



THIRD ROUND HOUSING ELEMENT AND FAIR SHARE PLAN

THE VILLAGE OF RIDGEWOOD | BERGEN COUNTY, NEW JERSEY

DRAFT MARCH 5, 2020



THIRD ROUND HOUSING ELEMENT AND FAIR SHARE PLAN

ADOPTED BY THE PLANNING BOARD _____

ENDORSED BY THE MAYOR & COUNCIL _____

PREPARED BY:

A handwritten signature in black ink, appearing to read 'Elizabeth McManus', is written over a horizontal line.

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A SIGNED AND SEALED ORIGINAL IS ON FILE WITH THE BOROUGH CLERK



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INTRODUCTION & EXECUTIVE SUMMARY

Since the 1975 New Jersey Supreme Court decision known as “Mount Laurel I”, New Jersey municipalities have had a constitutional obligation to provide opportunities for creation of low and moderate housing units. This 1975 decision led to a body of case law, legislative changes and rulemaking by a state agency that, collectively, is now referred to as the “Mount Laurel doctrine”. Through these actions, New Jersey municipalities have been assigned a specific number of affordable housing units that must be created or planned for creation in order to have “satisfied” their constitutional obligation, commonly referred to as their affordable housing obligation. The purpose of this Housing Element and Fair Share Plan (hereinafter the “Plan”) is to present how the Village of Ridgewood will satisfy its constitutional obligation.

Affordable housing in New Jersey is defined as housing units which are reserved for households with incomes not more than 80% of the regional median income. Each affordable unit, with limited exceptions, must remain reserved for low and moderate income households for not less than 30 years and it is typically enforced by a deed restriction. Each affordable unit is eligible for one “credit” against the obligation and certain units are eligible for “bonus credits”, which provide more than one credit per unit. In addition to providing the minimum number of credits, municipalities must ensure diversity in the level of affordability – meaning very low, low and moderate income units – and diversity in the size of affordable units – meaning one, two and three bedroom units.

Participation in this process, and therefore satisfaction of the affordable housing obligation, can be achieved voluntarily or involuntarily. However, voluntary compliance is heavily incentivized. Municipalities that do not successfully participate may be vulnerable to “builder’s remedy” litigation. A builder’s remedy is a litigation tool that grants a developer the right to develop what is typically a multi-family project on land that was not zoned to permit the use or the residential density desired by the developer, provided a “substantial” percentage of the units are reserved for low and moderate income households. Ridgewood seeks to avoid this possibility and has already taken substantial steps to do so.

This Plan supersedes all previously adopted housing plans. It has been prepared pursuant to a December 12, 2018 Settlement Agreement between the Village of Ridgewood and Fair Share Housing Center (hereinafter “FSHC”) that set forth the Village’s affordable housing obligation and a preliminary plan for how it would be satisfied. FSHC is an interested party in the Village’s Declaratory Judgment filed in Superior Court on July 2, 2015 as permitted by the March 10, 2015 NJ Supreme Court decision known as “Mount Laurel IV.” This Supreme Court decision rendered COAH “moribund” and created a transitional process for municipalities to determine their affordable housing obligation and seek compliance in the State’s trial courts, as opposed to the Council on Affordable Housing (“COAH”) performing that function. This Plan will serve as the foundation for the Village’s application to Superior Court for that approval, referred to as a Judgment of Compliance and Order of Repose.

This Plan reflects a Settlement Agreement between the Village of Ridgewood and Fair Share Housing Center. The Village of Ridgewood filed a complaint for Declaratory Judgment in Superior Court on July 7,



2015, seeking a declaration of compliance with the Mount Laurel Doctrine and the Fair Share Housing Act of 1985. Subsequent to the Village’s Declaratory Judgment complaint to Superior Court, four developers intervened in the case. The four intervenors are KS Broad Street, LLC, 257 Ridgewood Avenue, LLC (The Enclave), Ridgewood Dayton, LLC, and Two-Forty Associates, LLC. The Village agreed to settle the litigation with FSHC and negotiate for revised zoning with the intervenors in an effort to avoid delays and move forward with the construction of housing units for low and moderate income households. After much negotiation, the Village entered into an Agreement that set forth the affordable housing obligations pursuant to Mount Laurel IV and determined The Third Round Obligation.

As detailed in this Housing Plan, the Village of Ridgewood – like all New Jersey municipalities – has three components of its affordable housing obligation. Each component of the obligation is identified below.

- Rehabilitation Obligation: 6 units
The rehabilitation obligation can be defined as an estimate of the number of deteriorated housing units existing in Ridgewood that are occupied by low- and moderate-income households.
- Prior Round Obligation: 229 units
The Prior Round obligation can be defined as the cumulative 1987 through 1999 new construction affordable housing obligation.
- Third Round Obligation: 664 units
The Third Round obligation can be defined as the cumulative 1999 through 2025 new construction affordable housing obligation. This includes the “gap present need” from 1999 through 2015 and the “prospective need” from 2015 through 2025.

Due to the total Prior Round and Third Round obligations being outsized as compared to the availability of developable land in Ridgewood, the Village received a vacant land adjustment that reflects a realistic development potential (hereinafter “RDP”) and an unmet need. The RDP represents the portion of the new construction affordable housing obligation that can theoretically be addressed with inclusionary development (defined as a mix of market and affordable units) on lots identified as being developable in the vacant land analysis. The unmet need is calculated as the difference between the total obligation and the RDP.

The Village’s vacant land adjustment resulted in a combined Prior Round and Third Round RDP and unmet need of the following:

- RDP: 55 units
- Unmet Need: 838 units

The Village fully satisfies the rehabilitation obligation through participation in the Bergen County Housing Improvement Program.



As detailed in this Plan and summarized below, the Village will utilize a variety of sites and housing types to meet the 55 unit RDP.

- Ridgecrest Apartments: An existing age-restricted prior cycle project along Ridge Road that consists of a total of 129 rental units, 12 of which are affordable units for low and moderate income households. The remaining 117 units will contribute towards the unmet need.
- Woodside Garden: An existing multi-family project along Leonard Place that consists of 4 affordable family units for sale.
- Broadway Condominiums: An existing multi-family project along Leonard Place that consists of 4 affordable family units for sale.
- KS Broad: An inclusionary housing project at the intersection of Franklin Avenue and Chestnut Street that was granted site plan approval to provide 60 total units with 9 affordable rental units reserved for individuals with special needs. The affordable units shall be provided off-site at the Enclave development. Each unit is eligible for bonus credits.
- The Enclave: An inclusionary housing project on East Ridgewood Avenue that was granted site plan approval to provide 47 total units with 6 affordable rental units for individuals with special needs. The development will provide a total of 15 affordable rental units for individuals with special needs, including the KS Broad off-site units.
- Ridgewood Dayton: An inclusionary housing project on South Broad Street that was granted site plan approval to provide 93 total units with 14 affordable family rental units. 5 units are eligible for bonus credits.
- Two Forty Associates: An inclusionary housing project on Chestnut Street that was granted site plan approval to provide 42 total units with 7 affordable family rental units.

Adoption of this Housing Element and Fair Share Plan and complete implementation of the mechanisms described above to meet the affordable housing obligation will yield a Judgment of Compliance and Order of Repose from Superior Court and protect the Village from builder's remedy litigation through July 2025, the maximum time available.



AFFORDABLE HOUSING IN NEW JERSEY

In its landmark 1975 decision, now referred to as “Mount Laurel I”, the NJ Supreme Court ruled that developing municipalities have a constitutional obligation to provide variety and choice of housing types affordable to low and moderate income households. In its 1983 “Mount Laurel II” decision, the NJ Supreme Court extended the regional fair share obligation to all municipalities with any “growth area” as designated in the State Development Guide Plan (NJDCG 1978) and determined that each municipality would have to establish its fair share obligation and provide zoning mechanisms to create a realistic opportunity for fulfillment of the fair share obligation. Mount Laurel II also gave developers, under appropriate circumstances, the opportunity to secure a builder’s remedy. A builder’s remedy is a litigation tool that grants a developer the right to develop what is typically a multi-family project on land that was not zoned to permit the use or the residential density desired by the developer, provided a “substantial” percentage of the units are reserved for low and moderate income households.

