Resolution of the Northvale Governing Body
Resolution No. 2025-47
January 15, 2025

Council Member	Motion	Second	Yes	No	Abstain	Absent
BAKALIAN			X			
FERNANDEZ			X			
MATTESSICH			X			
MCMORROW			X			
MENAFRA		X	X			
SOKOLOSKI	X		X			

TITLE: **RESOLUTION COMMITTING TO DCA'S FOURTH ROUND AFFORDABLE HOUSING PRESENT NEED AND PROSPECTIVE NEED NUMBERS AS MODIFIED**

WHEREAS, on March 20, 2024, Governor Murphy signed into law an Amendment to the Fair Housing Act (N.J.S.A. 52:27D-301 *et seq.*) (hereinafter "Amended FHA"); and

WHEREAS, the Amended FHA requires the Department of Community Affairs ("DCA") to produce non-binding estimates of fair share obligations on or before October 20, 2024; and

WHEREAS, the DCA issued a report on October 18, 2024 ("DCA Report") wherein it reported its estimate of the obligation for all municipalities based upon its interpretation of the standards in the Amended FHA; and

WHEREAS, the DCA Report calculates Northvale's Round 4 (2025-2035) obligations as follows: a Present Need or Rehabilitation Obligation of 8 units and a Prospective Need or New Construction Obligation of 112 units; and

WHEREAS, the Amended FHA provides that the DCA Report is non-binding, thereby inviting municipalities to demonstrate that the Amended FHA would support lower calculations of Round 4 affordable housing obligations; and

WHEREAS, pursuant to N.J.S.A. 52:27D-304.3, a municipality's average allocation factor is comprised of the equalized nonresidential factor, income capacity factor, and land capacity factor and shall be averaged to yield the municipality's average allocation factor; and

WHEREAS, the Amended FHA further provides that "[a]ll parties shall be entitled to rely upon regulations on municipal credits, adjustments, and compliance mechanisms adopted by COAH unless those regulations are contradicted by statute, including P.L. 2024, c.2, or binding court decisions" (N.J.S.A 52:27D-311(m)); and

WHEREAS, COAH regulations authorize vacant land adjustments as well as durational adjustments; and

WHEREAS, the DCA has released a Geographic Information Systems spatial data representation of the Land Capacity Analysis for P.L. 2024, c.2 containing the Vacant and Developable land information that serves as the basis for calculating the land capacity factor; and

WHEREAS, Northvale has reviewed the lands identified by the DCA for the land capacity factor with respect to the MOD-IV Property Tax List data, construction permit data, land use board approvals, configuration, and accessibility to ascertain whether these identified developable lands may accommodate development; and

WHEREAS, based on the foregoing, Northvale relies on the DCA calculations of Northvale's fair share obligations as modified herein to account for Northvale's review of the lands identified by the DCA for the land capacity factor with respect to the MOD-IV Property Tax List data, construction permit data, land use board approvals, configuration, and accessibility to ascertain whether these identified developable lands may accommodate development, and as further set forth in detail and explained in the attached memo prepared by Northvale's affordable housing planner, and Northvale seeks to commit to provide its fair share of 8 units present need and 99 units prospective need, subject to any vacant land and/or durational adjustments it may seek as part of the Housing Plan element and Fair Share Plan element it subsequently submits in accordance with the Amended FHA; and

WHEREAS, Northvale reserves the right to comply with any additional amendments to the FHA that the Legislature may enact; and

WHEREAS, Northvale also reserves the right to adjust its position in the event of any rulings in the *Montvale* case (MER-L-1778-24) or any other such action that alters the deadlines and/or requirements of the Amended FHA; and

WHEREAS, in the event that a third party challenges the calculations provided for in this Resolution, Northvale reserves the right to take such position as it deems appropriate in response thereto, including that its Round 4 Prospective Need Obligation should be lower than described herein; and

WHEREAS, in light of the above, the Governing Body finds that it is in the best interest of Northvale to commit to the modified present need and prospective need Fourth Round affordable housing fair share numbers set forth herein, subject to the reservations set forth herein; and

WHEREAS, in accordance with AOC Directive #14-24 dated December 13, 2024, the Governing Body finds that, as a municipality seeking a certification of compliance with the FHA, it is in the best interests of Northvale to direct the filing of an action in the form of a declaratory judgment complaint within 48 hours after adoption of the within resolution of fair share obligations, or by February 3, 2025, whichever is sooner.

