

Housing Element & Fair Share Plan

Township of Saddle Brook

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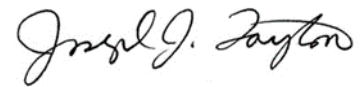


Housing Element & Fair Share Plan

Township of Saddle Brook

Bergen County, New Jersey

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

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INTRODUCTION

AFFORDABLE HOUSING HISTORY

MUNICIPAL SUMMARY

The Township of Saddle Brook is located in Bergen County in northern New Jersey and is 2.716 square miles in size. Saddle Brook is located along the western bank of the Saddle River, which is a tributary of the Passaic River. The Garden State Parkway and Interstate 80 pass through the Township's midsection and is served by Parkway Exit 159 and I-80 Exit 62. The Main/Bergen County Line of NJ Transit is the Township's western boundary and offers rail access to New York City via Secaucus Junction or Hoboken from the nearby Broadway or Plauderville stations. Saddle Brook is approximately four miles from the City of Paterson and is approximately 10 miles from the George Washington Bridge.

Between 2000 and 2010, Saddle Brook's population increased slightly (at an average rate of 3.89%) from 13,155 to 13,659 residents.¹ The North Jersey Transportation Planning Authority (hereinafter "NJTPA") projects that Saddle Brook Township will grow to 15,670 residents by the year 2040.² To achieve a residential population of 15,670, Saddle Brook would need to add 67 residents each year. Between 2000 and 2016, the Township only added an average of 52 residents per year.

AFFORDABLE HOUSING OBLIGATION

The Township of Saddle Brook entered into a Settlement Agreement with the Fair Share Housing Center (FSHC) which agreement established the Township's affordable housing obligation. The Agreement was dated November 12, 2018 and executed by Robert White, Mayor, for the Township and by Adam Gordon, Esq. for FSHC and was submitted to the Court and placed on file in the Township Clerk's office for public review. A Fairness Hearing was held by the Court on February 11, 2019.

Under the Settlement Agreement, FSHC and Saddle Brook agree that the Township's fair share affordable housing obligation for the period from 1987 to July 2025 is as follows:

- Present Need (Rehabilitation Share)(per Kinsey Report)³: 38 units
- Prior Round (1987-1999) Obligation (pursuant to N.J.A.C. 5:93)⁴: 124 units
- Third Round (1999-2025) Obligation (per Kinsey Report) as adjusted per the Settlement Agreement⁵: 418 units

¹ www.census.gov

² <http://www.njtpa.org/getattachment/Data-Maps/Demographics/Forecasts/Forecasts-for-RTP-rounded.pdf.aspx>

³ David N. Kinsey, PhD, PP, FAICP, "New Jersey Fair Share Housing Obligations for 1999-2025 (Third Round) Under Mount Laurel IV," April 2017.

⁴ Although N.J.A.C. 5:93 shows a Prior Round obligation of 127 units for the Township, the Court previously relied on a report, dated January 20, 2004, of Dr. Robert Burchell, COAH's methodology consultant, which corrected and reduced the Prior Round obligation to 124.

⁵ The Third Round fair share obligation of 418 units represents a 33% reduction from the 628-unit Third Round gap period present need and prospective need obligation (1999-2025) determined by Dr. Kinsey for FSHC in the April 2017 report noted above.

The Settlement Agreement specifically acknowledges that the Township's Third Round obligation includes the "gap period present need," which is the measure of need based on low-and moderate-income households formed from 1999-2015 that was recognized by the New Jersey Supreme Court in its January 2017 decision *In Re Declaratory Judgment Actions Filed By Various Municipalities*, 227 N.J. 508 (2017).

Township of Saddle Brook

HOUSING ELEMENT

I. CONTENT OF HOUSING ELEMENT

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

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

Additionally, the rules require the following items:

- A map of all sites designated by the municipality for the production of low- and moderate-income housing and a listing of each site that includes its owner, acreage, lot and block.
- The location and capacities of existing and proposed water and sewer lines and facilities relevant to the designated sites.
- Copies of necessary applications for amendments to, or consistency determinations regarding, applicable area-wide water quality management plans (including waste water management plans).
- A copy of the most recently adopted municipal master plan and where required, the immediately preceding, adopted master plan.

II. SADDLE BROOK'S POPULATION DEMOGRAPHICS

Saddle Brook Township's population increased rapidly between 1940 and 1950. The average annual population rate increase over this ten-year period was 151%, bringing the Township's population from 3,169 to 7,955. The 1950s also saw large population increases, and by the end of the decade Saddle Brook's population had increased by 73.9% to 13,834. Between 1970 and 1980, however, Saddle Brook's population decreased for the first time since 1940. The Township lost 1,8901 residents or approximately 12% of its residential population. The next decade saw an additional population loss of 5.6%. Since 2000, Saddle Brook's population has increased slightly and as of 2010 maintains a population of 13,659, though this figure is below Saddle Brook's peak population of 15,975 in 1970.

POPULATION GROWTH			
Year	Population	Change	Percent
1940	3,169	---	---
1950	7,955	4,786	151.0%
1960	13,834	5,879	73.9%
1970	15,975	2,141	15.5%
1980	14,084	-1,891	-11.8%
1990	13,296	-788	-5.6%
2000	13,155	-141	9.8%
2010	13,659	504	3.8%
2016	13,980	321	2.4%

Source: <http://lwd.dol.state.nj.us/labor/lpa/census/2kpub/njsdcp3.pdf> and 2010 Census and 2016 American Community Survey

The North Jersey Transportation Planning Authority projects that the Township will grow to 15,670 residents by the year 2040.⁶ NJTPA also projects that Saddle Brook will increase the number of households from 5,290 in 2010 to 6,040 households in 2040.

PERMANENT POPULATION PROJECTION			
Year	Population	Change	Percent
2000	13,155	---	---
2010	13,659	504	3.8%
2040	15,670	2,011	14.7%

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

⁶ <http://www.njtpa.org/getattachment/Data-Maps/Demographics/Forecasts/Forecasts-for-RTP-rounded.pdf.aspx>

AGE DISTRIBUTION OF POPULATION

In 2010, 16.5% of the population was 65 years or older. In 2016, 17.1% of the population was over 65 years. The percentage of children, aged 19 or younger, comprised approximately 22% of the Township's total population in 2010, and 20.6% in 2016. The 2010 Census indicates that the Township's median age was 41.4 years old and the 2016 ACS Survey indicates a median age of 41.1 years.

POPULATION BY AGE COHORT				
Age	2010 Total	2010 Percent	2016 Total	2016 Percent
Under 5 years	710	5.2%	680	4.9%
5 to 9 years	758	5.5%	847	6.1%
10 to 14 years	796	5.8%	661	4.7%
15 to 19 years	747	5.5%	681	4.9%
20 to 24 years	777	5.7%	853	6.1%
25 to 34 years	1,793	13.1%	2,263	16.2%
35 to 44 years	1,937	14.2%	1,782	12.7%
45 to 54 years	2,169	15.9%	1,751	12.5%
55 to 59 years	909	6.7%	1,092	7.8%
60 to 64 years	804	5.9%	980	7.0%
65 to 74 years	1,072	7.8%	1,151	8.2%
75 to 84 years	761	5.6%	879	6.3%
85 years and over	426	3.1%	360	2.6%
Total	13,659	100.0%	13,980	100.0%

Source: US Census Bureau 2010, DP-1 Profile of General Demographic Characteristics, American Community Survey DP05 Demographic and Housing Estimates 2016

HOUSEHOLD SIZE & TYPE

According to the 2010 Census, Saddle Brook had 5,286 households. The Township had a total of 3,961 or 69.8% family households. 23% of households within the Township were husband-wife families with children under the age of 18. 32.7% of households were non-family households in 2010. Non-family households include persons living alone or a householder who is not related to any of the other persons sharing their home. The number and percentage of nonfamily households has increased slightly since 2000 from 1,483 households (or 29.3% of the total) to 1,595 households (30.2% of the total).