In 1985, the Legislature enacted the Fair Housing Act in response to Mount Laurel II. The Fair Housing Act created the Council on Affordable Housing (hereinafter “COAH”) and an administrative alternative to compliance in a court proceeding. The Legislature conferred “primary jurisdiction” on COAH and charged COAH with promulgating regulations to establish housing regions, to estimate the state’s low- and moderate-income housing needs, set criteria and guidelines for municipalities to determine and satisfy their affordable housing obligation, and to create a process for the review and approval of appropriate housing elements and fair share plans. Approval of a municipal housing element and fair share plan by COAH is referred to as “substantive certification” and it provides protection from exclusionary zoning litigation during the time period which the housing element and fair share plan addresses (i.e. the round).

Activity From 1987 - 1993

COAH created the criteria and guidelines for municipalities to determine and address their respective affordable housing obligation. COAH originally established a formula for determining municipal affordable housing obligation for the six-year period between 1987 and 1993 (N.J.A.C. 5:92-1 et seq.), which became known as the “First Round.” These rules established the first round rehabilitation obligation (also referred to as the “present need”) and the first round new construction obligation.

The First Round formula was superseded by COAH regulations in 1994 (N.J.A.C. 5:93-1.1 et seq.). The 1994 regulations recalculated a portion of the first round 1987-1993 affordable housing obligations for each municipality and computed the additional municipal affordable housing need from 1993 to 1999 using 1990 U.S. Census data. The regulations COAH adopted in 1994 to identify a municipality’s “cumulative” obligations for the First and Second Rounds are known as “the Second Round” regulations. Under regulations adopted for the Third Round, the obligation of municipalities to create new affordable housing for the First and Second Rounds is referred to as the “Prior Round” obligation. This Plan refers to the new construction obligation for the First and Second housing cycles as the “Prior Round” obligation.



Activity From 1999 - 2011

On December 20, 2004, COAH's first version of the Third Round rules became effective some five years after the end of the Second Round in 1999. At that time, the Third Round was defined as the time period from 1999 to 2014 but condensed into an affordable housing delivery period from January 1, 2004 through January 1, 2014. The Third Round rules marked a significant departure from the methods utilized in COAH's Prior Round. Previously, COAH assigned an affordable housing obligation as an absolute number to each municipality. These Third Round rules implemented a "growth share" approach that linked the production of affordable housing to residential and non-residential development within a municipality.

However, on January 25, 2007, the New Jersey Appellate Court decision, *In re Adoption of N.J.A.C. 5:94 and 5:95*, 390 N.J. Super. 1, invalidated key elements of the first version of the Third Round rules, including the growth share approach. The Court ordered COAH to propose and adopt amendments to its rules within six months to address the deficiencies identified by the Court. COAH missed this deadline but did issue revised rules effective on June 2, 2008 (as well as a further rule revision effective on October 20, 2008). COAH largely retained the growth share approach, but implemented several changes intended to create compliance with the 2007 Appellate Court decision. Additionally, the Third Round was expanded from 2014 to 2018.

Just as various parties challenged COAH's initial Third Round regulations, parties challenged COAH's 2008 revised Third Round rules. On October 8, 2010, the Appellate Division issued its decision, *In re Adoption of N.J.A.C. 5:96 and 5:97*, 416 N.J. Super. 462, with respect to the challenge to the second iteration of COAH's third round regulations. The Appellate Division upheld the COAH Prior Round regulations that assigned rehabilitation and Prior Round numbers to each municipality but invalidated the regulations by which the agency assigned housing obligations in the Third Round. Specifically, the Appellate Division ruled that COAH could not allocate obligations through a "growth share" formula. Instead, COAH was directed to use similar methods that had been previously used in the First and Second rounds. The Court gave COAH five months to address its ruling and provide guidance on some aspects of municipal compliance.

In addition to the State agency activity and judicial decisions, the New Jersey Legislature has amended the Fair Housing Act in recent years. On July 17, 2008, Governor Corzine signed P.L. 2008, c. 46 (referred to as the "Roberts Bill", or "A500"), which amended the Fair Housing Act. Key provisions of the legislation included the following:

- It established a statewide 2.5% nonresidential development fee instead of requiring nonresidential developers to provide affordable housing;
- It eliminated new regional contribution agreements (hereinafter "RCAs") as a compliance technique available to municipalities whereby a municipality could transfer up to 50% of its fair share to a so called "receiving" municipality;



- It added a requirement that 13% of all affordable housing units and 13% of all similar units funded by the state’s Balanced Housing Program and its Affordable Housing Trust Fund be restricted to very low-income households (30% or less of median income); and
- It added a requirement that municipalities had to commit to spend development fees within four (4) years of the date of collection after its enactment, which commenced on the four-year anniversary of the law (July 17, 2012).

These amendments to the Fair Housing Act are not promulgated in any valid COAH regulations. However, the requirement to expend development fees within four-years of their collection was determined in a Middlesex County Superior Court case to instead have the first four-year period to begin upon a Judgment of Repose, or upon a finding by the Court that the municipality is determined to be non-compliant (IMO of the Adoption of the Monroe Township Housing Element and Fair Share Plan and Implementing Ordinances). Superior Courts around the State have been guided by this decision.

Activity from 2011 to the Present

COAH sought a stay from the NJ Supreme Court of the March 8, 2011 deadline that the Appellate Division imposed in its October 2010 decision for the agency to issue new Third Round housing rules. The NJ Supreme Court granted COAH’s application for a stay and granted petitions and cross-petitions to all of the various challenges to the Appellate Division’s 2010 decision. The NJ Supreme Court heard oral argument on the various petitions and cross-petitions on November 14, 2012.

On September 26, 2013, the NJ Supreme Court upheld the Appellate Court decision in *In re Adoption of N.J.A.C. 5:96 and 5:97 by New Jersey Council On Affordable Housing*, 215 N.J. 578 (2013), and ordered COAH to prepare the necessary rules. Subsequent delays in COAH’s rule preparation and ensuing litigation led to the NJ Supreme Court, on March 14, 2014, setting forth a schedule for adoption.

Although ordered by the NJ Supreme Court to adopt revised new rules on or before October 22, 2014, COAH deadlocked 3-3 at its October 20th meeting and failed to adopt the draft rules it had issued on April 30, 2014. In response, FSHC filed a motion in aid of litigant’s rights with the NJ Supreme Court, and oral argument on that motion was heard on January 6, 2015.

On March 10, 2015, the NJ Supreme Court issued a ruling on the Motion In Aid of Litigant’s Rights (*In re Adoption of N.J.A.C. 5:96 & 5:97*, 221 NJ 1, aka “Mount Laurel IV”). This long-awaited decision provides a new direction for how New Jersey municipalities are to comply with the constitutional requirement to provide their fair share of affordable housing. The Court transferred responsibility to review and approve housing elements and fair share plans from COAH to designated Mount Laurel trial judges. The implication of this is that municipalities may no longer wait for COAH to adopt Third Round rules before preparing new Third Round housing elements and fair share plans and municipalities must now apply to the Courts, instead of COAH, if they wish to be protected from exclusionary zoning lawsuits. These trial judges, with the assistance of an appointed Special Master to the Court, review municipal plans much in the same manner as COAH previously did.



While the NJ Supreme Court’s decision set a process in motion for towns to address their Third Round obligations, it did not assign those obligations. Instead, that must be done by the trial courts. However, the NJ Supreme Court did direct that the method of determining municipal affordable housing obligations were to be “similar to” the methodologies used in the First and Second Round rules. Additionally, the Court stated that municipalities should rely on COAH’s Second Round rules (N.J.A.C. 5:93) and certain components of COAH’s 2008 regulations that were specifically upheld (including but not limited to Redevelopment Bonuses), as well as the Fair Housing Act (N.J.S.A. 52:27D – 301 et seq.), in their preparation of Third Round housing elements and fair share plans. This plan is prepared in response to and in compliance with the March 10, 2015 NJ Supreme Court decision.