NOW, THEREFORE BE IT RESOLVED, on this 15th day of January, 2025 by the Governing Body of the Borough of Northvale, County of Bergen, State of New Jersey as follows:

1.   All of the above Whereas Clauses are incorporated into the operative clauses of this resolution.

2.   Northvale hereby commits to [the DCA's Round 4 Present Need Obligation of 8 units][no modification of the DCA's Round 4 Present Need Obligation of 8 units to 8 units], and [the DCA's Round 4 Prospective Need Obligation of 99 units] [a modification of the DCA's Round 4 Prospective Need Obligation of 112 units to 99 units], as explained above and in the attached memo from Northvale's affordable housing planner, and subject to all reservations of rights set forth above

3.   Northvale hereby directs its attorney to file a declaratory judgment complaint in Bergen County within 48 hours after adoption of the within resolution and attaching this resolution as an exhibit with the attached memo.

4.   Northvale authorizes its Attorney to submit and/or file the within resolution with attached memo with the Program or any other such entity as may be determined to be appropriate.

1. This resolution shall take effect immediately, according to law.

CERTIFICATION

I, Frances Weston, Municipal Clerk of the Borough of Northvale in the County of Bergen and the State of New Jersey do hereby certify that the foregoing resolution is a true copy of the original resolution duly passed and adopted by the Governing Body at the meeting of January 15, 2025.
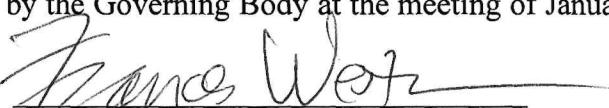
FRANCES WESTON
MUNICIPAL CLERK

BOROUGH OF NORTHVALE

AFFORDABLE HOUSING REPORT

JANUARY 2025

NEGLIA

PREPARED BY NEGLIA GROUP

INTRODUCTION

On March 20, 2024, Governor Murphy signed P.L.2024, c.2 into law, establishing a new framework for determining and enforcing municipalities' affordable housing obligations under the New Jersey Supreme Court's Mount Laurel doctrine and the State's Fair Housing Act.

This law required the Department of Community Affairs (DCA) to perform a calculation of regional need and municipal present and prospective need obligations in accordance with the formulas established in the law. The six (6) Housing Regions were derived from the Legislation and used various factors to determine the present and prospective need for each municipality, the methodology will be discussed in more detail later in this report.

The Borough of Northvale is located along the northern border of Bergen County, one of the four Counties that make up Housing Region 1. Housing Region 1 is comprised of Bergen, Hudson, Passaic, and Sussex Counties and located at the northern most part of the State. Housing Region 1 has the largest combined population of any of the six (6) Housing Regions and the largest Present Need and Prospective Need in the State.

DCA provided the calculations and obligations for each municipality's present and prospective need in a non-binding document based strictly on data analysis. This report applies the methodology used by DCA and includes a narrower level of detail that may include additional information that was not directly available to the DCA during the initial calculations. Since, there is no standardized way for municipalities to report projects associated with the Third Round Housing Element, Zoning Board of Adjustment and Planning Board decisions, or more "boots on the ground" specific information, municipalities have been given the opportunity to provide any additional information when applying the DCA's methodology.

The DCA was limited to create a methodology that would be replicated throughout the state across all municipalities. Using the methodology and the application of municipal specific information we believe there are certain calculations that shall be amended to provide a more accurate obligation for the Borough of Northvale.

DCA METHODOLOGY

Present Need is determined based on the number of existing housing units occupied by low- and moderate- income (LMI) households that are substandard and deficient. The Present Need for third round was determined by three factors: dwelling units lacking complete kitchen facilities, dwelling units lacking complete plumbing facilities, and overcrowded units. While these three metrics have data that tracks them independently, there is no measure accounting for overlap or for their impact to LMI households exclusively, Present Need seeks to address this measure. It shall be noted that DCA strictly used census data estimates and the number is not based on actual units that have been inspected to meet the criteria.

Similar to the third round, the Present Need obligation will most likely be addressed through participation in the Bergen County Home Improvement program and Affordable Housing Trust Fund money allocated to the Borough, as needed. We shall further address this obligation and strategy in the Fourth Round Housing Element. Therefore, it is determined that the present need obligation is as follows:

<u>**Present Need: 8**</u>

Prospective Need the DCA determined the prospective need based on three (3) equalized factors averaged into an average allocation factor for each municipality. The average allocation factor for each municipality was then multiplied by the regional prospective need to determine each municipality's prospective need obligation. The three (3) factors used to determine the average allocation were Equalized Nonresidential Valuation (33.33%), Income Capacity Factor (33.33%), and the Land Capacity Factor (33.33%).