HOUSEHOLD TYPE AND SIZE		
Type	Number	Percent
Family Households	3,691	69.8%
Husband-Wife Family	2,894	54.7%
with children under 18	1,214	23.0%
Male Householder, no wife	199	3.8%
Female Householder, no husband	598	11.3%
Non-family Households	1,595	30.2%
Male living alone	537	10.2%
Female living alone	803	15.2%
Total	5,286	100.0%

Source: 2010 Census, 2010 Summary File 1

As shown in the table below, the most common household size within Saddle Brook in 2010 was a two-person household, which totaled 31% or 1,639 households. Second most common was a one-person household with 25.3% of all households. Households of more than two persons comprised 43.7% of all households within the township. The average household size in 2010 was 2.58 persons, which is unchanged since the 2000 Census.

HOUSEHOLD SIZE		
Size	Total	Percent
1-person	1,340	25.3%
2-person	1,639	31.0%
3-person	978	18.5%
4-person	828	15.7%
5-person	333	6.3%
6-person	106	2.0%
7+ person	62	1.2%
Total	5,286	100.0%

Source: US Census Bureau 2010, HCT6, Household Size

INCOME & POVERTY STATUS

The ACS data indicates that the median household income for Saddle Brook was \$93,373 in 2016. This is \$4,886 higher than Bergen County's median household income, and \$2,616 higher than the State median income.

Per capita income for Saddle Brook Township in 2016 was estimated to be \$38,147. This is lower than the County's per capita income of \$44,978 but higher than the State's per capita income of \$37,538.

Finally, in reviewing poverty status of both people and families, Saddle Brook fares better than both the State and Bergen County. The ACS estimates that Saddle Brook had a “people” poverty status of 5.3% and a family poverty status of 3.2%.

INCOME CHARACTERISTICS			
Income Type	Saddle Brook Township	Bergen County	New Jersey
Median Household Income	\$93,373	\$88,487	\$73,702
Per Capita Income	\$38,417	\$44,978	\$37,538
Poverty Status (Percent of People)	5.3%	7.5%	10.9%
Poverty Status (Percent of Families)	3.2%	5.8%	8.1%

Source: 2016 American Community Survey 5-year Estimates

Saddle Brook's household income data is sourced from the ACS five-year estimates. In 2016, a plurality of households earned between \$100,000 and \$149,999. Over 40% of households – 44.9% earned in excess of \$100,000 in annual income. Households earning less than \$50,000 comprised 23.9% of the population, whereas those earning between \$50,000 and \$100,000 comprised 31.2% of the total population. Compared to Bergen County, roughly the same share of Saddle Brook's population earns in excess of \$100,000 (44.9% vs. 44.8%), a higher share earns between \$50,000 and \$100,000 (30.1% vs. 26.2%), and a lower share earns less than \$50,000 (24.7% vs. 28.9%)⁷⁸.

HOUSEHOLD INCOME			
	Saddle Brook Twp.	Bergen County	New Jersey
	Percent	Percent	Percent
Less than \$10,000	2.2%	4.7%	5.5%
\$10,000 to \$14,999	1.9%	3.0%	3.8%
\$15,000 to \$24,999	7.7%	6.0%	8.0%
\$25,000 to \$34,999	5.6%	6.4%	7.5%
\$35,000 to \$49,999	7.3%	8.8%	10.3%
\$50,000 to \$74,999	16.5%	14.3%	15.7%
\$75,000 to \$99,999	13.6%	11.9%	12.3%
\$100,000 to \$149,999	24.3%	18.3%	17.2%
\$150,000 or more	20.8%	26.5%	19.8%
Total	100.0%	99.9%	100.1%

Source: 2016 American Community Survey 5-year Estimates, B19001 Household Income in Past 12 Months

⁷ Note that the number of households in the next table is different the number accounted for in the Decennial Census due to methodological differences.

⁸ The percentages cited here may not add to 100% due to rounding.

III. SADDLE BROOK'S HOUSING DEMOGRAPHICS

HOUSING TYPE

Five-year ACS estimates indicate that there were 5,406 dwelling units in Saddle Brook in 2016. The Township's housing stock includes single-family detached, single-family attached (i.e. townhomes) and multi-family dwellings. Single-family detached dwellings total 57.3% of the Township's housing stock. Single-family attached houses comprised 6.2% of Saddle Brook's housing stock. As the below chart indicates, two unit dwellings comprised 20.2% of the housing stock, while 10 or more unit buildings totaled 10.9%.⁹

HOUSING TYPE BY UNITS IN STRUCTURE		
Unit Type	Number of Units	Percent
1, Detached	3,098	57.3%
1, Attached	334	6.2%
2	1,132	20.9%
3 or 4	196	3.6%
5 to 9	33	0.6%
10 to 19	88	1.6%
20 or more	505	9.3%
Mobile Home or Other Type	20	0.4%
Other	0	0.0%
Total	5,406	100.0%

Source: US Census Bureau 2016 ACS 5-Year Est. Physical Housing Characteristics

OCCUPANCY STATUS

According to the 2016 ACS estimates 68.1% of the Township's occupied housing stock was owner occupied. In 2016 Saddle Brook's housing vacancy rate was 3.7%.

OCCUPANCY STATUS		
	Households	Percent
Occupied Total	5,206	96.3%
Owner Occupied	3,546	68.1%
Renter Occupied	1,660	31.9%
Vacant Total	200	3.7%

Source: 2016 ACS

⁹ Note that the number of units accounted for in the next two charts is different most likely due to differences in methodology for performing Census tabulations and ACS estimations.

The 2010 average household size in Saddle Brook was 2.82 persons, while the average family size was 3.13 persons. Comparing tenure, the average owner-occupied household size was 2.78 persons in 2010, while the average renter-occupied household size was 2.12 persons. In 2016 the average owner-occupied household size was 2.86 while the average renter-occupied household size was 2.28.

VALUE & RENT OF HOUSING STOCK

Five-year ACS estimates for 2016 indicate that of Saddle Brook's 3,546 estimated owner-occupied housing units, a total of 914 homes or 25.9% of the total are approximated to be valued under \$299,999. The majority (57.3%) are valued between \$300,000 and \$499,999. According to the ACS, 601 homes or 17.0% of the housing stock is valued over \$500,000.

VALUE OF OWNER OCCUPIED UNITS		
Value	Number of Units	Percent
Less than \$199,999	327	9.2%
\$200,000 to \$299,999	587	16.6%
\$300,000 to \$499,999	2,031	57.3%
\$500,000 to \$999,999	584	16.5%
\$1,000,000 or more	17	0.5%
Total	3,546	100.0%

Source: US Census Bureau ACS, 2016 5-Year Estimate DP-04 Selected Housing Characteristics

The median estimated gross rent for the Township was \$1,444 in 2016. A total of 864 of the rental units in the township have rents priced between \$1,000 and \$1,500 per month. Units with rents of less than \$1,000 per month comprise only 4.1% of the Township's rental stock, and units costing more than \$1,500 per month comprise 41.7% of the stock. See the table below for more information.