FSHC, the only public interest advocacy organization in New Jersey devoted exclusively to promoting the production of housing affordable to low and moderate income households, was permitted to serve as an interested party in every municipal Declaratory Judgment Action. In this role the organization calculated municipal affordable housing obligations and offered to settle with municipalities. Such settlements addressed the municipal affordable housing obligation, compliance mechanisms and other terms intended to promote affordable housing production. Most municipalities that filed a Declaratory Judgment Action have found settlement with FSHC to be in their interest. The alternative to settlement with FSHC is conducting a trial in Superior Court to determine the municipal affordable housing obligation.

On January 17, 2017, the NJ Supreme Court rendered a decision, In Re Declaratory Judgment Actions Filed By Various Municipalities, 227 N.J. 508 (2017), that found that the “gap period,” defined as 1999-2015, generates an affordable housing obligation. This obligation requires an expanded definition of the municipal Present Need obligation to include low- and moderate-income households formed during the gap period; however, this component of the obligation is a new-construction obligation rather than a rehabilitation obligation.

Accordingly, the municipal affordable housing obligation is now composed of the following 4 parts:

- Present Need (rehabilitation),
- Prior Round (1987-1999, new construction),
- Gap Present Need (Third Round, 1999-2015, new construction), and
- Prospective Need (Third Round, 2015 to 2025, new construction).

While the structure of the obligation established through the Village’s Settlement Agreement with FSHC is different from the findings of this recent Supreme Court decision (i.e. no redefined Present Need (1999-2015) and a Prospective Need specific to 2015-2025), the Village’s obligation therein reflects that which was calculated for the entire third round period (1999-2025).



The Compliance Process

With the Supreme Court’s direction that such responsibility must transfer from COAH to Superior Court Trial Judges, municipalities may no longer seek substantive certification. Instead, municipalities now seek a Judgment of Compliance and an Order of Repose from Superior Court or the judicial equivalent of substantive certification. Doing so first requires that a complaint for Declaratory Judgment be filed in Superior Court.

The majority of municipalities who filed for Declaratory Judgment, including Ridgewood, settled with FSHC. This means a Settlement Agreement, agreed to by both parties, sets forth the affordable housing obligation, preliminary compliance mechanisms and other terms intended to promote affordable housing production. This Settlement Agreement must be approved by Superior Court at a “Fairness Hearing” where the Settlement Agreement is evaluated to determine if it is fair to the interests of low and moderate income households¹.

Once determined to be “fair” via the issuance of a Court Order, a municipality must adopt and endorse a housing element and fair share plan that reflects the terms of the Settlement Agreement. This housing plan must be subsequently submitted to Superior Court for its review and approval. Should the Court find the plan acceptable, the municipality will receive a Judgment of Compliance and an Order of Repose and immunity from builder’s remedy litigation for the remaining portion of the third round, which ends on July 1, 2025. This is similar to COAH’s substantive certification. To maintain the validity of the Order, the municipality is required to conduct the necessary continued implementation and monitoring.

Aiding in the Judge’s evaluation of the Settlement Agreement is a Special Master appointed by the Judge. This person serves at the direction of the Judge, including preparation of reports at each step in the process, and may serve as a mediator between the municipality, FSHC and/or other intervenors.

AFFORDABILITY REQUIREMENTS

Affordable housing is defined under New Jersey’s Fair Housing Act as a dwelling, either for sale or rent, that is within the financial means of households of low- or moderate-income, as is measured within each housing region. Ridgewood is in COAH’s Region 1, which includes Bergen, Hudson, Passaic and Sussex counties. Moderate-income households are those with annual incomes greater than 50%, but less than 80% of the regional median income. Low-income households are those with annual incomes that are 50% or less than the regional median income. Very low-income households are a subset of “low-income” households and are defined as those with incomes 30% or less than the regional median income.

¹ These settlement agreements are evaluated according to guidelines established by the Court in two principal cases: Morris County Fair Housing Council v. Boonton Twp. 197 N.J. Super. 359, 369-71 (Law Div. 1984) and East/West Venture v. Borough of Fort Lee 286 N.J. Super. 311 (App. Div. 1996). T



The Uniform Housing Affordability Controls (hereinafter “UHAC”) at N.J.A.C. 5:80-26.3(d) and (e) requires that the maximum rent for a qualified unit be affordable to households with incomes 60% or less than the median income for the region. The average rent must be affordable to households with incomes no greater than 52% of the median income. The maximum sale prices for affordable units must be affordable to households with incomes 70% or less than the median income. The average sale price must be affordable to a household with an income of 55% or less than the median income.

The regional median income is defined by COAH using the federal income limits established by Department of Housing and Urban Development (hereinafter “HUD”) on an annual basis. In the spring of each year, HUD releases updated regional income limits, which COAH reallocates to its regions. It is from these income limits that the rents and sale prices for affordable units are derived. However, COAH has not published updated income limits or rent increases since 2014.

On December 16, 2016, Judge Douglas K. Wolfson entered a Consent Order in the case entitled In the Matter of the Township of East Brunswick for a Judgment of Compliance of its Third Round Housing Element and Fair Share Plan that approved the Borough of East Brunswick’s methodology for updating its income limits, which adhered to COAH’s Prior Round methodologies. Included in this Consent Order are updated 2016 regional income limits for all COAH regions calculated using HUD’s determination of the median income for fiscal year 2016 and the methodology outlined above. These income limits for Region 1 will be utilized by Village of Ridgewood until the Courts formally approve updated income limits for the later years. See the following tables for 2018 income limits for Region 1.

2018 Income Limits for Region 2					
Household Income Levels	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household
Moderate	\$50,878	\$58,146	\$65,414	\$72,682	\$78,497
Low	\$31,798	\$36,341	\$40,884	\$45,426	\$49,060
Very Low	\$19,079	\$21,805	\$24,530	\$27,256	\$29,436

Source: 2018 Income Limits prepared by Affordable Housing Professionals of New Jersey.

The following tables provide illustrative sale prices and gross rents for 2018. The sample rents and sale prices are illustrative and are gross figures, which do not account for the specified utility allowances for rental units or for specific mortgage rates, taxes, etc. for sales units. As a note, rents have increased by a collective 5.1% in 2015, 2016 and 2017 and by 2.2% in 2018.



Illustrative 2018 Affordable Gross Rents for Region 1			
Household Income Levels (% of Median Income)	1-Bedroom Unit Rent	2-Bedroom Unit Rent	3-Bedroom Unit Rent
Moderate	\$749	\$868	\$1,018
Low	\$511	\$581	\$688
Very Low	\$238	\$254	\$310

Source: 2018 Affordable Housing Pricing Calculator: General Affordable Housing Rental Rate Calculators for New Construction prepared by Affordable Housing Professionals of New Jersey.

Illustrative 2018 Affordable Sales Prices for Region 1			
Household Income Levels (% of Median Income)	1 Bedroom Unit Price	2 Bedroom Unit Price	3 Bedroom Unit Price
Moderate	\$160,546	\$194,165	\$225,544
Low	\$112,518	\$136,532	\$158,945
Very Low	\$64,490	\$78,898	\$92,346

Source: 2018 Affordable Housing Pricing Calculator: General Affordable Housing Unit Sales Price Calculators for New Construction prepared by Affordable Housing Professionals of New Jersey.

AFFORDABLE HOUSING IN RIDGEWOOD

The Village of Ridgewood received first round substantive certification on May 16, 1990. The Village's First Round obligation was 526 units, composed of a new construction obligation of 497 units and a rehabilitation obligation of 29 units. The Village received a vacant land adjustment at this time that resulted in a 0-unit RDP.

The Village received second round substantive certification on May 4, 2004. The Second Round obligation was 317 units, composed of a new construction obligation of 229 units and a rehabilitation obligation of 88 units. As part of this substantive certification, COAH reviewed the previously issued vacant land adjustment to determine if or how amendment would be necessary. The State Agency found in its April 14, 2004 Report that the Village's RDP remained at 0 units. Pages 4-5 states the following:

The substantive certification granted by COAH on October 3, 1990 included a vacant land adjustment that resulted in a zero-unit RDP. Pursuant to N.J.A.C. 5:93-4.2(f), a municipality that received an adjustment due to lack of vacant land in addressing its 1987-



1993 affordable housing obligation is presumed to have addressed its RDP provided the municipality continues to implement the terms of its previous certification. COAH staff conducted a site visit on June 19, 2002 and observed that Ridgewood remains fully developed with the exception of park and recreation areas that fall within the allowances prescribed by N.J.A.C. 5:93-4.2(e) 4 and 5. Given this review in 2004, the Village has evaluated changes in land use that have occurred since then to determine if or how the RDP must be amended.