<u>**Equalized Nonresidental Valuation Factor: 0.53%**</u>

Equalized Nonresidential Valuation Factor is determined by the change in commercial and industrial property valuations from the beginning of the last round and the start of the current round. Therefore, the years being compared are 1999 and 2023, with data from the NJ Division of Local Government Services. For each year being compared, the commercial and industrial valuations were added together and then adjusted by that year's State Equalization Table Average Ratios. These equalized nonresidential valuations were then used to calculate the change over the 24 years. Each municipality's values were aggregated to the Housing Region level minus the valuation changes in Qualified Urban Aid municipalities. The Equalized Nonresidential Valuation Factor is the resulting percentage from dividing the municipality's 24-year change in equalized nonresidential valuations by this adjusted aggregated Housing Region total. Municipalities that experienced growth in commercial and industrial valuation received higher obligations according to DCA's method. For the Borough of Northvale, the Equalized Nonresidential Valuation Factor is calculated to be 0.53%. A summary of the calculation is as follows.

$$0.53\% = \frac{\dfrac{(80{,}795{,}800 + 178{,}776{,}000)}{0.777} - \dfrac{(45{,}457{,}700 + 88{,}338{,}545)}{.8249}}{32{,}549{,}128{,}394}$$

0.53% = Equalized Nonresidential Valuation Factor for Northvale

0.777 = 2023 State Equalization Table Average Ratio for Northvale

80,795,800 = 2023 Commercial Valuation for Northvale

178,776,000 = 2023 Industrial Valuation for Northvale

0.8249 = 1999 State Equalization Table Average Ratio for Northvale

45,457,700 = 1999 Commercial Valuation for Northvale

88,338,545 = 1999 Industrial Valuation for Northvale

32,549,128,394 = 1999 – 2023 Change in Equalized Nonresidential Valuation
Housing Region 1

Land Capacity Factor: 0.11%

The Land Capacity Factor was computed with 2024 MOD-IV Property Tax list from the Division of Taxation in the Department of Community Affairs. All parcels classified as vacant were included in the initial list. Next, DCA used the land use/land cover (LULC) data courtesy of the New Jersey Department of Environmental Protection and construction permit data from DCA. Using this data in ArcGIS, Land Capacity Factor is calculated by dividing the total developable land for each municipality by the total for the Housing Region excluding that area from the Qualified Urban Aid municipalities. For the Borough of Northvale, the Land Capacity Factor is calculated to be 0.11%. A summary of the calculation is as follows.

$$0.11\% = \frac{2.211}{1,980}$$

0.11% = Land Capacity Factor for Northvale

2.211 = Land Use/Land Cover Methodology Land Area for Northvale

1,980 = Total Developable Land for Housing Region 1

AMENDMENT - The DCA's methodology was strictly a data analysis that was limited by the information DCA was able to use to determine the land capacity of each municipality. Since, there is not a standardized method for municipalities to report court settlements from the third round or decisions made by the Zoning Board of Adjustment and Planning Board properties included in the land capacity may not actually be developable or have already been allocated for development. Upon reviewing the DCA's Land Capacity layers on GIS we have determined a number of the sites are not developable and shall be excluded.

NJ DCA Layer – Land Capacity Analysis for P.L. 2024, c.2 Parcels	
	Block: 1011 **Lots:** 5.01 **Land Capacity Area:** 0.19 **Property Owner:** Borough of Northvale **Property Class:** 15C **Current Use:** Vacant **Notes:** This is Borough owned property adjacent to property being used for municipal purposes.