COST OF RENTALS		
Cost	Number of Units	Percent
Less than \$1,000	66	4.1%
\$1,000 to \$1,499	864	54.2%
\$1,500 or more	665	41.7%
Total	1,595	100.0%

Source: 2016 ACS DP-04 Selected Housing Characteristics

CONDITION OF HOUSING STOCK

The Census does not classify housing units as standard or substandard, but it can provide an estimate of the substandard housing units that are occupied by low- and moderate-income households. The Appellate Division upheld COAH's use of three indicators to determine substandard housing in the State. Those three indicators are houses built before 1959 and which are overcrowded with more than one person per room. The second indicator is homes lacking complete plumbing and the third indicator are homes lacking kitchen facilities.

Most of the Census indicators available at the municipal level indicate a sound housing stock. According to the 2016 ACS estimates, all but 0.4% of homes within the Township contain complete plumbing and kitchen facilities.

CONDITION OF HOUSING STOCK		
Fuel Type	Number of Units	Percent
Lack of complete plumbing	0	0.0%
Lack of complete kitchen	20	0.4%
Lack of telephone service	97	1.9%
Lack of adequate heat	0	0.0%
Total	5,206	

Source: US Census Bureau ACS 2016, 5-Year DP-04 Selected Housing Characteristics

Housing with 1.01 or more persons per room is an index of overcrowding. In 2016, the Township contained an estimated 5,206 occupied units. The vast majority (99.0%) of occupied housing units had 1.00 or less occupants per room, while 1.0% of units have rates of 1.01 per room or higher.

OCCUPANTS PER ROOM		
Occupants	Number of Units	Percent
1.00 or less	5,153	99.0%
1.01 to 1.50	39	0.7%
1.51 or more	14	0.3%
Total	5,206	100.0%

Source: US Census Bureau 2016 ACS 5-Year Estimate

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

AGE OF HOUSING STOCK		
Year Built	Number of Units	Percent
1939 or earlier	503	9.3%
1940 to 1949	757	14.0%
1950 to 1959	1,822	33.7%
1960 to 1969	987	18.3%
1970 to 1979	397	7.3%
1980 to 1989	234	4.3%
1990 to 1999	204	3.8%
2000 to 2009	424	7.8%
2010 to 2014	78	1.4%
Total	5,406	100.0%

Source: US Census Bureau 2016 ACS 5-Year Est., DP-04 Selected Housing Characteristics

IV. SADDLE BROOK'S EMPLOYMENT DEMOGRAPHICS

Five-year ACS estimates for 2016 indicate that the majority of workers within the Township are private wage and salary workers. Just over 6,000 or 81.3% of those employed over age 16 fell into this category. Approximately 14.7% of workers were government employees and 297 or 4.0% were self-employed.

CLASS OF WORKER		
Class of Worker	Number of Workers	Percent
Private wage and salary workers	6,041	81.3%
Government workers	1,089	14.7%
Self-employed workers	297	4.0%
Unpaid family workers	0	0.0%
Total employed residents	7,427	100.0%
Total unemployed residents	325	4.2%
Total residents in workforce	7,752	100.0%

Source: 2016 ACS 5-Year Estimates, DP-03 Selected Economic Characteristics

OCCUPATIONAL CHARACTERISTICS

In 2016, the ACS estimates that 45.6% of the Township's residents were employed in management, professional, and related occupations. Nearly 11% (800) residents are employed in the service industry and 1932 (26.0%) of those employed are in sales and office professions.

EMPLOYED CIVILIAN POPULATION BY OCCUPATION (AGE 16 YEARS OR OLDER)		
Occupation	Saddle Brook Twp.	
	Total	Percent
Management, professional, and related	3,387	45.6%
Service	800	10.8%
Sales and office	1,932	26.0%
Natural resources, construction, and maintenance	667	9.0%
Production, transportation, and material moving	641	8.6%
Total	7,427	100.0%

Source: 2016 American Community Survey 5-Year Estimates, DP-03 Selected Economic Characteristics

EMPLOYMENT PROJECTIONS

The NJTPA estimates that employment within the Township will grow by 2,080 jobs by 2040.¹⁰

EMPLOYMENT PROJECTION			
Year	Jobs	Change	Percent
2010	9,550	---	---
2040	11,630	2,080	21.8%

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

TRAVEL TIME TO WORK

In 2016, approximately 35% of Saddle Brook workers traveled longer than 30 minutes to get to their place of work. A total of 9.1% of Saddle Brook's employed residents traveled less than ten minutes to their workplace in 2016 and 8.7% traveled 60 minutes or more.

¹⁰ <http://www.nitpa.org/getattachment/Data-Maps/Demographics/Forecasts/Forecasts-for-RTP-rounded.pdf.aspx>

COMMUTE TIME	
Travel Time (in minutes)	Percent
Less than 10	9.1%
10 to 14	20.0%
15 to 19	16.3%
20 to 24	10.4%
25 to 29	9.2%
30 to 34	15.8%
34 to 44	3.9%
45 to 59	6.6%
60 or more	8.7%
Mean Travel Time to Work	21.1 Minutes

Source: 2016 American Community Survey 5-year Estimates: Table S0801

V. PROJECTION OF HOUSING STOCK

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

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

As shown in the table below, 346 new homes were built between 2000 and 2019. The number of demolitions during the same time period was 89. Therefore, the Township gained a net of 257 new housing units during the 20-year period or slightly less than 13 units per year. Assuming the same rate of growth as the last ten years, the Township can expect to add 13 additional units by the year 2029.

HISTORIC TREND OF RESIDENTIAL CERTIFICATES OF OCCUPANCY & DEMOLITION PERMITS																					
	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	Total
COs Issued	16	7	8	11	24	30	18	25	161	8	6	3	5	4	4	7	2	2	2	3	346
Demolitions	3	8	3	6	6	17	11	2	4	4	1	1	3	3	3	2	3	3	3	3	89
Net Development	13	-1	5	5	18	13	7	23	157	4	5	2	2	1	1	5	-1	-1	-1	0	257

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

FAIR SHARE PLAN

Township of Saddle Brook

VI. FAIR SHARE PLAN

CONTENT OF FAIR SHARE PLAN

The Fair Share Plan contains the following information:

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

In adopting its housing element, a municipality may provide for its fair share of low- and moderate-income housing by means of any technique or combination of techniques that provide a realistic opportunity for the provision of the fair share. As per N.J.A.C. 5:93, these potential techniques include but are not limited to:

- Rehabilitation of existing substandard housing units;
- ECHO units (as a Rehabilitation credit);
- Municipally-sponsored and 100% affordable developments;
- Zoning for inclusionary development;
- Alternative living arrangements;
- Accessory apartment program;
- Purchase of existing homes;
- Write-down/buy-down programs; and
- Assisted living residences.

REGIONAL INCOME LIMITS

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

Using the 2018 regional income limits, a four-person moderate household income is capped at \$72,682. Two-person households could make up to \$58,146 and be considered a moderate-

income household or earn up to \$36,341 and be considered a low-income household. See the table below for greater detail.

2018 REGIONAL INCOME LIMITS FOR REGION 1				
Income	Household Size			
	1 Person	2 Person	3 Person	4 Person
Median	\$63,597	\$72,682	\$81,767	\$90,853
Moderate	\$50,878	\$58,146	\$65,414	\$72,682
Low	\$31,798	\$36,341	\$40,884	\$45,426
Very Low	\$19,079	\$21,805	\$24,530	\$27,256

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

AFFORDABLE REQUIREMENTS

The three components that must be addressed by this plan are contained in the table below.

TOWNSHIP OF SADDLE BROOK: AFFORDABLE HOUSING OBLIGATION			
	Rehabilitation	Prior Round 1987-1999	Third Round 1999-2025
Obligation	38	124	418

Saddle Brook has conducted a Vacant Land Analysis and determined the RDP to be 36 which means the Unmet Need for the Third Round is 382.