Upon the April 2014 release of COAH's draft substantive and procedural rules, N.J.A.C. 5:99 and N.J.A.C. 5:98 respectively, the Village began planning for how best to provide its fair share of affordable housing. To comply with the March 10, 2015 Mt. Laurel IV decision, the Village of Ridgewood petitioned the Superior Court on July 7, 2015, for a Declaratory Judgment and temporary immunity from builder's remedy suits. This action entered the Village into the process of determining its affordable housing obligation and how it would be satisfied. Additionally, the Village later received immunity from builder's remedy litigation while doing so.

Four parties intervened in the Village's Declaratory Judgement: KS Broad Street, LLC, 257 Ridgewood Avenue, LLC, Ridgewood Dayton, LLC and Two Forty Associates, LLC. The Village did not enter into settlement agreements with the intervenors, but rather negotiated for revised zoning which later facilitated site plan approval to the four inclusionary housing projects.

To avoid a lengthy trial on the Village's affordable housing obligation and, potentially, a second trial on how that obligation would be satisfied, the Village and FSHC came to terms in a December 12, 2018 Settlement Agreement that set forth the Village's affordable housing obligation and preliminary compliance plan. This Settlement Agreement and subsequent negotiations with intervenors were approved by the Honorable Christine A. Farrington, J.S.C. on March 8, 2019.

This Housing Plan implements the Village's settlement agreement with FSHC and corresponding intervenors.

CONSIDERATION OF LAND MOST APPROPRIATE FOR AFFORDABLE HOUSING

As part of this Plan, the Village has considered land that is appropriate for the construction of low- and moderate-income housing. Although the Village has limited available and developable land, the Village successfully satisfied its affordable housing obligation using the vacant land adjustment process and a variety of zoning mechanisms that have or will create low and moderate income housing.

In addition to considering vacant land for the creation of affordable housing, the Village will amend the zoning to create inclusionary housing zone districts for intervenors and overlay zones that will create low and moderate income housing. These sites will meet the RDP and contribute toward the Village's unmet



need. Additionally, adoption of the mandatory set-aside ordinance will ensure unforeseen opportunities for affordable housing are captured.

Aside from the previously mentioned intervenors, no property owner or developer offered a site for inclusion in the Village's Housing Element and Fair Share Plan. The Village believes that the mechanisms proposed in this document represent the best options for affordable housing in Ridgewood. The mechanisms satisfy the Village's affordable housing obligation as established through the Settlement Agreement. While the Village recognizes that developers may, in the future, present sites that possess characteristics that could lend themselves to affordable housing development, additional sites are not needed to satisfy the obligation at this time. Additionally, the Village may consider appropriate sites or projects in the future for an inclusionary or 100% affordable housing project.

RIDGEWOOD'S AFFORDABLE HOUSING OBLIGATION

Since the January 2017 New Jersey Supreme Court ruling on the "gap period", housing plans must address four main components of a municipality's affordable housing obligation. These include the Rehabilitation Obligation to improve substandard housing occupied by low and moderate income households, the Prior Round for new construction from 1987 to 1999, the Gap Period Present Need for new construction from 1999 to 2015, and the Prospective Need, or the Third Round's future new construction demand from 2015 to -2025. In this housing plan, the Gap Period Present Need and Prospective Need are collectively referred to as the Third Round Obligation.

Rehabilitation Obligation

The rehabilitation obligation can be defined as an estimate of the number of deteriorated housing units existing in Ridgewood that are occupied by low- and moderate-income households. The Settlement Agreement with FSHC establishes the Village's rehabilitation obligation as 6 units. The basis for this obligation is FSHC's May 2015 calculations, which used the most recent decennial census year, 2010, as the point in time in determining the number of deteriorated housing units.

Prior Round Obligation

The Prior Round obligation can be defined as the cumulative 1987 through 1999 new construction affordable housing obligation. This time period corresponds to the First and Second Rounds of affordable housing. The Settlement Agreement with FSHC establishes the Village's Prior Round obligation as 229 units. The Settlement Agreement adheres to the Prior Round obligations, as calculated in 1993-1994, and published by COAH in 2008.



Third Round Obligation

The future demand for affordable housing includes the portion of the Third Round (1999- 2015) that has already passed – referred to as Gap Period Present Need, as well as a 10-year projection into the future (2015-2025) – referred to as the Prospective Need. As established by the Village’s 2016 Settlement Agreement with FSHC, Ridgewood’s total Third Round obligation (1999-2025) is 664 units.

Vacant Land Adjustment

Through the Settlement Agreement with FSHC and the associated Order approving said Settlement Agreement, the Village received an amended vacant land adjustment. The Village first received substantive certification on May 16, 1990 and received a vacant land adjustment that resulted in a 0-unit RDP. On May 4, 2004 the Village received second round substantive certification that reconfirmed the vacant land adjustment with a 0-unit RDP. The vacant land adjustment was updated as part of the Settlement Agreement with FSHC addressing the third round obligation.

The updated vacant land adjustment divided the combined Prior Round and Third Round obligations (229-units and 664-units respectively) into a 55-unit Realistic Development Potential and an 838-unit Unmet Need. This vacant land adjustment was performed consistent with the applicable COAH rules (N.J.A.C. 5:93-4.2) and reflects the amount of developable land in the Village, as defined by COAH, that could be theoretically developed with inclusionary housing. A summary of the changes in land use that contribute to the increase in RDP to 55 units is shown in the following table. Additional detail can be found in Exhibit A of the Village’s Settlement Agreement with Fair Share Housing Center.

RDP Adjustment	
Project Name	RDP
2004 COAH-Certified RDP	0
Certificates of Occupancy	2
Approved Development Applications	49
Development Applications	4
RDP	55 units

Pursuant to the RDP adjustment calculation, the Village of Ridgewood’s RDP is increased to reflect development that has occurred, four approved development applications, and one anticipated subdivision.



SATISFACTION OF THE AFFORDABLE HOUSING OBLIGATION

The Village is addressing its affordable housing obligation through a variety of mechanisms that include existing affordable units, inclusionary housing and overlay zones.

Satisfaction of the Rehabilitation Obligation

Ridgewood's rehabilitation obligation is 6 units. The Village will address this obligation through participation in the Bergen County Housing Improvement Program, which provides a no-interest loan to income-eligible homeowners to repair major systems in their home. This County program is funded by the federal Community Development Block Grant (CDBG) program. The loans need not be repaid until the home is sold or the title is transferred. Additionally, the Village will create a supplementary program that is available to rental units. This program will be operated by the Village's administrative agent. All rehabilitated units will comply with the definition of a substandard unit in N.J.A.C. 5:93-5.2(b), which states, "a unit with health and safety code violations that require the repair or replacement of a major system." Major systems include weatherization, roofing, plumbing, heating, electricity, sanitary plumbing, lead paint abatement and/or load bearing structural systems. All rehabilitated units shall meet the applicable construction code. Additionally, all rehabilitated units shall be occupied by low- or moderate-income households and subject to 10-year affordability controls, which shall be placed on the property in the form of a lien or deed restriction. The average hard cost will be at least \$10,000.

Given the low obligation and the extensive rental housing in the Village's compliance plan (as discussed herein), the Village's rental component for this portion of the obligation (N.J.A.C. 5:93-5.2(f)) was waived in the FSHC Settlement Agreement and the associated March 2019 Order.

Satisfaction of the RDP

The Village is addressing its RDP obligation with a mix of unit types and projects throughout the Village.

Ridgecrest Apartments

This existing development, located at Block 2004, Lot 10.01, is a 100% affordable housing development consisting on 129 age-restricted units. It has had effective affordability controls since it was completed and occupied in 1984. The site consists of 4.03 acres located at 7-11 Ridge Road in the Southwestern quadrant of the Village, a short walking distance from the Village's downtown area and the Ridgewood train station. The development is complete and occupied. This project received prior credit from COAH.