NJ DCA Layer – Land Capacity Analysis for P.L. 2024, c.2 Parcels	
	Block: 104 **Lot:** 20 **Land Capacity Area:** 0.33 **Property Owner:** Atwater, Clifford **Property Class:** 1 **Current Use:** Single Family Home **Notes:** This lot is the rear yard of a residential property in Old Tappan. The municipal boundary separates the yard in two. **This lot should not be included in the land capacity calculation.**
	Block: 202 **Lot:** 2 **Land Capacity Area:** 0.80 **Property Owner:** Stateline Plz Inc. C/O CBRE **Property Class:** 1 **Current Use:** Vacant **Notes:** This property is owned by CBRE, as is the property across the street in the State of New York. There are several signs on the property stating 4 new homes will be constructed on this lot. **This lot should not be included in the land capacity calculation.**
	Block: 207 **Lot:** 3 **Land Capacity Area:** 0.31 **Property Owner:** Maxin Enterprise LLC **Property Class:** 1 **Current Use:** Vacant **Notes:** The Sparkill Creek runs through this property and is located in a Flood Hazard Area and Floodway as identified by FEMA. **This lot should not be included in the land capacity calculation.**
	Block: 602 **Lot:** 7 **Land Capacity Area:** 0.16 **Property Owner:** Borough of Northvale **Property Class:** 15C **Current Use:** This property is located in a Flood Hazard Area and identified on FEMA mapping as such. **This lot should not be included in the land capacity calculation.**

NJ DCA Layer – Land Capacity Analysis for P.L. 2024, c.2 Parcels

Block: 602
Lot: 9
Land Capacity Area: 0.14
Property Owner: Borough of Northvale
Property Class: 15C
Current Use: Vacant
Notes: This property is located in a Flood Hazard Area and identified on FEMA mapping as such. **This lot should not be included in the land capacity calculation.**

Block: 906
Lots: 3 & 4
Land Capacity Area: 0.28
Property Owner: Gerald & Carole Cardinale
Property Class: 1
Current Use: Vacant
Notes: This property is located in a Flood Hazard Area and identified on FEMA mapping as such. **This lot should not be included in the land capacity calculation.**

Therefore, we believe the Land Capacity factor should be amended to reflect the information provided. Using the additional data from the Borough's records we believe the following calculation shall be used to determine the Land Capacity Factor:

$$0.00009\% = \frac{0.19}{1{,}980}$$

0.00009% = Land Capacity Factor for Northvale

0.19 = Land Use/Land Cover Methodology Land Area for Northvale

1,980 = Total Developable Land for Housing Region 1

Income Capacity Factor: 0.57%

The Income Capacity Factor measures the difference between a municipality's income level and that of the municipality with the lowest-income level in its Housing Region. It is an average of two percentages. The first percentage is the amount that the municipality contributes to the regional difference of income compared to the regional income floor. The second percentage is the municipality's contribution to the regional difference of income compared to the regional income floor, weighted by the number of households within the municipality. Qualified Urban Aid municipalities were excluded from these calculations. For Housing Region 1, the lowest municipal median household income is the City of Paterson. The City of Paterson's median household income is $52,092 subtracting $100 from this number represents

the regional income floor, $51,992. The Borough of Northvale Income Capacity factor is calculated to be 1.66%. A summary of the calculation is as follows.

$$0.57\% = \frac{\frac{1{,}626 * (120{,}278 - 51{,}992)}{33{,}410{,}794{,}107} + \frac{120{,}278 - 51{,}992}{8{,}355{,}312}}{2}$$

Where:

0.57% = Income Capacity Factor for Northvale

1,626 = Number of Households in Northvale

120,278 = Median Household Income in Northvale

51,992 = Median Household Income Floor for Housing Region 1

33,410,794,107 = Total Median Household Income Differences times Households for Housing Region 1

8,355,312 = Median Household Income Differences for Housing Region 1

<div align="center">

Average Allocation Factor: 0.40%

</div>

The Average Allocation Factor is calculated by averaging three metrics: Equalized Nonresidential Valuation Factor, Land Capacity Factor, and the Income Capacity Factor. For Qualified Urban Aid municipalities, this average was zero as they have no obligation. Municipalities with an average greater than zero, the Average Allocation Factor was multiplied by the Prospective Need for their respective Housing Region to determine the Prospective Need of the municipality. For the Borough of Northvale, the Average Allocation Factor is calculated to be 0.40%. A summary of the calculation is as follows.

$$0.40\% = \frac{0.53\% + 0.11\% + 0.57\%}{3}$$

Where

0.40% = Average Allocation Factor for Northvale

0.53% = Equalized Nonresidential Valuation Factor for Northvale

0.11% = Land Capacity Factor for Northvale

0.57% = Income Capacity Factor for Northvale

Prospective Need: 112

The Prospective Need for the Borough of Northvale has been calculated by the DCA to be 112 units. This calculation multiplied the Prospective Need of Housing Region 1 by the Average Allocation Factor for the Borough of Northvale. A summary of the calculation is as follows.