VII. SADDLE BROOK'S AFFORDABLE HOUSING OBLIGATION

Saddle Brook's Fair Share Plan describes the projects and strategies the Township proposes to address its affordable housing obligation. The three components addressed by this plan are as follows:

PRESENT NEED (REHABILITATION) • 38 UNITS

The Opinion issued by the Supreme Court of New Jersey on March 10, 2015 (the Mount Laurel IV Opinion) directs that that the Prior Round methodology be used to calculate municipal Present Need. This methodology was utilized by David N. Kinsey, PhD, FAICP, P.P. in his April 2017 report "New Jersey Fair Share Housing Obligations for 1999-2025 (Third Round) Under Mount Laurel IV", prepared on behalf of the Fair Share Housing Center (FSHC), to calculate the Present Need. For Saddle Brook Township, the Kinsey Report calculates a Present Need of 38 units.

PRIOR ROUND OBLIGATION • 124 UNITS

The March 10, 2015 Supreme Court Order directed municipalities to use the Prior Round Obligation that COAH established in 1993. Saddle Brook Township's unadjusted 1987 to 1999 obligation, published in 1993, was 127 units. However, the obligation was adjusted downward to 124 by Dr. Robert Burchell in a report dated January 20, 2004 due to calculation errors. Therefore, Saddle Brook Township will address a 124 unit prior round obligation.

THIRD ROUND OBLIGATION • 418 UNITS

In accordance with the Settlement Agreement with the Fair Share Housing Center, Saddle Brook Township has a Third Round Obligation of 418 affordable units to be addressed. This obligation was initially calculated by David N. Kinsey, PhD, FAICP, P.P. in his April 2017 report "New Jersey Fair Share Housing Obligations for 1999-2025 (Third Round) Under Mount Laurel IV, prepared on behalf of the FSHC. The resulting obligation of 628 units calculated by Dr. Kinsey was reduced to 418 units as part of the Settlement Agreement between Saddle Brook Township and the Fair Share Housing Center.

VERY-LOW INCOME HOUSING

In 2008, P.L. 2008, c. 46 was enacted, which made a number of changes to the affordable housing rules. In fact, it amended the New Jersey Fair Housing Act ("FHA") (N.J.S.A. 52:27D-301 et seq.) to include a requirement that at least 13 percent of affordable housing units must be made available to very-low income households. Specifically, the FHA reads:

The Council [on Affordable Housing] shall coordinate and review the housing elements as filed pursuant to section 11 of P.L.1985, c.222 (C.52:27D-311), and the housing activities under section 20 of P.L.1985, c.222 (C.52:27D-320), at least once every three years, to ensure that at least 13 percent of the housing units made available for occupancy by low-income and moderate income households will be reserved for occupancy by very low income households, as that term is defined pursuant to section 4 of P.L.1985, c.222 (C.52:27D-304).

"Very low income housing" means housing affordable according to federal Department of Housing and Urban Development or other recognized standards for home ownership and rental costs and occupied or reserved for occupancy by households with a gross household income equal to 30 percent or less of the median gross household income for households of the same size within the housing region in which the housing is located.

Pursuant to the Settlement Agreement, the Township shall require 13 percent of all units referenced in this plan, with the exception of units constructed prior to July 1, 2008, and units subject to preliminary or final site plan approval, to be very low-income units, with half of the very low-income units being available to families.

VIII. EXISTING CREDITS

Saddle Brook has 2 rehabilitation credits, and 124 prior-cycle credits.

REHABILITATION CREDIT:

N.J.A.C. 5:93-5.2(g) and (h) requires \$10,000 to be spent per unit and a six-year control on affordability for owner-occupied units.¹¹ Additionally, a major system¹² must be repaired in order for a home to qualify as a credit. Bergen County's Office of Community Development runs a Home Improvement Program for residents. The Bergen County Home Improvement Program provides resources to rehabilitate existing one- and two-family housing. This program is designed to assist owners/occupants of one- and two-family homes in making necessary repairs to their homes. Eligibility is based on income, family size and type of improvement. Saddle Brook will continue to participate in the County Program which does not require a shared services agreement. The County is preparing a new operating manual which is expected to be available in July 2021. The Township will make it available to those interested at that time.

Since 2010 a total of two Saddle Brook homeowners have utilized the program. Both structures are single-family homes. The homes were raised to code. Liens are held on the home until they are sold. The chart below shows the homes where rehabilitation work has been completed and that the average expenditure has been \$32,300.

BERGEN COUNTY HOME IMPROVEMENT PROGRAM INFORMATION				
Address	Unit Type	Amount Spent	Final Payment	Work Completed
55 Cambridge Avenue	Single-family	\$11,800	12/6/2010	Smoke alarms, windows, garage door, bath rehab, electrical service
76 Westminster Place	Single-family	\$52,800	3/27/2014	Roof, driveway and apron, patio, plat survey, bedroom ceiling repair

Source: Fax dated November 5, 2015 from Bergen County Community Development.

PRIOR ROUND CREDITS

This section details the existing and proposed credits within Saddle Brook that are allocated to the Prior Round. The location of affordable housing sites are shown on the map in the Appendix.

¹¹ The rules specifically require a minimum of \$2,000 per unit to be spent on administration and \$8,000 per unit to be spent on the rehabilitation activity, which totals at least \$10,000.

¹² A major system is defined by N.J.A.C. 5:93-5.2(b) as weatherization, a roof, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems) and/or a load bearing structural system.

Mayhill Apartments

The Mayhill Apartments are located at 140 Mayhill Street (Block 910, Lot 2). The complex consists of 156 one- and two-bedroom units, 15 of which are affordable rental units. The existing 15 units count **for 15 credits**, as well as an additional **15 rental bonus credits**. There is a discrepancy in the Settlement Agreement which reports Mayhill as having 17 affordable units. At the time of site plan approval 15 affordable units were proposed and approved. However, during construction in 2008 the developer proposed increasing the affordable unit count to 17. This number was incorporated into the Housing Element and Fair Share Plan, however, the increase in units was never formally approved by the Township, and thus only 15 units were built. Township housing documents continued to report 17 units which carried over into the Settlement Agreement. The error was not discovered until January 2020.

Midland Commons/The Grande at Saddle Brook

Midland Commons is an under construction residential development on Block 402, Lots 1 and 2 at the intersection of Midland and Van Bussum Avenues. The project is in the AH-3 (Affordable Housing Residential District) Zone and will total 60 apartments across two buildings. The development was approved on June 16th, 2015 and will contain 12 affordable units. This qualifies the development for **12 credits plus 12 rental bonus credits**.

AH-5 Zone (Block 1401, Lots 4 and 5)

86 North Midland Avenue is a parcel approximately 0.75 acres in size and is within the Township's Affordable Housing Residential District Zone. Once redeveloped, it is expected to produce two affordable housing units. This project is thus expected to yield **two credits**. The site is vacant and flat with direct access to Midland Avenue and water and sewer service is available.

Senior Housing at Saddle Brook (Block 408, Lot 8)

In 2013, Saddle Brook purchased a former nursing home at 29 Caldwell Avenue using affordable housing trust funds. The Township is leasing the property to the Housing Authority of Bergen County which recently completed the construction of 30 handicap accessible one-bedroom affordable units for senior citizens. The development's 30 units will count towards **30 credits** of Saddle Brook's Prior Round Obligation. The 30 unit complex received a CO on October 10, 2019 and will be administered by the Housing Authority. The waiting list was closed within an hour of opening for applications. The Housing Authority was established in 1964 with a goal of providing housing low-income families and older adults. The facility is now occupied and provides 3 moderate income units, 9 low income units and 18 very low income units.

