease in population from 1980 to 1990, losing 568 persons. Since 1990, the township has expanded from thirteen thousand, eight hundred and twelve (13,812) persons to sixteen thousand six hundred and thirty five (16,635) persons.

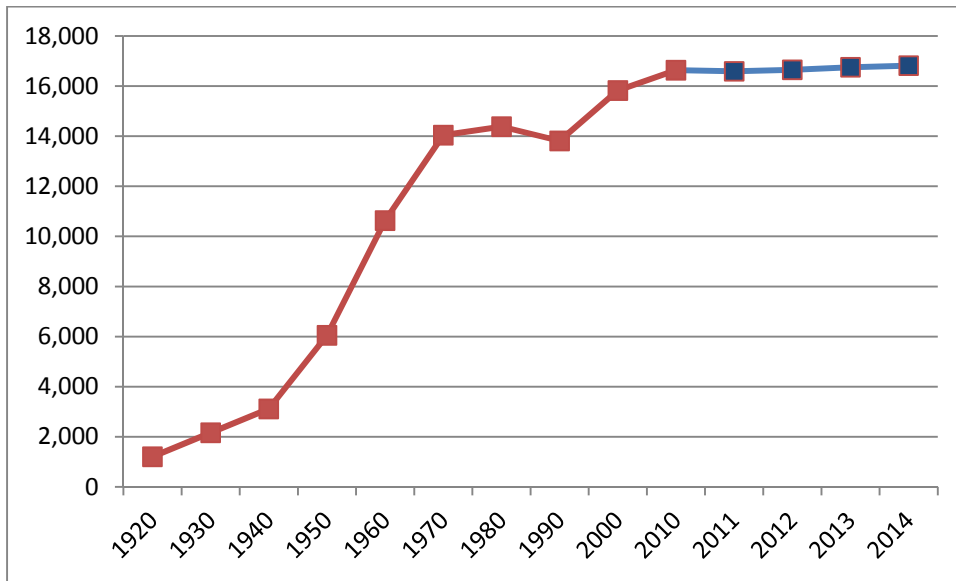
Table 13-8: Rate of Population Growth  
Township of Denville, New Jersey  
1920–2010

<u>Year</u>	<u>Population</u>	<u>Population Change</u>	<u>Percentage Change</u>
1920	1,204		
1930	2,162	958	79.6%
1940	3,117	955	44.2%
1950	6,055	2,938	94.3%
1960	10,632	4,577	75.6%
1970	14,045	3,413	32.1%
1980	14,380	335	2.4%
1990	13,812	-568	-3.9%
2000	15,824	2,012	14.6%
2010	16,635	811	5.1%
2011	16,589*	-46	-0.28%
2012	16,649*	60	0.36%
2013	16,751*	102	0.61%
2014	16,814*	63	0.38%

Source : 1920-2010 U.S. Census of Population  
\*2011-2014 American Community Survey

The American Community Survey provides population estimates for municipalities. The chart below depicts the population growth of Denville with the population from the census represented in red and population estimates from the American Community Survey represented in blue.

Township of Denville, New Jersey  
1920–2014



c) Age Characteristics

The U.S. Census indicates that in 2010, 52.3 percent of the population was female and 47.7 percent were male. The data in Table 13-9 also indicates the population distribution by age cohorts.

Table 13-10 indicates change in population per cohort from the 2000 to the 2010 Census. The number of children under nine (9) has dropped as a percentage of the total population from 7.25 percent in 2000 to 5.20 percent in 2010. Young people aged ten (10) through twenty four (24) has increased as a percentage of the total population from 2000 to 2010 by 2.9 percent. People aged twenty five (25) through forty four (44) decreased by seven (7.55) as a percentage of the total population. Between 2000 and 2010 the population in the Township aged forty five (45) years to sixty nine years old increased by seven (7.11) percent. Seniors, aged 70 through 89 also saw a decrease as the total population from 2000 to 2010 by one percent. Finally, the oldest age cohort, those over 90 years old saw a slight increase as a percentage of the total population from 1.11 percent to 1.41 percent.

Table 13-9: Age and Gender Characteristics  
- 2010 Census of Population  
Township of Denville