Twelve (12) of the 129 affordable units in this project will contribute toward the RDP; the remaining units will contribute toward the unmet need. These 12 units fulfil the Village's maximum number of senior units, which is 25% of the RDP ($55 \times .25 = 12.1$, rounded down).



Woodside Gardens

This development, located at Block 3906, Lot 3, is a 100% affordable housing development consisting of 4 family units for sale. The units were constructed in 1980 and affordability controls have been in place since that time. The site consists of 0.35 acres and is located at 46-50 Leonard Place at the corner of South Broad Street in the southwestern quadrant of the Village. The development is established in a suburban residential neighborhood, primarily occupied by one to two family homes, and is a short driving distance from the Village's downtown amenities. The development is complete and occupied. This project received prior credit from COAH.

Broadway Condominiums

This development, located at Block 3905, Lot 19, is a 100% affordable housing development consisting of 4 family units for sale. The site consists of 0.38 acres located at 308-316 South Broad Street in the Southeastern quadrant of the Village. The site is a short driving distance from the Village's downtown area and is in close proximity to religious institutions, schools, and the Ridgewood train station. The development is complete and occupied. This project received prior credit from COAH.

KS Broad

This inclusionary zoning site, located at Block 2005, Lots 11-15, is a vacant lot formerly occupied by commercial uses. It consists of 2.01 acres located in the Village's downtown at the intersection of Franklin Avenue and Chestnut Street. The site is located at 76 and 80 Chestnut Street at the corner of Franklin Avenue. KS Broad, LLC is the developer of this site and an intervenor in the Village's Declaratory Judgement. The Village did not enter into a settlement agreement with this developer, rather, the Village negotiated for revised zoning which later facilitated site plan approval of the inclusionary housing development. The Village rezoned the site and later issued a site plan approval on November 21, 2017 (Resolution was adopted on February 6, 2018) to permit up to 60 total units and 9 affordable housing units which will be provided off-site at the Enclave development. Construction of the site is underway.

This mixed-use project consists of commercial space on the first floor and 60 multi-family market rate rental units with 9 affordable rental units for special needs individuals to be provided off-site in the Enclave development. It will be constructed on a site that is in close proximity to a traffic light intersection in the heart of downtown Ridgewood, adjacent to the Ridgewood Train Station. The developer will retain an affordable housing administrative agent and deed-restrict the affordable units for a minimum 30-year period.

The Site is suitable for affordable housing, as evidenced by the Planning Board approval, and prior rezoning. In addition, the affordable housing project will meet the applicable requirements for 100% affordable housing projects in the substantive rules, as well as the Uniform Housing Affordability Control rules (UHAC) (N.J.A.C. 5:80-26.1 et seq.). See the Enclave project for compliance information.



The Enclave

There are two existing structures on the inclusionary zoning site located at Block 3703, Lots 4,6, and 8.01. The first is a three story building, formerly occupied by the commercial retailer Sealcons and now referred to locally as the “Sealcons Building”, and the second is a one story masonry building formerly occupied by Hallmark Floor Company. The site consists of 1.37 acres located at 257 Ridgewood Avenue at the Northwest corner of East Ridgewood Avenue and North Maple Avenue. The site is located in the downtown surrounded by shops and services. It is not far from the train station, municipal building, and public parks. While the developer is an intervenor, the Village did not enter into a settlement agreement with the developer of this site, rather, the Village negotiated for revised zoning which later facilitated site plan approval of the inclusionary housing development.

The Village rezoned the site and later issued a site plan approval on October 18, 2017 (Resolution was adopted on February 6, 2018). The site received approval to renovate and expand the existing buildings and construct a new building, as well as associated parking and other improvements. Thirty-two (32) market rate multi-family units and eight (8) units of special needs housing, consisting of not less than 15 bedrooms, will be created on the site. The special needs housing will be licensed as group home bedrooms that are each eligible for affordable housing credits (N.J.A.C. 5:93-5.8).

The 15 special needs bedrooms provide a 15% affordable housing set-aside for the KS Broad site (Block 2005, Lot 11-15) as well as this site. The KS Broad site received approval from Ridgewood to enter into an agreement with the Enclave to provide off-site affordable housing. The KS Broad and Enclave projects will comply with the phasing requirements of N.J.A.C. 5:93-5.76.(d). The units will be managed and administered by the Bergen County United Way. The site is suitable for affordable housing, as evidenced by the Planning Board approval, and prior rezoning.

The affordable housing project will meet the applicable requirements for 100% affordable housing projects in the substantive rules, as well as the Uniform Housing Affordability Control rules (UHAC) (N.J.A.C. 5:80-26.1 et seq.). See below as well as supplementary documentation in support of this site in the Appendices.

- **Administrative Entity.** The developer will contract with the Bergen County United Way to administer and affirmatively market the units at the site, income qualify applicants, place minimum 30-year affordability controls on the units and provide long term administration of the units in accordance with COAH’s rules at N.J.A.C. 5:93 et seq. and UHAC per N.J.A.C. 5:80-26.
- **Low/Moderate Income Split.** The site shall comply with the required split of low and moderate income units, which shall include not less than 50% of the units being reserved for low income households. Additionally, at least 13% of all affordable units shall be reserved for very low income households. If the actual number of affordable units constructed is an odd number, the units will always be split in favor of the low-income unit share per N.J.A.C. 5:93-7.2 and the UHAC at N.J.A.C. 5:80-26.



- **Affirmative Marketing.** The affordable units will be affirmatively marketed in accordance with COAH’s rules at N.J.A.C. 5:93 et seq. and N.J.A.C. 5:80-26.
- **Controls on Affordability.** The affordable units will have minimum 30-year affordability controls in accordance with COAH’s rules and UHAC regulations.
- **Bedroom Distribution.** The special needs affordable units are exempt from the UHAC Bedroom distribution requirements.

Ridgewood Dayton

This inclusionary zoning site is a vacant lot, formerly the site of Brogan Cadillac, located at Block 3707, Lot 5.01, and Block 3905, Lot 1.01. It consists of 2.67 acres at 100-152 South Broad Street, which intersects with Essex Street and Leroy Place. The site is located in the downtown section of the Village within walking distance to the Ridgewood Train Station, public school and fitness centers. While the developer is an intervenor, the Village did not enter into a settlement agreement with the developer of this site, rather, the Village negotiated for revised zoning which later facilitated site plan approval of the inclusionary housing development. The Village rezoned the site and later issued a site plan approval on June 20, 2017 (Resolution adopted on October 3, 2017). The site received approval to construct a new building as well as associated parking and other improvements. Seventy-nine (79) market rate multi-family rental units and 14 affordable multi-family rental units will be created on the site. Each affordable rental unit is eligible for affordable housing credits against the RDP (N.J.A.C. 5:93-5.8).

The October 3, 2017 resolution of approval requires that the 14 affordable housing rental units comply with all affordable housing requirements of the Village code and the Uniform Housing Affordability Control rules at N.J.A.C. 5:80-26.1 et seq. The site is suitable for affordable housing, as evidenced by the Planning Board approval, and prior rezoning.

The affordable housing project will meet the applicable requirements affordable housing projects in the substantive rules, as well as the Uniform Housing Affordability Control rules (UHAC) (N.J.A.C. 5:80-26.1 et seq.). See below as well as supplementary documentation in support of this site in the Appendices.

- **Administrative Entity.** The affordable housing developer will administer and affirmatively market the units at the site, income qualify applicants, place minimum 30-year affordability controls on the units and provide long term administration of the units in accordance with COAH’s rules at N.J.A.C. 5:93 et seq. and UHAC per N.J.A.C. 5:80-26.
- **Low/Moderate Income Split.** The site shall comply with the required split of low and moderate income units, which shall include not less than 50% of the units being reserved for low income households. Additionally, at least 13% of all affordable units shall be reserved for very low income households. If the actual number of affordable units constructed is an odd number, the units will always be split in favor of the low-income unit share per N.J.A.C. 5:93-7.2 and the UHAC at N.J.A.C. 5:80-26.



- **Affirmative Marketing.** The affordable units will be affirmatively marketed in accordance with COAH's rules at N.J.A.C. 5:93 et seq. and N.J.A.C. 5:80-26.
- **Controls on Affordability.** The affordable units will have minimum 30-year affordability controls in accordance with COAH's rules and UHAC regulations.
- **Bedroom Distribution.** The Village's affordable housing developer will follow the UHAC requirements regarding bedroom distribution for the affordable housing development on the site.