Saddle Brook 100% Affordable (Block 1401, Lot 18)

The Township of Saddle Brook is seeking to develop a 2.9 acre municipally-owned parcel at 435 North Midland Avenue for an affordable housing development. The project would feature 100% Affordable units. Ingerman has been selected as the developer/operator of this site. At this time, Ingerman expects to develop 58 apartments on this property assuming 20 dwelling units per acre density. This will yield **58 credits**, of which **14 credits** will be applied to the Prior Round. The site is vacant and has never been developed. There are no contamination issues. Access is available via an easement from Rosol Lane and a water main provides water service to the site. Sewer service is also available and the property is close to the Midland Avenue pump station.

CARING Inc. (Block 703, Lot 31)

A four-bedroom group home for clients with mental disabilities operates in the Township. The property was purchased in 2001 and was included in the Township's 2004 Court Settlement. Each bedroom counts for one (1) credit, thus totaling **four credits** for Supportive/Special Needs Housing. Additionally, the facility qualifies for **four credits** of rental bonuses.

Legregni Street (Block 511, Lot 19.20)

A supportive/special needs residence has been approved for 30 Legregni Street. The site plan application was approved in August 2017 by the Zoning Board of Adjustment for 16 bedrooms for special needs adults. A CO was issued for this residence on November 18, 2019, but there is no occupancy as of April 1, 2020 due to the COVID-19 pandemic. This will yield **16 credits**. There are no environmental constraints at this site and adequate water and sewer capacity are available (See Township Engineer letter in Appendix).

PRIOR ROUND EXISTING CREDIT SUMMARY

Prior Round Compliance Summary Saddle Brook Township, Bergen County						
Block	Lot	Owner	Address	Credit	Bonuses	Total
703	31	Caring, Inc.		4	4	8
910	2	140 Mayhill - Family Affordable Rentals	140 Mayhill Ave.	15	15	30
402	1, 2	Midland Commons - Family Affordable Rentals	102 Midland Ave.	12	12	24
401	4, 5	AH - 5 Zoning	86 Midland Ave.	2	0	2
408	7, 8, 9	County Senior Affordable Rentals	29 Caldwell Ave.	30	0	30
511	19, 20	Legregni Street Specials Needs	30 Legregni St.	16	0	16
1401	18	Township Site - 100% Affordable Units	433 N. Midland Ave.	14	0	14
			Total	93	31	124

IX. THIRD ROUND (1999-2025) CREDITS

The Township plans to utilize uncredited units from the Saddle Brook 100% Affordable project and inclusionary zoning, as follows:

Saddle Brook 100% Affordable - Ingerman

The 100% Affordable project proposed for Block 1401, Lot 18 (435 North Midland Avenue) is projected to contain 58 units. Of the 58 units, credits for 14 units were assigned to the Prior Round. The remaining **44 units** will be assigned to the Third Round plus an additional nine rental bonus credits.

Midland Commons Additional Units

The Township has rezoned Block 402 Lots 3, 4 and 5 adjacent to Midland Commons to allow additional affordable and market rate units. It is anticipated that the site will yield four additional affordable units. The site has limited environmental constraints of steep slopes on 0.1 acre leaving 1.3 acres of the 1.4 acre site without constraints. Access has been reserved to this vacant parcel through the adjacent Midland Commons site now under construction. The Township Water Department upgraded water mains in the area when Midland Commons was initially proposed. An upgraded sewer pump station is nearby on Fifth Street.

Third Round Credit Summary

The two proposed mechanisms provide 57 credits as shown in the chart below.

1999-2025 Compliance Summary Saddle Brook Township, Bergen County						
Block	Lot	Name	Address	Credits		
Bonuses	Total					
402	3, 4, 5	Midland Commons Saddle Brook LLC	114 Midland Ave.	4	0	4
1401	18	Township Site - 100% Affordable Units	435 N. Midland Ave.	44	9	53
Total				48	9	57

X. SUMMARY OF LOW-MODERATE INCOME DISTRIBUTION, RENTAL OBLIGATION, AGE-RESTRICTED UNIT CAP AND FAMILY RENTAL BEDROOM MIX

Low-Moderate Income Distribution

Saddle Brook Overall Low-Moderate Income Distribution

Total Obligation = 160*: Prior Round 124 + Third Round RDP 36;

Total Bonus = 40: Prior Round 31 + Third Round 9

(*Not Including Unmet Need)

Compliance Mechanism	Very Low-Income	Low-Income	Moderate-Income	Total Units	Rental Bonuses	Total Credits
CARING Group Home - rental	4			4	4	8
County Senior - rentals	18	9	3	30		30
Legregni St – special needs rentals		8	8	16		16
140 Mayhill – family rentals			15	15	15	30
Midland Commons I – family rentals	2	5	5	12	12	24
AH-5 zone - family		1	1	2		2
Midland Commons II - family		2	2	4		4
Ingerman site – family/special needs rentals	8	22	28	58	9	67
TOTAL	32	47	62	141	40	181
Surplus (181 Total Credits/Bonuses – 160 Obligation = 21 Surplus)						21

**Saddle Brook Prior Round Low-Mod Compliance
Obligation:124; available bonuses: 31**

Compliance Mechanism	Very Low-Income	Low-Income	Moderate-Income	Total	Bonuses	Total Credits
CARING Group Home - special needs rental	4			4	4	8
County Senior - rentals	18	9	3	30		30
Legregni St – special needs rentals		8	8	16		16
140 Mayhill – family rentals			15	15	15	30
Midland Commons I – family rentals	2	5	5	12	12	24
AH-5 zone - family		1	1	2		2
Ingerman site – family/special needs rentals (14 of 58)			14	14		14
TOTAL	24	23	46	93	31	124

**Saddle Brook Third Round RDP Low-Mod Compliance
RDP: 36; available bonuses: 9**

Compliance Mechanism	Very Low-Income	Low-Income	Moderate-Income	Total	Bonuses	Total Credits
Midland Commons II- family		2	2	4		4
Ingerman site – family/special needs rentals (44 of 58)	8	22	14	44	9	53
TOTAL	8	24	16	48	9	57
Surplus (57 Total Credits/Bonuses – 36 RDP = 21 Surplus)						21

SADDLE BROOK VERY LOW-INCOME ANALYSIS

Compliance Mechanism	VLI Obligation	VLI Produced	Type
CARING Group Home		4	Special Needs
Midland Commons	1.56	2	Family
County Senior	3.90	18	Age-Restricted
Legregni Street	2.08		Special Needs
AH-5 Zone	0.26		Family
Midland Commons II	0.52		Family
Ingerman	7.54	6	Family
		2	Special Needs
TOTAL	15.86	32	
TOTAL FAMILY VLI	8	8	

The proposed affordable housing bedroom and income mix for units approved after July 2008 is contained in the table below.

Site	Bedroom Type	# Moderate	# Low	#Very Low	Total Units
Midland Commons I	One	1	1	1	12
	Two	3	2	1	
	Three	1	2	0	
AH-5 Zone	Two	0	1		2
	Three	1	0	0	
Midland Commons II	One	0	1		4
	Two	1	1		
	Three	0	1	0	
Township Site/Ingerman	One	5	5	1	58
	Two	15	11	4	
	Three	8	6	3	
County Senior Site	One	3	9	18	30
Legregni Street	One	8	8	0	16

Totals	# Moderate	# Low	#Very Low	Total Units
One Bedroom	17	24	20	61
Two Bedroom	19	15	5	39
Three Bedroom	10	9	3	22
Totals	46	48	28	122

Rental Obligation

Prior Round

COAH Rules establish a minimum rental obligation which in accordance with N.J.A.C. 5:93-5.15 is calculated as follows:

.25 (municipal pre-credited-need-prior cycle credits- impact of the 20 percent cap - the impact of the 1,000 unit limitation pursuant to N.J.A.C. 5:93-14).