$$112 = 0.40\% * 27,743$$

Where

112 = The Prospective Need of Affordable Housing in Northvale

0.40% = Average Allocation Factor for Northvale

27,743 = The Prospective Need for Housing Region 1

AMENDMENT – Since, the land capacity factor needs to be amended based on the additional information provided by the Borough, the Prospective Need calculation would also need to be revised. A summary of the calculation is as follows:

$$0.36\% = \frac{0.53\% + 0.00009\% + 0.57\%}{3}$$

Where

0.36% = Average Allocation Factor for Northvale

0.53% = Equalized Nonresidential Valuation Factor for Northvale

0.00009% = Amended Land Capacity Factor for Northvale

0.57% = Income Capacity Factor for Northvale

Prospective Need: 99

The Prospective Need for the Borough of Northvale has been calculated to be 99 units. This calculation multiplied the Prospective Need of Housing Region 1 by the Average Allocation Factor for the Borough of Northvale. A summary of the calculation is as follows.

$$99 = 0.36\% * 27,743$$

Where

99 = The Prospective Need of Affordable Housing in Northvale

0.36% = Average Allocation Factor for Northvale

27,743 = The Prospective Need for Housing Region 1

Regional Prospective Need Calculation: 27,743

The Prospective Need for the six Housing Regions was determined based on the rate of change in population over the course of ten (10) years. With population data from the 2010 and 2020 Decennial Census, the change is calculated and then divided by 2.5 an assumed factor of Low- and Moderate- Income household growth. This calculation was done for each Housing Region to determine the Prospective Need. For Housing Region 1, the Regional Prospective Need is calculated to be 27,743. A summary of the calculation is as follows.

$$27,743 = \frac{(873,062 - 803,704)}{2.5}$$

Where

      27,743 = Regional Prospective Need for Housing Region 1

      873,062 = 2020 Households – Decennial Census for Housing Region 1

      803,704 = 2010 Households – Decennial Census for Housing Region 1

      2.5 = Factor for Assumed Low- and Moderate- Income Household Growth

CONCLUSION

The Department of Community Affairs released non-binding obligations for affordable housing for each municipality in the state. By releasing non-binding numbers the DCA offered municipalities the opportunity to provide additional information that may result in amending the numbers calculated by DCA. Based on the information provided in the Department of Community Affair's Affordable Housing Obligations for 2025-2035 (Fourth Round) Methodology and Background, the Borough of Northvale Housing Element and Fair Share Plan, Zoning Board of Adjustment Decisions, and Planning Board Decisions, we believe the calculations shall be amended to identify the inconsistencies found within the datasets. Specifically, the Land Capacity Factor which included property that is not capable of being developed or already being developed.