Two-Forty Associates

This inclusionary zoning site is a 1.246 acre vacant parcel located at 150-174 Chestnut street, Block 2004, Lot 3, which intersects with Robinson Lane. The project will be constructed on a site that is in close proximity to restaurants, shopping, and the Ridgewood train station in the downtown area.

While the developer is an intervenor, the Village did not enter into a settlement agreement with the developer of this site, rather, the Village negotiated for revised zoning which later facilitated site plan approval of the inclusionary housing development. The Village rezoned the site and later issued a site plan approval on April 4, 2017 (Resolution adopted on June 20, 2017). The site received approval to construct a new building as well as associated parking and other improvements. Thirty-five (35) market rate multi-family rental units and seven (7) affordable multi-family rental units will be created on the site for a total of forty-two (42) units. Each affordable rental unit is eligible for affordable housing credits against the RDP (N.J.A.C. 5:93-5.8).

The June 20, 2017 resolution of approval requires that 7 affordable multi-family housing units be provided on site and shall comply with all affordable housing requirements of the Village code and the Uniform Housing Affordability Control rules at N.J.A.C. 5:80-26.1 et seq. The site is suitable for affordable housing, as evidenced by the Planning Board approval, and prior rezoning. The developer will retain an affordable housing administrative agent and deed-restrict the affordable units for a minimum 30-year period.

In addition to site suitability, the affordable housing project will meet the applicable requirements for 100% affordable housing projects in the substantive rules, as well as the Uniform Housing Affordability Control rules (UHAC) (N.J.A.C. 5:80-26.1 et seq.). See below as well as supplementary documentation in support of this site in the Appendices.

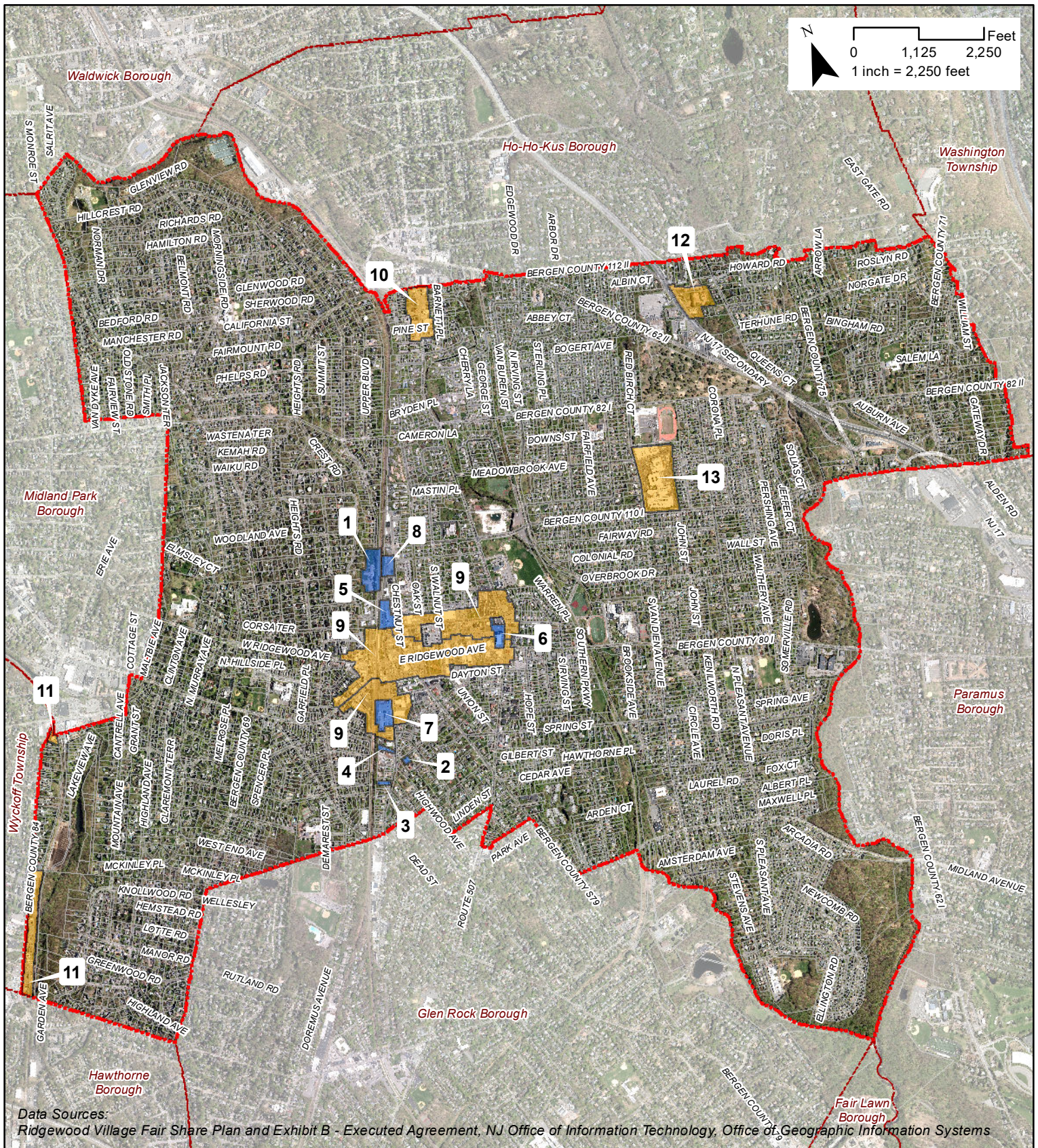
- **Administrative Entity.** The Village anticipates that the affordable housing developer will administer and affirmatively market the units at the site, income qualify applicants, place minimum 30-year affordability controls on the units and provide long term administration of the units in accordance with COAH's rules at N.J.A.C. 5:93 et seq. and UHAC per N.J.A.C. 5:80-26.
- **Low/Moderate Income Split.** The site shall comply with the required split of low and moderate income units, which shall include not less than 50% of the units being reserved for low income households. Additionally, at least 13% of all affordable units shall be reserved for very low income households. If



the actual number of affordable units constructed is an odd number, the units will always be split in favor of the low-income unit share per N.J.A.C. 5:93-7.2 and the UHAC at N.J.A.C. 5:80-26.

- **Affirmative Marketing.** The affordable units will be affirmatively marketed in accordance with COAH’s rules at N.J.A.C. 5:93 et seq. and N.J.A.C. 5:80-26.
- **Controls on Affordability.** The affordable units will have minimum 30-year affordability controls in accordance with COAH’s rules and UHAC regulations.
- **Bedroom Distribution.** The Village’s affordable housing developer will follow the UHAC requirements regarding bedroom distribution for the affordable housing development on the site.

Satisfaction of the 55 Total Unit RDP				
Program	Unit Type	Units	Bonus Credits	Total Credits
Ridgecrest Apartments	100% Age-Restricted Rental	12	0	12
Woodside Gardens	100% Family Sale	4	4	4
Broadway Condominiums	100% Family Sale	4	0	4
KS Broad	Inclusionary Special Needs Rental	9	9	9
257 Ridgewood Avenue (aka The Enclave)	Inclusionary Special Needs Rental	6	0	6
Ridgewood Dayton	Inclusionary Family Rental	14	5	19
Two Forty Associates	Inclusionary Family Rental	7	0	14
Total		56	14	70
			Surplus	15



Data Sources:
 Ridgewood Village Fair Share Plan and Exhibit B - Executed Agreement, NJ Office of Information Technology, Office of Geographic Information Systems



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Legend

Affordable Housing Sites/Zones

- RDP Sites
- Unmet Need Sites & Zoning

Affordable Housing Site Index

RDP Sites

1. Ridgcrest Apartments
2. Woodside Gardens
3. Broadway Condominiums
4. 234 South Broad St.
5. KS Broad
6. 257 Ridgewood Avenue
7. Ridgewood Dayton
8. Two Forty Associates

Unmet Need Sites & Zoning

9. Downtown B-1 & B-2 Districts
10. North Maple Avenue B-2 District
11. Goffle Avenue B-2 District
12. AH-3 District
13. Valley Hospital Campus



The Village has a total of 70 credits contributing toward the 55-unit RDP. This creates a surplus composed of 15 units ($70-55=15$; additional bonus credits may be applicable) and shall be utilized to address any increase in the RDP above 55 units, provided the applicable crediting requirements herein and in N.J.A.C. 5:93, et seq., are met.