Age	Number			Percent		
	Both sexes	Male	Female	Both sexes	Male	Female
Total population	16,635	7,942	8,693	100.0	47.7	52.3
Under 5 years	865	448	417	5.2	5.6	4.8
5 to 9 years	1,098	550	548	6.6	6.9	6.3
10 to 14 years	1,264	618	646	7.6	7.8	7.4
15 to 19 years	1,029	543	486	6.2	6.8	5.6
20 to 24 years	671	356	315	4.0	4.5	3.6
25 to 29 years	647	310	337	3.9	3.9	3.9
30 to 34 years	785	371	414	4.7	4.7	4.8
35 to 39 years	1,021	454	567	6.1	5.7	6.5
40 to 44 years	1,370	669	701	8.2	8.4	8.1
45 to 49 years	1,562	776	786	9.4	9.8	9.0
50 to 54 years	1,356	642	714	8.2	8.1	8.2
55 to 59 years	1,255	636	619	7.5	8.0	7.1
60 to 64 years	1,094	512	582	6.6	6.4	6.7
65 to 69 years	768	353	415	4.6	4.4	4.8
70 to 74 years	502	240	262	3.0	3.0	3.0
75 to 79 years	433	187	246	2.6	2.4	2.8
80 to 84 years	361	139	222	2.2	1.8	2.6
85 to 89 years	319	88	231	1.9	1.1	2.7
90 years and over	235	50	185	1.4	0.6	2.1

Age	Number			Percent		
	Both sexes	Male	Female	Both sexes	Male	Female
Under 18 years	3,948	2,007	1,941	23.7	25.3	22.3
18 to 64 years	10,069	4,878	5,191	60.5	61.4	59.7
18 to 24 years	979	508	471	5.9	6.4	5.4
25 to 44 years	3,823	1,804	2,019	23.0	22.7	23.2
25 to 34 years	1,432	681	751	8.6	8.6	8.6
35 to 44 years	2,391	1,123	1,268	14.4	14.1	14.6
45 to 64 years	5,267	2,566	2,701	31.7	32.3	31.1
45 to 54 years	2,918	1,418	1,500	17.5	17.9	17.3
55 to 64 years	2,349	1,148	1,201	14.1	14.5	13.8
65 years and over	2,618	1,057	1,561	15.7	13.3	18.0
65 to 74 years	1,270	593	677	7.6	7.5	7.8
75 to 84 years	794	326	468	4.8	4.1	5.4
85 years and over	554	138	416	3.3	1.7	4.8
16 years and over	13,159	6,194	6,965	79.1	78.0	80.1
18 years and over	12,687	5,935	6,752	76.3	74.7	77.7
21 years and over	12,264	5,719	6,545	73.7	72.0	75.3
60 years and over	3,712	1,569	2,143	22.3	19.8	24.7
62 years and over	3,264	1,358	1,906	19.6	17.1	21.9
67 years and over	2,287	896	1,391	13.7	11.3	16.0
75 years and over	1,348	464	884	8.1	5.8	10.2
Median age (years)	43.4	42.5	44.4	( X )	( X )	( X )



Age of Population by Age and Gender  
Township of Denville, New Jersey  
2010

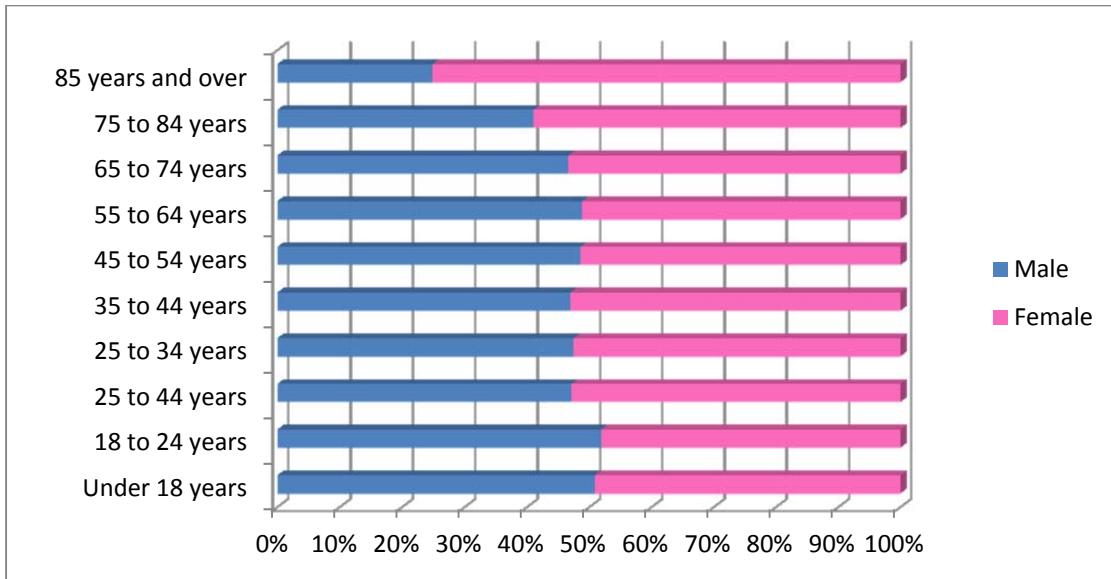
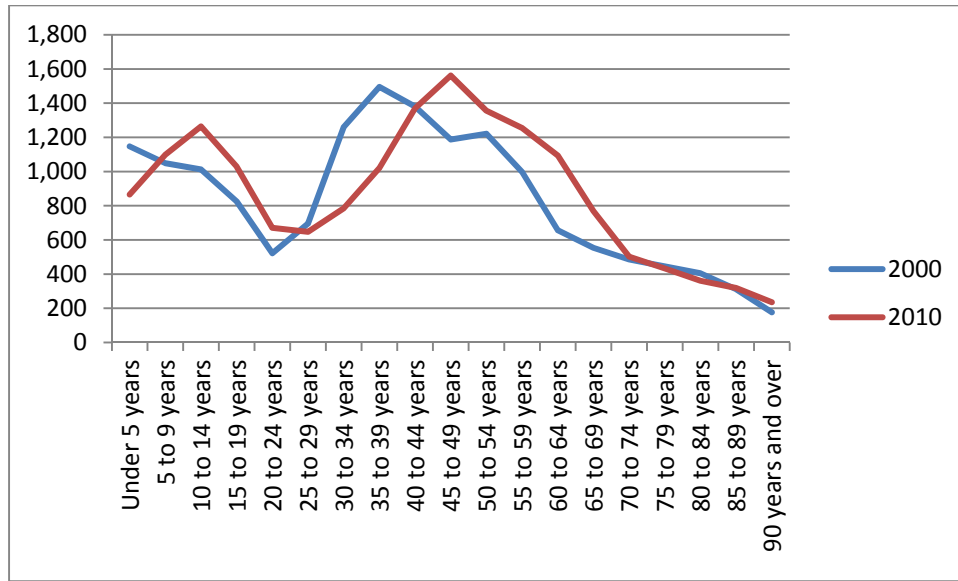