In the case of Saddle Brook, the rental obligation is 31 (.25 x 124 - 0 - 0). Saddle Brook is also eligible for rental bonuses not exceeding the rental obligation or 31 rental bonuses.

The rental obligation is met as follows:

Rental					
Block	Lot	Owner	Address	Credit	Bonuses
703	31	Caring, Inc.		4	4
910	2	140 Mayhill - Family Affordable Rentals	140 Mayhill Ave.	15	15
402	1, 2	Midland Commons - Family Affordable Rentals	102 Midland Ave.	12	12
Total				31	31

Third Round

The Third Round rental obligation is 25% of the Realistic Development Potential or .25 x 36 = 9. Again, rental bonuses cannot exceed the rental obligation.

Saddle Brook meets the Third Round rental obligation as follows:

Third Round Rentals:

Compliance Mechanism	Total Rentals	Bonuses	Total Credits
Midlands Commons II - family	4		4
Ingerman Site - family/special- needs rentals (44 of 58)	44	9	53
TOTALS	48	9	57
Surplus (57 Total Credit/Bonuses - 36 RDP = 21 Surplus)			21

Age Restricted Unit Cap

Prior Round

COAH Rules establish a maximum number of age-restricted units that can receive credit. In accordance with N.J.A.C. 5:93-5.14 the cap on age-restricted units is calculated as follows:

.25 (municipal predicted need - prior cycle credits - credits pursuant to N.J.A.C. 5:93-3.4 - the impact of 20 percent cap - the impact of the 1,000 unit limitation pursuant to N.J.A.C. 5:39-14) - any units age restricted in addressing the 1987-1993 housing obligation.

In the case of Saddle Brook, the age-restricted unit cap is 31 (.25 x 124 - 0 - 0). In the prior round the Township is seeking credit for 30 units of the County Senior Site, less than the cap of 31 units.

Third Round

The Third Round age-restricted cap is 25% of the Realistic Development Potential of .25 x 36 = 9. The Township is seeking 0 age-restricted credits in the Third Round, less than the cap of 9 units.

Family Rental Bedroom Mix

COAH Rules establish maximum and minimum percentages for one, two and three bedrooms in affordable family rentals. The percentage breakdown is as follows:

One bedroom - maximum of 20%

Two bedrooms - minimum of 30%

Three bedrooms - minimum of 20%

Saddle Brook meets these requirements as follows:

Prior Round Family Rentals Bedroom Mix

Bedrooms	COMPLIANCE MECHANISM				Total	Percentage
	Mayhill Apartments	Midland Commons	AH-5 Zone	Ingerman		
One	3	3	0	2	8	19%
Two	12	6	1	5	24	56%
Three	0	3	1	7	11	26%
TOTALS	15	12	2	14	43	

Third Round Family Rentals Bedroom Mix

Bedrooms	COMPLIANCE MECHANISM		Total	Percentage
	Midland Commons II	Ingerman		
One	0	9	9	19%
Two	2	25	27	56%
Three	2	10	12	25%
TOTALS	4	44	48	

XI. REALISTIC DEVELOPMENT POTENTIAL

Saddle Brook Township's Realistic Development Potential (RDP) is determined by applying a minimum presumptive density of housing units to vacant lands suitable for development that have not been eliminated for environmental considerations or because they are used for active recreation or open space or land conservation purposes. The minimum presumptive density assigned to vacant parcels is 15 units/acre based on current zoning and character of the municipality. An exception was made for the Township owned property at 435 No. Midland Avenue which was assigned a density of 20 units/acre.

In addition, residential developments consisting of three or more multi-family units which have been approved since 1999 have been included.

The RDP is calculated in the following table:

Vacant Land						
BL	LOT	ADDRESS	OWNER	BUILDABLE ACRES	POTENTIAL UNITS	RDP
401	1	76 Midland Ave.	Duch, Thomas J. & Cheryl A.	0.44	6.6	1.3
401	4, 5	86 Midland Ave.	Midland Commons	0.75	11.3	2.3
402	3, 4, 5	112 Midland Ave.	Midland Comm Saddle Brk LLC	1.32	19.8	4.0
1401	18	435 No. Midland Ave	Twp. of Saddle Brook	2.90	58	11.6
1701	1.02	635 No. Midland Ave	Iec Realty LLC	3.17	47.6	9.5
Approved Sites						
617	1-4, 19	110 Market St.			8	1.6
1408	8	Caldwell Street	Senior Housing at Saddle Brook		30	6
Total					181	36

XII. UNMET NEED COMPLIANCE

COMPLIANCE MECHANISMS

The RDP of 36 plus 23 surplus credits when subtracted from the Third Round Obligation of 418 units, results in an unmet need of 359 units. The unmet need will be addressed through the following mechanisms:

- An affordable housing overlay zone is proposed to cover Block 102, Lots 19-26 at the corner of President Street and Midland Avenue in the southern end of the Township near the border with the City of Garfield. The area currently consists of active industrial uses

and a small number of single-family homes and is within walking distance of New Jersey Transit's Plauderville train station. The new overlay zone would permit multifamily residential, up to three stories in height (which is not currently permitted in the zone) at a density of 20 dwelling units per acre.

- An affordable housing overlay zone is proposed to cover lots in the OM Office Midrise district on Block 101, Lot 2-7 and Block 403, Lots 14 and 15. The overlay would be located just north of the Kensington Crossing townhouse development. The proposed overlay zoning would permit mixed-use buildings (not currently permitted) with commercial uses on the first floor and residential uses on the second and third floors at a maximum density of 16 dwelling units per acre.
- An affordable housing overlay zone is proposed to cover properties located in the B-2 Business Zone on Block 705, Lots 1 and 22-33 on the north side of Market Street. The proposed overlay zoning would permit mixed-use buildings (not currently permitted) with commercial uses on the first floor and residential uses on the second and third floors. The maximum allowable density would be 12 units per acre.
- An affordable housing overlay zone is proposed to cover properties in the B-2 Business Zone on Blocks 707, Lots 1, 2 (part), 3-13 and 37 and 708, Lots 1-7 on the south side of Market Street. The proposed overlay zoning would permit mixed-use buildings (not currently permitted) with commercial uses on the first floor and residential uses on the second floor. The maximum allowable density would be eight (8) units per acre.
- Amend or replace Ordinance 1454-08 requiring a mandatory affordable housing set aside for all new multifamily residential developments of five units or more. The set aside for rental developments shall be 15% and the set aside for for-sale developments shall be 20%. The provisions of the ordinance shall not apply to residential expansions, additions, renovations, replacement, or any other type of residential development that does not result in a new increase in the number of dwellings of five or more.
- The required affordable housing set aside within the four proposed overlay zoning districts and any future multifamily inclusionary residential developments is to be 15% for rental housing developments and 20% for for-sale developments. At least 13% of the affordable units in these overlay districts shall be affordable to very low income households with half of the very low income units available to families.
- No other sites have been offered to the Township for affordable housing and no other sites have been considered by the Township beyond those sites discussed previously in this document.
- The Unmet Need Compliance is summarized in the following table. The location of the proposed affordable housing overlay zones is shown on the map in the Appendix.