In addition to meeting the total 55 unit RDP, the Village must also meet a rental obligation, maximum senior units, family obligation, and the very low income obligation.

Minimum Rental = 14 units

$.25$ (RDP) = 14 units | $.25$ (55) = 13.75, rounded up to 14

This obligation is satisfied with Ridgecrest Apartments, KS Broad, The Enclave, Ridgewood Dayton, and Two Forty Associates.

Maximum Senior = 13 units

$.25$ (RDP) = 13 units | $.25$ (55) = 13.75, rounded down to 13

The Village uses 12 units at the Ridgecrest Apartments.

Minimum Family = 28 units

$.50$ (RDP) = 28 units | $.50$ (55) = 27.5, rounded up to 28

This obligation is satisfied with Woodside Gardens, Broadway Condominiums, Ridgewood Dayton and Two Forty Associates.

Minimum Family Rental: 7 units

$.50$ (rental obligation) = 7 units | $.50$ (14) = 7

This obligation is satisfied with Ridgewood Dayton and Two Forty Associates.

Minimum Very Low Income = 5 units

$.13$ (units created or approved on or after July 1, 2008) = 5 units | $.13$ (36) = 4.68, rounded up to 5

The projects contributing to this calculation include KS Broad, The Enclave, Ridgewood Dayton, and Two Forty Associates. These same projects will satisfy the very low income obligation.

Satisfaction of the Unmet Need

The RDP of 55, subtracted from the agreed upon combined Prior Round and Third Round Obligation of 893 units, results in an Unmet Need of 838 units. The Village will apply surplus affordable units and will adopt overlay zone districts and a mandatory set-aside ordinance as its strategy to satisfy the unmet need.

Ridgecrest Apartments

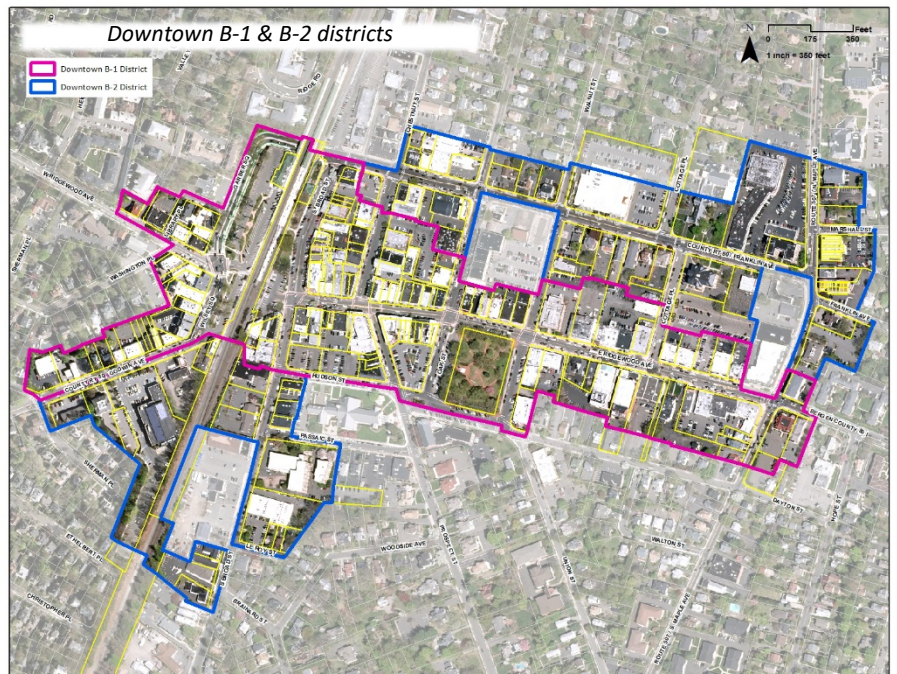
The site, Block 2004 Lot 10.01, is a 4.03 acre tract that consists of an existing age-restricted housing development along Ridge Road (7-11 Ridge Road) in the R-1 zone. Twelve (12) of the 129 in this prior round cycle project will contribute toward the RDP. The remaining 117 units will contribute toward the unmet need.

234 South Broad Street

The site, Block 3905 Lot 11, is a 0.52-acre tract that consists of an existing special needs facility operated by West Bergen Mental Healthcare along South Broad Street (234 S Broad Street) in the AH-1 zone. The Village will utilize the 10 units in this special needs facility against the unmet need.

Downtown B-1 & B-2 Districts

This 78.25 acre area will receive amended zoning that permits inclusionary housing at a maximum density of 18 du/ac with an affordable housing set-aside of 15% where the affordable units are for rent and 20% where the affordable units are for sale. Fractional affordable unit requirements shall be rounded down where the fraction is .49 or less and rounded up for those .50 or greater. The bulk and design standards will be adjusted accordingly; however, the maximum building height shall not exceed 50 feet. The area consists of mixed-use retail and



service business uses along Franklin Avenue. All affordable units shall be restricted, regulated and administered consistent with the Village's affordable housing regulations, the Uniform Housing

Affordability Controls rules (N.J.A.C. 5:80-26.1 et seq.) and the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 et seq.). This shall include but is not limited to income distribution, bedroom distribution, and phasing.

AH-3 District

This 5.40 acre area will create a new mixed-use Affordable Housing District along Ridge Road. The zoning in the new district on Block 4704, Lots 6.01, 7.04, and 15 will permit inclusionary housing at a graduated maximum density of 14-18 du/ac and an affordable housing set-aside of 15% where the units are for rent and 20% where the units are for sale. Fractional affordable unit requirements shall be rounded down where the fraction is .49 or less and rounded up for those .50 or greater. The bulk and design standards will be adjusted accordingly; however, the maximum building height shall not exceed 50 feet. The graduated maximum densities shall be as follows:

- .50 ac and smaller: 14 du/ac
- .51 ac - 1.25 ac: 16 du/ac
- 1.26 ac and greater: 18 du/ac

All affordable units shall be restricted, regulated and administered consistent with the Village’s affordable housing regulations, the Uniform Housing Affordability Controls rules (N.J.A.C. 5:80-26.1 et seq.) and the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 et seq.). This shall include but is not limited to income distribution, bedroom distribution, and phasing.



North Maple Avenue & Goffle Avenue B-3 Districts

This 7.99 acre area is in the B-2 district but will be amended to a new inclusionary housing zone referred to as the B-3 district. The amended zoning will be similar to the B-2 district with a mix of permitted nonresidential uses and will also permit inclusionary housing at a graduated maximum density of 12-20 du/ac and an affordable housing set-aside of 15% where the affordable units are for rent and 20% where the affordable units are for sale. Fractional affordable unit requirements shall be rounded down where the fraction is .49 or less and rounded up for those .50 or greater. The bulk and design standards will be

adjusted accordingly; however, the maximum building height shall not exceed 50 feet. The area consists of commercial retail and service business uses along North Maple & Goffle Avenue. The graduated maximum densities shall be as follows:

- .25 ac and less: 12 du/ac
- .26 - .50 ac: 16 du/ac
- .51 - 1.00 ac: 18 du/ac
- 1.01 ac or greater: 20 du/ac

All affordable units shall be restricted, regulated and administered consistent with the Village’s affordable housing regulations, the Uniform Housing Affordability Controls rules (N.J.A.C. 5:80-26.1 et seq.) and the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 et seq.). This shall include but is not limited to income distribution, bedroom distribution, and phasing.