Table 13-10 : Age Characteristics  
Township of Denville, New Jersey  
2000–2010

	Population		Percent of Pop.		Percent Change
	2000	2010	2000	2010	
Under 5 years	1,147	865	7.25%	5.20%	-2.05%
5 to 9 years	1,049	1,098	6.63%	6.60%	-0.03%
10 to 14 years	1,012	1,264	6.40%	7.60%	1.20%
15 to 19 years	825	1,029	5.21%	6.19%	0.97%
20 to 24 years	522	671	3.30%	4.03%	0.73%
25 to 29 years	696	647	4.40%	3.89%	-0.51%
30 to 34 years	1,260	785	7.96%	4.72%	-3.24%
35 to 39 years	1,495	1,021	9.45%	6.14%	-3.31%
40 to 44 years	1,380	1,370	8.72%	8.24%	-0.49%
45 to 49 years	1,187	1,562	7.50%	9.39%	1.89%
50 to 54 years	1,221	1,356	7.72%	8.15%	0.44%
55 to 59 years	997	1,255	6.30%	7.54%	1.24%
60 to 64 years	657	1,094	4.15%	6.58%	2.42%
65 to 69 years	554	768	3.50%	4.62%	1.12%
70 to 74 years	485	502	3.06%	3.02%	-0.05%
75 to 79 years	445	433	2.81%	2.60%	-0.21%
80 to 84 years	405	361	2.56%	2.17%	-0.39%
85 to 89 years	311	319	1.97%	1.92%	-0.05%
90 years and over	176	235	1.11%	1.41%	0.30%

Source : U.S. Census of Population, 2000, 2010

Change in Population by Age Group  
Township of Denville  
2000-2010



d) Income Levels

Table 13-11 identifies household and family income for the Township of Denville in 2010. The U.S. Census of Population in 2010 indicated a median family income of One Hundred and Twenty Two thousand six hundred dollars (\$122,600). The median household income stood at One Hundred and Three thousand four hundred and thirty five dollars (\$103,435).

Table 13-11: Family and Household Income  
Township of Denville  
2010

Income	Households	Percent	Families	Percent
	6,271	100.00%	4,448	100%
Less than \$10,000	186	2.97%	25	0.56%
\$10,000 to \$14,999	104	1.66%	12	0.27%
\$15,000 to \$24,999	336	5.36%	100	2.25%
\$25,000 to \$34,999	269	4.29%	130	2.92%
\$35,000 to \$49,999	522	8.32%	190	4.27%
\$50,000 to \$74,999	775	12.36%	532	11.96%
\$75,000 to \$99,999	771	12.29%	614	13.80%
\$100,000 to \$149,999	1,546	24.65%	1,245	27.99%
\$150,000 to \$199,999	790	12.60%	678	15.24%
\$200,000 or more	972	15.50%	922	20.73%
Median income	\$ 103,435.00		\$122,600.00	
Mean income	\$ 129,707.00		\$156,196.00	

Source : U.S. Census of Population, 2010

Table 13-12 : Family and Household Income  
Township of Denville & County of Essex  
2010