UNMET NEED COMPLIANCE SUMMARY

- Establish overlay zones to allow multi-family housing in the following areas:
 - Block 102, Lots 19 - 26 - three-floor residential, 20 du/ac
 - Block 101, Lots 2 - 7 and Block 403, Lots 14, 15 - first floor commercial/second and third floors residential, 16 du/ac
 - B-2 Business Zone Properties in Block 705 - first floor commercial/second and third floor residential, 12 du/ac
 - B-2 Business Zone Properties in Blocks 707 and 708 - first floor commercial/second floor residential, 8 du/ac

- Adopt Ordinance requiring a mandatory set-aside of one affordable housing unit among every five market units for residential developers including mixed-use developments.

XIII. IMPLEMENTATION SCHEDULE

The chart below provides an anticipated implementation schedule for the mechanisms that are proposed within the Township of Saddle Brook.

IMPLEMENTATION SCHEDULE							
Mechanism	2019	2020	2021	2022	2023	2024	2025
Bergen County Home Improvement Program							
Solicit Applicants							
Rehabilitate Unit							
Midland Commons							
Review and Approval							
Construction							
Occupancy							
Senior Housing at Saddle Brook							
Site Plan Application							
Review and Approval							
Construction							
Occupancy							
Saddle Brook 100% Affordable							
Site Plan Application							
Review and Approval							
Construction							
Occupancy							
Legregni Street (Supportive/Special Needs)							
Site Plan Application							
Review and Approval							
Construction							
Occupancy							

XIV. MONITORING REQUIREMENTS

The Settlement Agreement sets forth the monitoring requirements for the Township's Affordable Housing Program which includes the following:

- Annual reporting of trust fund activity (This is being prepared by Triad Associates - the Township's Administrative Agent).
- Annual reporting of status of all affordable housing activity on anniversary of Settlement Agreement (Township will comply beginning on 2021 anniversary date.)
- Midpoint Review on July 1, 2020 (Township prepared a Midpoint Review and entertained comments).
- Review of very low-income requirements on Third Anniversary of Settlement Agreement (The review is due November 21, 2022).

The full text of the Settlement Agreement Monitoring Requirements follows:

On the first anniversary of the execution of the Settlement Agreement (11/12/18), and on every anniversary of that date thereafter through the end of the period of protection from litigation, the Township agrees to provide annual reporting of trust fund activity to the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to Fair Share Housing Center and posted on the municipal website, using forms developed for this purpose by the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services. The reporting shall include an accounting of all housing trust fund activity, including the source and amount of funds collected and the amount and purpose for which any funds have been expended.

On the first anniversary of the execution of the Settlement Agreement, and every anniversary thereafter through the end of the Agreement, the Township 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 Fair Share Housing Center, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC.

The Fair Housing Act includes two provisions regarding action to be taken by the Township during the ten-year period of protection provided by the Settlement Agreement. The Township agrees to comply with those provisions as follows:

- i. For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, the Township will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its implementation of the Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether any 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 Fair Share Housing Center, regarding whether any sites no longer present a realistic opportunity and should be replaced and whether any 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.

- ii. 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 this Agreement, and every third year thereafter, the Township will post on its municipal website, with a copy provided to Fair Share Housing Center, 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 Fair Share Housing Center on the issue of whether the municipality has complied with its very low income housing obligation under the terms of this settlement.

XV. MISCELLANEOUS

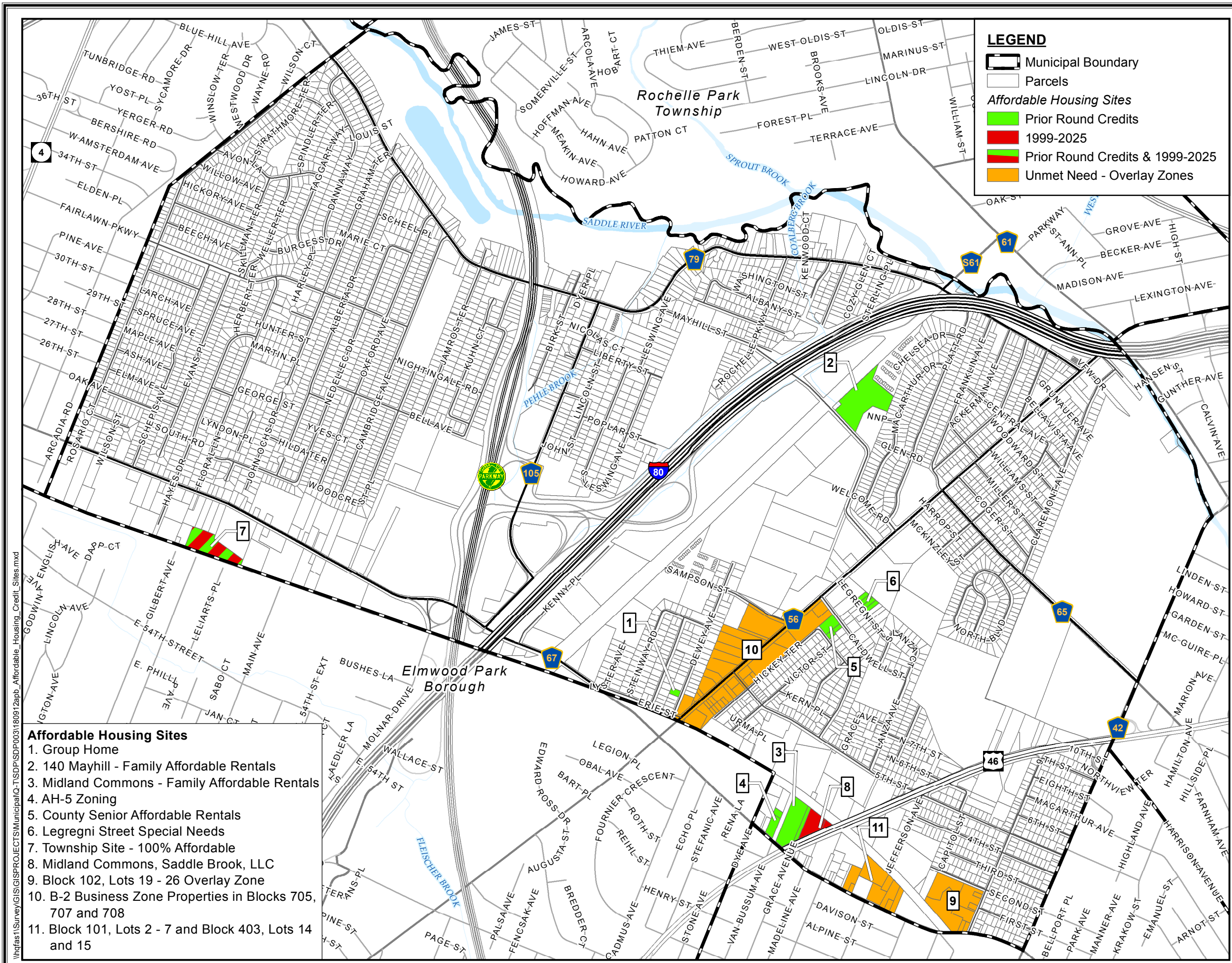
ADMINISTRATION AND MARKETING OF AFFORDABLE HOUSING PROGRAM

An Affirmative Marketing Plan for Affordable Housing has been prepared by Triad Associates, the Township's Administrative Agent.

TRUST FUND EXPENDITURES

The Township's proposed Trust Fund Expenditures are shown in the Affordable Housing Trust Fund Spending Plan adopted by the Township and included in the Appendix.