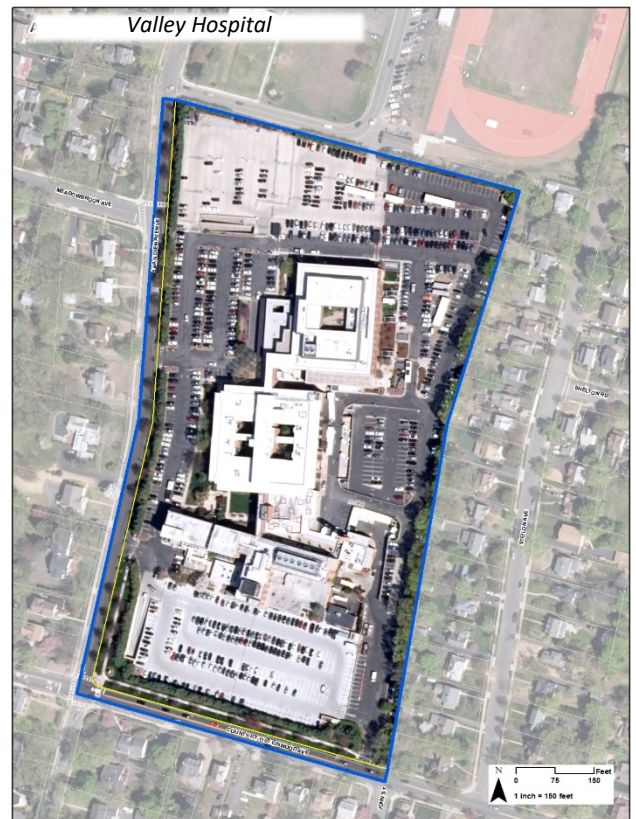


Valley Hospital Campus

A redevelopment plan will be adopted for the site located at 223 North Van Dien Avenue, Block 3301 Lot 51, in the H zone within 18 months of Superior Court approval of this settlement agreement. The redevelopment plan shall require between 35-45 family affordable housing units to be provided on-site. In the event that the Village of Ridgewood has not adopted a Redevelopment Plan within 18 months, or if the Redevelopment Process stops at any point prior to the end of the 18 months, the Village agrees to place overlay zoning on the Valley Hospital property permitting not less than 12 du/ac. The affordable housing set-aside shall be 20%.

Mandatory Set-aside Ordinance

The Village will adopt a mandatory set-aside ordinance that requires, where via use variance, rezoning, or redevelopment, the Village permits multi-family housing with 5 units or greater that an affordable housing set-aside will be imposed on the development. The Ordinance shall require a 15% set-aside where the affordable units are for rent and 20% set-aside where the affordable units are for sale. Fractional affordable unit requirements shall be rounded down where the fraction is .49 or less and rounded up for those .50 or greater. All affordable units shall be restricted, regulated and administered consistent with the Village’s affordable housing regulations, the Uniform Housing Affordability Controls rules (N.J.A.C. 5:80-26.1 et seq.) and the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 et seq.). This shall include but is not limited to income distribution, bedroom distribution, and phasing.



AFFORDABLE HOUSING ADMINISTRATION & AFFIRMATIVE MARKETING

Ridgewood will adopt an Affordable Housing Ordinance in accordance with COAH’s substantive rules and UHAC. The Affordable Housing Ordinance will govern the establishment of affordable units in the Village as well as regulating the occupancy of such units. The Village’s Affordable Housing Ordinance covers the phasing of affordable units, the low/moderate income split, bedroom distribution, occupancy standards, affordability controls, establishing rents and prices, affirmative marketing, income qualification, etc.



The Village has established the position of the Municipal Housing Liaison and has appointed a staff member to the position. The Village relies on an affordable housing administrator to conduct the administration and affirmative marketing of its affordable housing sites. However, the Village will permit developers who demonstrate the appropriate experience and expertise to administer their own units as both are experienced affordable housing administrators. The affirmative marketing plans are designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to the affordable units located in the Village. Additionally, the affirmative marketing plan is intended to target those potentially eligible persons who are least likely to apply for affordable units and who reside in the Village's housing region, Region 1, consisting of Bergen, Hudson, Passaic and Sussex counties.

The affirmative marketing plans include regulations for qualification of income eligibility, price and rent restrictions, bedroom distribution, affordability control periods, and unit marketing in accordance to N.J.A.C. 5:80-26.1 et seq. All newly created affordable units will comply with the 30-year affordability control required by UHAC, N.J.A.C. 5:80-26.5 and 5:80-26.11. This plan must be adhered to by all private, non-profit, and municipal developers of affordable housing units and must cover the period of deed restriction or affordability controls on each affordable unit.

AFFORDABLE HOUSING TRUST FUND

The Village has an existing development fee ordinance that, consistent with the "Roberts Bill", P.L. 2008 c.46., will be updated to reflect residential development fees in the amount of 1.5% of the equalized assessed value of residential development and nonresidential development fees in the amount of 2.5% of the equalized assessed value of nonresidential development.

The Spending Plan included in the Appendices to this Housing Plan, which discusses anticipated revenues, collection of revenues, and the use of revenues, was prepared in accordance with COAH's applicable substantive rules. All collected revenues will be placed in the Village's Affordable Housing Trust fund and will be dispensed for the use of eligible affordable housing activities including, but not limited to:

- Rehabilitation program;
- New construction of affordable housing units and related development costs;
- Extensions or improvements of roads and infrastructure directly serving affordable housing development sites;
- Acquisition and/or improvement of land to be used for affordable housing;



- Purchase of affordable housing units for the purpose of maintaining or implementing affordability controls,
- Maintenance and repair of affordable housing units;
- Repayment of municipal bonds issued to finance low- and moderate-income housing activity; and
- Any other activity as specified in the approved spending plan.

However, the Village is required to fund eligible programs in a Court-approved Housing Element and Fair Share Plan, as well as provide affordability assistance.

At least 30% of collected development fees, excluding expenditures made since July 17, 2008, when affordability assistance became a statutory requirement in the Fair Housing Act, shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in a municipal Fair Share Plan. At least one-third (1/3) of the affordability assistance must be expended on very-low income units. Additionally, no more than 20% of the revenues collected from development fees each year, shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to prepare or implement a rehabilitation program, a new construction program, a housing element and fair share plan, and/or an affirmative marketing program.

MONITORING

The Village's settlement agreement with FSHC put in place monitoring provisions consistent with those required by the Fair Housing Act and similar to those required by COAH. The monitoring requires regular tracking of progress toward meeting the affordable housing obligation and ensuring the affordable units and affordable housing trust fund are administered properly. The agreement requires the following:

- On the first anniversary of the entry of final judgment, and every anniversary thereafter through the end of this Agreement, the Village agrees to provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website with a copy of such posting provided to FSHC, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC. In addition to the foregoing, the Village may also post such activity on the CTM system and/ or file a copy of its report with the COAH or its successor agency at the State level.
- For the midpoint realistic opportunity review date, the parties agree that the midpoint for purposes of this agreement will be July 1, 2020 pursuant to N.J. S. A. 52: 27D- 313, and a second review shall occur by July 1, 2022. The Village will post the review on its municipal website, with a copy provided to FSHC, a status report as to its implementation of its Plan and an analysis of whether any unbuilt sites or unfulfilled RDP mechanisms continue to present a realistic



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

- For the review of very low income housing requirements required by N.J.S.A. 52: 27D- 329. 1, within 30 days of the third anniversary of the entry of final judgment, and every third year thereafter, the Village will post on its municipal website, with a copy provided to FSHC, a status report as to its satisfaction of its very low income requirements, including the family very low income requirements referenced herein. Such posting shall invite any interested party to submit comments to the municipality and FSHC on the issue of whether the municipality has complied with its very low income housing obligation under the terms of this settlement.

COST GENERATION

The Village of Ridgewood's Land Development Ordinance has been reviewed to eliminate unnecessary cost generating standards; it provides for expediting the review of development applications containing affordable housing. Such expedition may consist of, but is not limited to, scheduling of pre-application conferences and special monthly public hearings. Furthermore, development applications containing affordable housing shall be reviewed for consistency with the Land Development Ordinance, Residential Site Improvement Standards (N.J.A.C. 5:21-1 et seq.) and the mandate of the FHA regarding unnecessary cost generating features. Ridgewood shall comply with COAH's requirements for unnecessary cost generating requirements, N.J.A.C. 5:93-10.1, procedures for development applications containing affordable housing, N.J.A.C. 5:93-10.4, and requirements for special studies and escrow accounts where an application contains affordable housing.