Income	Denville Township				Morris County				Percent Change	
	Households	Percent	Families	Percent	Households	Percent	Families	Percent	Households	Families
	6,271	100.00%	4,448	100%	178,638	100.00%	130,223	100%		
Less than \$10,000	186	2.97%	25	0.56%	4,269	2.39%	1,405	1.08%	0.58%	-1.83%
\$10,000 to \$14,999	104	1.66%	12	0.27%	3,628	2.03%	954	0.73%	-0.37%	-1.76%
\$15,000 to \$24,999	336	5.36%	100	2.25%	8,941	5.01%	3,419	2.63%	0.35%	-2.76%
\$25,000 to \$34,999	269	4.29%	130	2.92%	9,416	5.27%	4,711	3.62%	-0.98%	-2.35%
\$35,000 to \$49,999	522	8.32%	190	4.27%	15,828	8.86%	9,014	6.92%	-0.54%	-4.59%
\$50,000 to \$74,999	775	12.36%	532	11.96%	26,187	14.66%	17,106	13.14%	-2.30%	-2.70%
\$75,000 to \$99,999	771	12.29%	614	13.80%	23,946	13.40%	17,758	13.64%	-1.11%	0.40%
\$100,000 to \$149,999	1,546	24.65%	1,245	27.99%	37,343	20.90%	31,050	23.84%	3.75%	7.09%
\$150,000 to \$199,999	790	12.60%	678	15.24%	21,137	11.83%	19,190	14.74%	0.77%	3.41%
\$200,000 or more	972	15.50%	922	20.73%	27,943	15.64%	25,616	19.67%	-0.14%	5.09%

Source : U.S. Census of Population, 2010

e) Household Size

The 2010 Census has indicated that Denville has a large percentage of its population living in one (1) or two (2) person households (56 percent) which is similar to the percentage in Morris County (54.1 percent) and New Jersey (55 percent). This is typically indicative of a population high in young families, empty nesters or populations experiencing a growth in the older age cohorts. In 2010, the Census of Population reported an average household size of 2.57 people per household in Denville with 2.67 people per owner occupied units and 1.96 people per households in renter occupied units. This is a lower average household size than either Morris County or the State of New Jersey.

Table 13-13 : Household Size  
New Jersey, Morris County and Township of Denville  
2010

	New Jersey		Morris County, New Jersey		Denville, New Jersey	
	Number	Percentage	Number	Percentage	Number	Percentage
<b>Total Households</b>	3,214,360	100.0	180,534	100.0	6,432	100.0
1-person household	811,221	25.2	42,424	23.5	1,649	25.6
2-person household	957,682	29.8	55,285	30.6	1,982	30.8
3-person household	558,029	17.4	31,085	17.2	1,113	17.3
4-person household	506,107	15.7	31,741	17.6	1,106	17.2
5-person household	231,727	7.2	13,606	7.5	415	6.5
6-person household	87,444	2.7	4,216	2.3	117	1.8
7-or-more-person household	62,150	1.9	2,177	1.2	50	0.8

Source : U.S. Census of Population, 2010

Table 13-14 : Average Number of Person Per Household  
 New Jersey, Morris County and Township of Denville  
 2010

	<b>New Jersey</b>	<b>Morris County, New Jersey</b>	<b>Denville, New Jersey</b>
Total	2.68	2.68	2.57
Owner occupied	2.79	2.83	2.67
Renter occupied	2.49	2.21	1.96

Source : U.S. Census of Population, 2010

Additional Housing Information

This section of the Housing Element of the Township of Denville provides an analysis of the following characteristics of the community:

- a) Number of Housing Construction Permits Issued since January 1, 2004;
- b) Construction and demolition permits issued and projected;
- c) Approvals and applications for development and redevelopment agreements;
- d) Historic trends of at least the past 8 years, which include demolitions and certificates of occupancy issued.

a) Number of Housing Units Constructed since January 1, 2004

As a municipality that is almost completely developed, it was expected that there would not be a great number of housing units constructed since January 2004. The annual and monthly data concerning the certificates of occupancy issued since 2004 reveals the following:

Table 13-15 : Building Permits Issued  
Township of Denville  
2010

	<u>Building Permits Issued</u>			
	<u>Total</u>	<u>1&amp;2 family</u>	<u>Multifamily</u>	<u>Mixed use</u>
2004	149	148	1	0
2005	64	64	0	0
2006	53	53	0	0
2007	32	32	0	0
2008	9	9	0	0
2009	11	11	0	0
2010	13	13	0	0
2011	16	16	0	0
2012	12	9	3	0
2013	11	11	0	0
2014	39	39	0	0

b) Demolition permits issued and projected

As a municipality that is almost completely developed, again it was expected that there would not be a large total increase in the number of construction permits issued. The annual and monthly data concerning the construction and demolition permits issued since 2004 reveals the following:

Table 13-16 : Demolition Permits Issued  
Township of Denville  
2010

	<u>Demolition Permits Issued</u>			
	<u>Total</u>	<u>1&amp;2 family</u>	<u>Multifamily</u>	<u>Mixed use</u>
2004	11	11	0	0
2005	13	13	0	0
2006	6	6	0	0
2007	13	13	0	0
2008	8	8	0	0
2009	7	7	0	0
2010	6	6	0	0
2011	8	8	0	0
2012	5	5	0	0
2013	17	17	0	0
2014	12	12	0	0

c) Approval & applications for development and redevelopment agreements

The planning board has recently modified its master plan and the town council has approved zoning changes to implement a redevelopment plan for what is commonly known as Esling Lake Village. An option has been included in the Master Plan and Zoning Ordinance to allow the redevelopment of this site with one hundred (100) dwelling units. This redevelopment project will produce 15 on site affordable housing units and 12 bonus credits.

d) Past 11-year trend including demolitions & certificates of occupancy.

Table 13-17 provides data concerning building and demolition permits issued during the past eleven (11) years, from 2004 to 2014. A total of four hundred and nine (409) residential building permits and one hundred and six (106) demolition permits were issued. Development in the community has ranged from a low of nine (9) dwelling unit in 2008 and a high of one hundred and forty nine (149) units in the year 2004. The average number of permits issued during this eleven (11) year time period was 37.18 units per year. If one were to utilize the past ten years, that average would drop to 26 per year.

In total, the net increase in housing units from 2004 through 2014 was 303 housing units.

Table 13-17 : Dwelling Units Authorized by Building Permit  
And Demolition Permits  
Township of Denville, New Jersey  
2004 – 2014

	<u>Permits</u>	<u>Demos</u>
2004	149	11
2005	64	13
2006	53	6
2007	32	13
2008	9	8
2009	11	7
2010	13	6
2011	16	8
2012	12	5
2013	11	17
2014	39	12
<b>Total</b>	<b>409</b>	<b>106</b>

Source : New Jersey Department of Labor,  
NJ Department of Community Affairs, 2014

As Formulated by Econsult Report

PRESENT NEED

Deficient units		
Inadequate Plumbing	41	
Pre-1960 & Crowded (w/adequate plumbing)	13	
Inadequate Kitchen (only)	<u>9</u>	
Unique Different Units	63	
Estimated LMI Proportion	<u>57.9%</u>	
Unique Deficient LMI Units	36	(page 105)
Annualized Net Change	1.9	
Present Need 2015	44	(page 119)

PROSPECTIVE NEED

Responsibility Factors:

Employment Level Share	1.59%
Employment Change Share	0.54%

Capacity Factors:

Income Difference Share	1.40%
Developable Land Share	<u>1.62%</u>
Averaged Share	1.28%

Regional Prospective Need	8,531	
Allocated Prospective Need	110	(page 134)

Secondary Source of Affordable Housing

LMI Demolitions	(35)
LMI Conversions	1
Net Filtering	<u>12</u>
Secondary Source Net	(22)
Net impact on Need (inverted)	22
Remaining Secondary Source Allocation	(20)

Adjusted Present Need	44	
Adjusted Prospective Need	112	(page 149)

Estimated 2015 Occupied Units	6,486
20% Capped Units	0
1,000 Capped Units	0

Capped Present Need	44	
Capped Prospective Need	112	(page 163)

TOTAL OBLIGATION

Prior Round (87-99) Initial Obligation (unadjusted)	325
Capped Present Need	44
Capped Prospective Need	<u>112</u>

Initial Summary Obligation	481	(page 176)
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## PRESENT NEED

The present need, also commonly referred to as “the indigenous need” or “rehabilitation share”, represents an estimate of the current stock of deficient housing within each municipality occupied by low and moderate income households.

To calculate the present need three surrogate measures of inadequate housing were identified and the current magnitude of each deficiency was determined. Adjustments were then made to correct for double counting and to arrive at an estimated unique number of deficient units. A percentage of the number of unique deficient units were then allocated to low and moderate income households as not all units with inadequacies correlates to low and moderate income households. Finally, since this data was only available through 2011, the calculated number was multiplied by an annual multiplier to approximate the number through July of 2015.

As reported by Econsult, Denville has 41 units that have inadequate plumbing, 13 units are overcrowded and 9 units have inadequate kitchens. These three surrogate indicators yields 63 total units. Econsult estimates that 57.9 percent of these units are occupied by persons who would meet the criteria for low and moderate income households. These 36 unique different units occupied by low and moderate income was the supplemented by 1.9 units for the next four years to give the Township of Denville a total Present Need of 44 Units.

## PROSPECTIVE NEEDED

The Fair Housing Act defines the Prospective Need as “a projection of housing needs based on development and growth which is reasonably likely to occur.” To calculate the prospective need involves defining sensible estimates of population growth, translating population projections into number of households, estimating what proportion of households are likely to qualify for low and moderate income housing, and removing those households that will not be eligible for affordable housing. The change between the number of estimate of low and moderate income households at the beginning and end of the ten-year period within each region represents regional Prospective Need. This regional need is then allocated to municipalities within each region.