The Borough of Northvale's present need obligation shall be **8 units**, the same obligation provided by DCA. However, the Borough's prospective need shall be amended to be **99 units** in lieu of the 112 units provided by the DCA, as it correctly identifies the land capacity factor within the Borough.
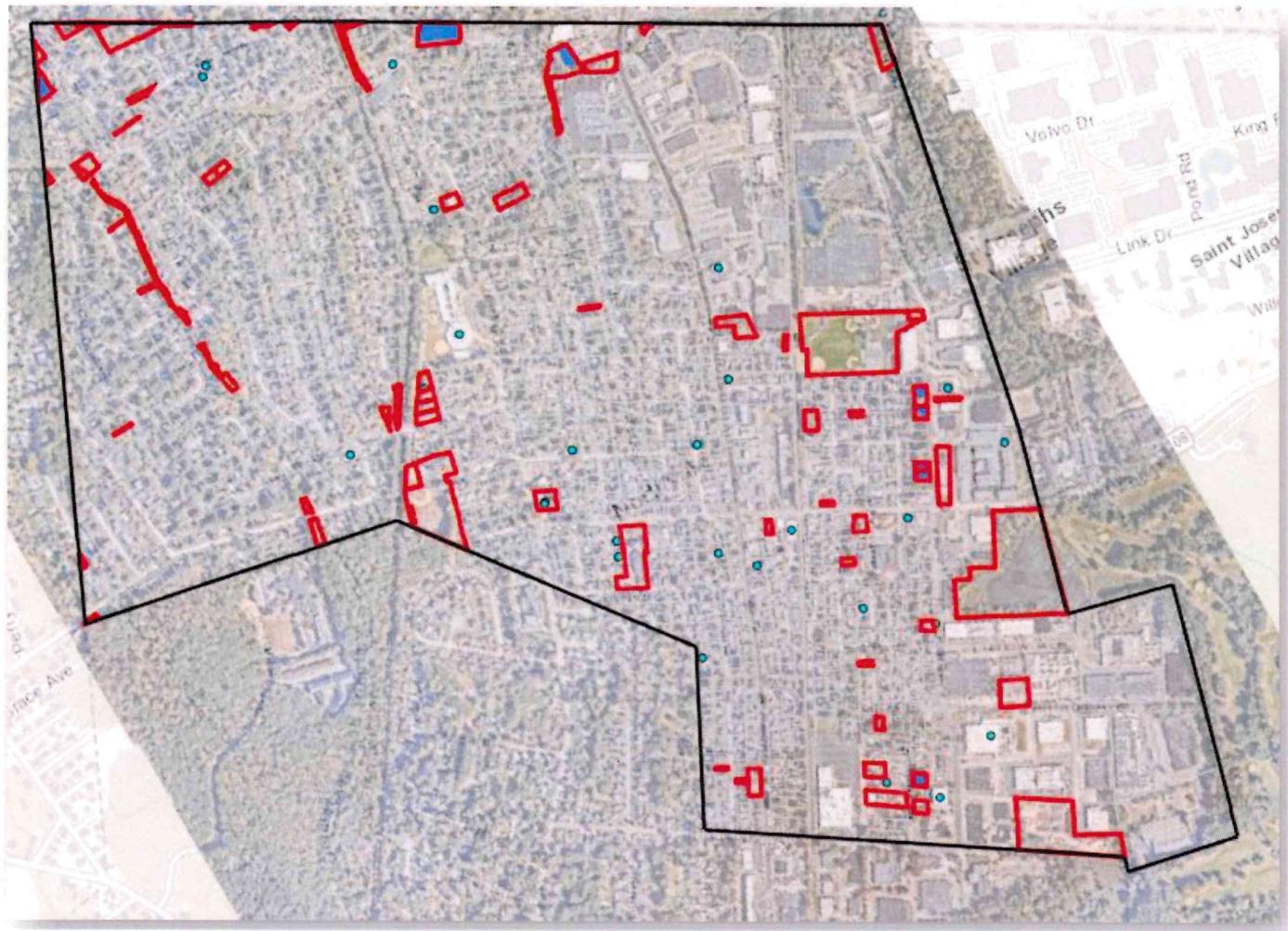
Figure 1: GIS Map of all lands classified as 1 or 15 by the Tax Assessor and all properties with a board application.

Old Tappan Rd

8

Main St

303

340

Sparkill Creek

Sparkill Brook

Rockland County
New York State

Sparkill Creek

110

39

501

Semino Rd

505

Piermont Rd

501

Paulding Ave

Tappan Rd

Union St

Cooper Pond

Rockleigh Borough
Bergen County

Wildwood Rd

Briarwood Ln

39

Livingston St

Sparkill Brook

108

Wildwood Rd W

Bradley Ave

505

Walnut St

Paris Ave

Clinton Ave

Tappan Rd

108

Paris Ave

Old Tappan Borough
Bergen County

108

Glanz Ave

Livingston St

Veterans Dr

Sparkill Brook

Dorotockeys Run tributary

39

Sanial Ave

Hackensack River tributary

Legrand Ave

505

Tappan Rd

Norwood Borough
Bergen County

39

Figure 2
FEMA Flood Hazard Areas
Vacant Land Analysis
Borough of Northvale
Bergen County, NJ

0   400   800   1,600
Feet

Date: January 2025   Drawn By: A.B.B.
Revised: Checked By:

Data Source: NJ Office of GIS, NJDEP, FEMA NFHL Bergen County 08/2019

Disclaimer: This map and all data contained within are supplied as is with no warranty. Neglia Group expressly disclaims responsibility for damages or liability that may arise from the use or misuse of this map. The data depicted here has been developed only for specific purposes needed in the conduct of business. It is the sole responsibility of the user to determine if the data on this map meets the user's needs. This map was not created as survey data, nor should it be used as such. It is the user's responsibility to obtain proper survey data, prepared by a New Jersey licensed surveyor, where required by New Jersey Law.

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Legend

- Zone AE Special Flood Hazard Area, Floodway
- Zone AE Special Flood Hazard Area
- Zone A Special Flood Hazard Area
- Zone X, 0.2% Annual Chance Flood Hazard
- Zone X, Area of Minimal Flood Hazard
- DCA Land Capacity Analysis