As previously indicated, the first step was to establish the timeframe for the current round. The timeframe was established as from 2015 through 2025. The projected increase in the population between 2015 and 2025 was then segregated into the six affordable housing regions.

TABLE 4.3: PROJECTED POPULATION GROWTH 2015-2025 BY REGION AND STATEWIDE<sup>21</sup>

Region	Projected Population 2015	Projected Population 2025	Projected Increase	Projected Growth %
1	2,263,040	2,382,880	119,850	5.3%
2	1,956,860	2,015,420	58,560	3.0%
3	1,298,900	1,363,280	64,390	5.0%
4	1,591,250	1,632,620	41,360	2.6%
5	1,263,760	1,284,320	20,560	1.6%
6	595,190	595,000	(200)	0.0%
<b>State</b>	<b>8,969,000</b>	<b>9,273,520</b>	<b>304,520</b>	<b>3.4%</b>

<sup>21</sup> Throughout this Section, population projections shown are rounded to the nearest ten. As a result, figures in the table may not sum precisely. Exact figures are used in the model as the basis of the calculation.

The projected 2015 and 2025 population estimates were converted to households, and then further calculations resulted in the low and moderate income households for both 2015 and 2025. Before a final regional housing number can be derived, a group must be removed from the estimated low and moderate income housing units reported, those households that are low and moderate income with respect to their annual household income, but possess significant housing assets. Once these numbers are removed from projections, the increase in the eligible low and moderate income households for the region which contains the Township of Denville (region 2) is 8,531 units.

TABLE 4.15: HOUSEHOLDS WITH SIGNIFICANT REAL ESTATE ASSETS 2015-2025 BY REGION AND STATEWIDE

Region	LMI Households 2015	HH with Significant Assets 2015	Eligible LMI Households 2015	LMI Households 2025	HH with Significant Assets 2025	Eligible LMI Households 2025	Eligible LMI HH Increase 2015-2025
1	329,180	(30,440)	209,730	342,880	(31,560)	311,280	12,540
2	276,730	(24,900)	251,830	286,160	(25,800)	260,360	8,530
3	175,880	(24,860)	151,020	183,410	(25,820)	157,600	6,560
4	231,800	(31,720)	200,080	237,580	(32,520)	205,060	4,980
5	179,680	(20,470)	159,220	185,990	(21,410)	164,590	5,370
6	85,270	(10,160)	51,110	84,960	(10,130)	74,830	(290)
<b>State</b>	<b>1,278,540</b>	<b>(142,540)</b>	<b>1,136,000</b>	<b>1,320,990</b>	<b>(147,280)</b>	<b>1,173,710</b>	<b>37,710</b>

To extrapolate the Township of Denville Prospective Need from the regional need, certain calculations must first be made. The municipal allocation formula for the distribution of the regional prospective need relies upon a mixture of "responsibility" and "capacity" factors.

Responsibility Factors:

**Employment Level Share:**

Employment data by municipality for 2013 was derived from the LEHD (Longitudinal Employer–Household Dynamics) Origin-Destination Employment Statistics (LODES) dataset publicly available from the U.S. Census. Since the “primary jobs” held by New Jersey residents are considered driving factors of housing need they are utilized in these calculations. These municipal employment counts were summed to produce a regional total. The employment share for each municipality is simply the proportion of aggregate regional employment within each municipality based on the 2013 primary jobs data.

The employment level share for the Township of Deville has been calculated to be 1.59 percent.

**Employment Change Share:**

The same LODES dataset was also utilized to determine each municipality's share of regional change in employment. Since a continuous data set is available back to 2002, that year is set as the beginning of the prior period.

The employment change share for the Township of Deville has been calculated to be 0.54 percent.

Capacity Factors:

Capacity factors have been described as both the physical and the fiscal capacity of a municipality to absorb and provide for such affordable housing. Therefore, “fiscal capacity” was evaluated based on municipal income levels, while the “physical capacity” was based on an analysis of land that can accommodate development.

**Income Difference Share:**

To calculate the municipal income difference share the average “mean” income for each municipality was compared to a regional floor income set \$100 below the lowest average “mean” income in the region. The average income and the number of household by municipality were obtained from the 2009-2013 Five-Year ACS.

The income difference share for the Township of Deville has been calculated to be 1.40 percent.

**Developable Land Share:**

The second “responsibility” factor utilized is the proportion of regional undeveloped land in each municipality that can accommodate development. To arrive at a calculation for developable land a number of steps were undertaken to account for, not only, the acreage of undeveloped land, but for various environmental and planning constraints on that available land. This procedure was undertaken to be sensitive to the State Planning Commission's goals for individual Planning Areas found in the State Development and Redevelopment Plan and to account for applicable environmentally restricted lands.

Developable acreage in each planning area designation was multiplied by the weight assigned to that planning designation, and summed to yield a total estimate of weighted developable acreage

for each municipality. Results for each municipality are summed into regional totals, and shares of the regional total are computed for each municipality in each region. This proportion represents the developable land factor for each municipality in the municipal allocation formula.

The developable land share for the Township of Deville has been calculated to be 1.62 percent.

The average of the four variables (employment level share, employment change share, income difference share and development land share) has been calculated to be 1.28 percent of the total regional need. The allocated prospective need for the Township of Denville is therefore 1.28 percent of the regional need of 8,531 or 110 units.

### SECONDARY SOURCES OF AFFORDABLE HOUSING

Affordable housing is not created through municipal planning and zoning efforts only but can be created by market forces. The projected magnitude of these changes on affordable housing supply has been estimated over a ten-year period, and adjustments to affordable housing need were made accordingly.

Three sources of market driven affordable housing have been encapsulated in three variables: Demolitions, Residential Conversions, and Filtering.

#### **Demolitions:**

Existing residential structures are demolished from time to time. To the extent that those units were occupied by low and moderate income households would subtract from the current affordable housing supply, and therefore add to affordable housing need. The Econsult report assigns 35 demolitions of low and moderate income housing units.

#### **Residential Conversions:**

Existing residential structures can also be converted to yield a greater or lesser number of housing units. A portion of these changes impact the supply of affordable housing units. This impact may be positive or negative for a given geography, although it is typically positive, implying that conversions on net create additional supply, and therefore subtract from affordable housing need. The Econsult report assigns one conversion of low and moderate income housing units.

#### **Filtering:**

The third and final variable affecting the supply of affordable housing is the concept of filtering. Housing stock changes value over time through depreciation or appreciation and real estate market forces. These market changes can make existing units newly available or unavailable to low and moderate income households, altering the affordable housing supply. This variable estimated the net difference between units filtering "down to" and "up from" the affordable housing limit, and may be positive or negative for a given municipality. A positive filtering estimate implies an addition to affordable housing supply and subtracts from affordable housing need. The Econsult report assigns a positive net filtering of 12 low and moderate income housing units.

The net effect of these secondary sources of affordable housing and the allocation of remaining secondary source increases the prospective need, now called the adjusted prospective need, from 100 to 112.

### Initial Summary Obligation

The initial summary obligation is the summation of three calculations, the prior round obligation (from 1987 through 1999), the capped present need (rehabilitation need) and the capped prospective need (2015 through 2015). The calculated initial summary obligation for the Township of Denville is 481 units.

Prior Round	325
Capped Present Need	44
Capped Prospective Need	<u>112</u>
Initial Summary Obligation	481

### Fair Share Housing Plan

481	Initial Summary Obligation	
<u>- 358</u>	Municipal Credit for previously approved units	
	Regional Contribution Agreement	136
	Denville Family Housing (Rental)	57
	Denville Family Housing Bonus	57
	Palmar Subdivision	3
	Orchard Street	1
	Cooks Pond Senior Housing (age restricted rentals)	69
	Cooks Pond Bonus	13
	Habitat for Humanity	2
	Morris County Housing Authority	6
	Group Homes	
	883 Miller Rd (Center for Humanistic Change of NJ)	3
	56 Hinchman Ave	4
	18 Hinchman Ave	4
	187 Morris Avenue (Youth Consultation Services)	3
<u>-44</u>	Present Need (Rehabilitation)	
79	Prospective Need (2015-2025)	

Meeting the Prospective Need

**1) Estling Village**

Estling Village is a site that the municipality has recently been declared an area in need of rehabilitation. The subject property is 7 acres in size. The subject property is listed as lot 6 in block 30601 and is known as 30 Esling Lake Road. The property was zoned for light industrial (I-1) but has been rezoned for redevelopment of the site for 100 rental townhouses. The development is under construction and when completed will contain 100 dwelling units with a 15 percent set-a-side. The proposed density would be 14.28 dwellings per acre.

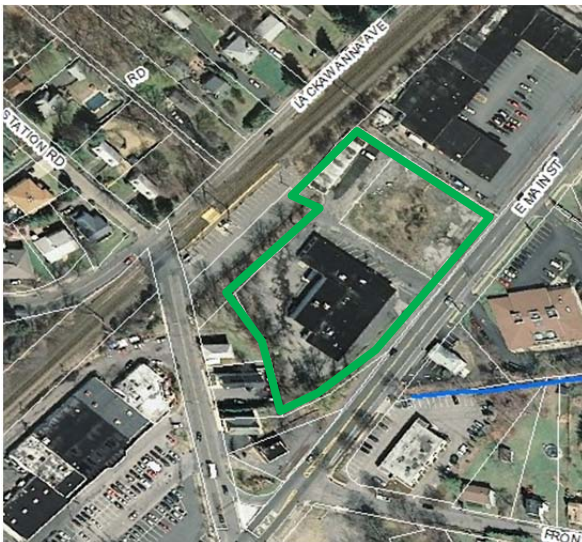


15 Units  
11 Rental Bonus  
1 Redevelopment Bonus  
27 Credits

**2) Redmond Press**

The Redmond Press site is a site that the municipality is looking to declare an area in need of rehabilitation. The subject properties are 2.09 acres in size. The subject properties are listed as lots 16 and 17 in block 31207 and are known as 475-495 East Main Street. The subject property is currently zoned for light industrial (I-1) but is expected to be rezoned for a transit oriented development due to its adjacency to the railroad train station.

The proposal is to construct 60 dwelling units, for rent, with a 15 percent set-a-side of 9 affordable housing units. The proposed density would be 28.6 dwellings per acre.

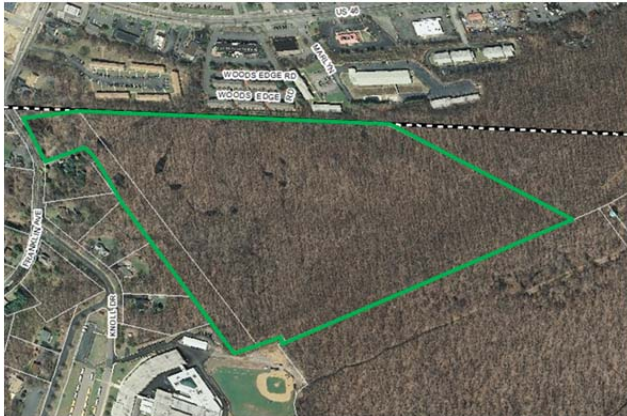


9 Units  
9 Rental Bonus  
18 Credits

### **3) RAM Associates**

Ram Associates is the owner of the subject property. The subject property is 41.49 acres in size and has substantial amounts of steep slopes and wetlands that restrict the developable area of the site to approximately 18 acres. The subject properties are listed as lots 4 and 1 in blocks 40001 and 40203 respectively and is known as 360 Franklin Road. The property is currently zoned for R-1 (single family).

The proposal is to construct 150 townhouse dwelling units, for sale, with a 20 percent set-a-side of 30 affordable housing units. The proposed density would be 3.61 dwellings per acre.

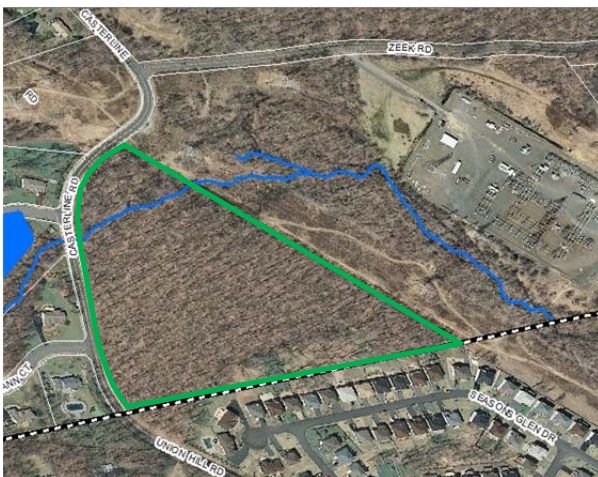


30 Units

### **4) Glenmont Commons**

Glenmont Commons is the owner of this property. The subject property is 13.52 acres in size and has steep slopes and wetlands that restrict the developable area of the site to approximately 10 acres. The subject property is listed as lot 3 in block 10002 and is known as Off Casterline Road. The property is currently zoned for R-1B (single family).

The proposal is to construct 53 townhouse dwelling units, for rent, with a 15 percent set-a-side of 8 affordable housing units. The proposed density would be 3.9 dwellings per acre.



8 Units  
8 Rental Bonus  
16 Units

**5) Lake Lenore Road**

The subject property is 1.66 acres in size and has steep slopes that restrict the developable area of the site. The subject property is listed as lot 13.01 in block 31109 and is known as 7 Lake Lenore Road. The subject property is owned by the Morris Habitat For Humanity, Inc. The property is currently zoned for R-1 (single family).

The proposal is to construct a four unit multifamily 100 percent affordable dwellings or a four bed group home.

4 Units



	<u>Physical Units</u>	<u>Bonus Credits</u>	<u>Total Credits</u>
1) Estling Village	15	12	27
2) Redmond Press	9	9	18
3) RAM Associates	30	0	30
4) Glennmont Commons	8	8	16
5) Lake Lenore	<u>4</u>	<u>0</u>	<u>4</u>
Total Affordable Housing Units (2015 to 2025)	66	29	95
Required Prospective Need (2015 to 2025)			79
Affordable Housing Units in surplus of required amount			16