APPENDIX
MAP OF AFFORDABLE HOUSING SITES



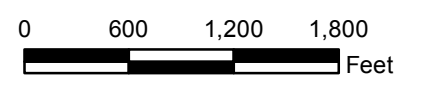
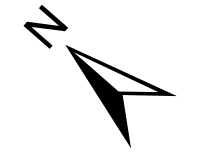
LEGEND

- Municipal Boundary
- Parcels
- Affordable Housing Sites**
- Prior Round Credits
- 1999-2025
- Prior Round Credits & 1999-2025
- Unmet Need - Overlay Zones

AFFORDABLE HOUSING SITES

TOWNSHIP OF SADDLE BROOK

BERGEN COUNTY
NEW JERSEY



1 inch = 1,100 feet

- Affordable Housing Sites**
1. Group Home
 2. 140 Mayhill - Family Affordable Rentals
 3. Midland Commons - Family Affordable Rentals
 4. AH-5 Zoning
 5. County Senior Affordable Rentals
 6. Legregni Street Special Needs
 7. Township Site - 100% Affordable
 8. Midland Commons, Saddle Brook, LLC
 9. Block 102, Lots 19 - 26 Overlay Zone
 10. B-2 Business Zone Properties in Blocks 705, 707 and 708
 11. Block 101, Lots 2 - 7 and Block 403, Lots 14 and 15

This map was developed using NJDEP and County GIS digital data, but this secondary product has not been verified by NJDEP and is not state-authorized.



September 2018

\\ngfaas1\survey\GIS\PROJECTS\Municipal\GIS\Affordable_Housing_Credit_Sites.mxd

Ingerman Concept Plan



Willows @ Saddle Brook | SITE CONEPT PLAN

Saddle Brook, NJ
DATE: 01-26-2021

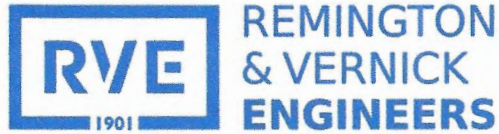


Ingerman



HaleyDonovan

Water and Sewer Service Availability



One Harmon Plaza, Suite 210
Secaucus, NJ 07094
O: (201) 624-2137
F: (201) 624-2136

March 1, 2021

Pete Lo Dico, Township Administrator
Township of Saddle Brook
93 Market Street
Saddle Brook, NJ 07663

**Re: Township of Saddle Brook
Affordable Housing Plan
Water and Sewer Service Availability**

Dear Mr. Lo Dico,

Per your request, **REMINGTON & VERNICK ENGINEERS (RVE)** has reviewed the list of proposed projects as part of the Township's Affordable Housing Plan to determine if the Township's Water and Sewer Department has the water supply capacity to service the number of proposed residential units.

Attached please find a table with the names and locations of the proposed development, as well as an analysis of land available for affordable housing development. The developments are in different stages of construction as noted below.

The Township's Water and Sewer Departments have the capacity and infrastructure available to provide service to the proposed developments (the need for off-site improvements, if any, cannot be determined until actual applications and plans are received by the Township). The Final approval for service is contingent on the Applicant(s) completing the standard Department application process. Should you have any questions or require additional information, please do not hesitate to contact our office.

Sincerely,
REMINGTON & VERNICK ENGINEERS, INC.

A handwritten signature in black ink, appearing to read 'Robert J. Klein', is written over a light blue horizontal line.

Robert J. Klein, PE
Township Engineer

cc: Mayor White; Anthony Suarez, Esq.

Spending Plan

2019

Planning Board Approval: September 17, 2019

Council Approval: August 1, 2019

2021 Amendment

Planning Board Approval:

Council Approval:

TOWNSHIP OF SADDLE BROOK

2019 Affordable Housing Trust Fund Spending Plan

Amended August 2021

1) INTRODUCTION

The Township of Saddle Brook, Bergen County is in the process of preparing a new Housing Element and Fair Share Plan in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Fair Housing Act (N.J.S.A. 52:27D-301) and the November 21, 2018 Settlement Agreement. On December 1, 2008 the Township adopted a development fee ordinance. The ordinance establishes the Saddle Brook Affordable Housing Trust Fund for which this spending plan is prepared.

2) REVENUES FOR CERTIFICATION PERIOD

As of December 31, 2020, the Township of Saddle Brook (Township) has collected \$1,846,310 including interest and expended \$1,400,353 resulting in a balance of \$445,957. The funds collected and deposited to the trust fund are as follows:

Payments in Lieu:

Date	Source	Payment
April 2004	Kensington Crossing	\$200,000.00
February 2005	Senior Living at Saddle Brook	\$300,000.00
February 2005	Midland Commons	\$600,000.00
January 2009	140 Mayhill Apartments	\$175,000.00
February 2009	140 Mayhill Apartments	\$175,000.00
	Total	\$1,450,000.00

Development Fees:

Date	Source	Payment
December 2008	Dunkin Donuts	\$10,000.00
February 2009	Dunkin Donuts	\$14,822.40
October 2015	Lackland Companies	\$54,200.00
March 2017	Lackland Companies	\$70,800.00
October 2017	Stone Brook Gardens	\$5,625.00
October 2017	Malas Realty	\$35,000.00
January 2019	Malas Realty	\$35,000.00
	Total	\$237,947.40

Interest and other income \$158,362.60

All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund in Columbia Bank for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:93, as described in the sections that follow.

To calculate a projection of revenue anticipated during the period of third round substantive certification, the Township considered the following:

(a) Development fees:

Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PIL):

Actual and committed payments in lieu (PIL) of construction from developers. No payments in lieu are anticipated at this time.

(c) Other funding sources:

Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income and proceeds from the sale of affordable units.

No other funds have been collected or are anticipated at this time.

(d) Projected interest:

Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate.

The Township projects a total of \$171,700 in revenue including interest to be collected between January 1, 2021 and December 31, 2025. This projected amount, when added to the Township's trust fund balance as of December 31, 2020 (\$445,957), results in an anticipated total revenue of \$617,657 available to fund and administer its affordable housing plan. All interest earned on the account shall be used only for the purposes of affordable housing.

Source of Funds	2021	2022	2023	2024	2025	Total
(a) Development fees:						
Projected Residential Development	0	0	0	0	0	0
Projected Non-Res. Development	\$20,000	\$22,500	\$25,000	\$35,000	\$50,000	\$152,500
(b) Payments in Lieu of Construction						
	0	0	0	0	0	0
(c) Other Funds						
	0	0	0	0	0	0
(d) Interest						
	\$3,200	\$3,000	\$4,000	\$4,200	\$ 4,800	\$19,200
Total	\$23,200	\$25,500	\$29,000	\$39,200	\$54,800	\$171,700

3) ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by the Township of Saddle Brook:

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with the Township’s development fee ordinance for both residential and non-residential developments in accordance with COAH’s rules and P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7) and with the November 21, 2018 Settlement Agreement.

(b) Distribution of development fee revenues:

The Administration forwards a resolution to the governing body recommending the expenditure of development fee revenues as set forth in this spending plan. The governing body reviews the request for consistency with the spending plan and adopts the recommendation by resolution. The release of the funds requires the adoption of the governing body resolution in accordance with the Court-approved spending plan. Once a request is approved by resolution, the Chief Financial Officer releases the requested revenue from the trust fund for the specific use approved in the governing body's resolution.

4) DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

Affordability Assistance (N.J.A.C. 5:93-8.8)

Municipalities are required to spend a minimum of 30% of development fee revenue to render existing affordable units more affordable and one-third of that amount must be dedicated to very low-income households (i.e. households earning less than 30% of the regional median income). The actual affordability assistance minimums will be calculated on an ongoing basis in the CTM system based on actual revenues so long as COAH continues to provide access to the CTM system.

According to the following chart, the Township is required to dedicate \$170,403 from the affordable housing trust fund to render units more affordable, including \$56,801 to render units more affordable to households earning 30% or less of median income by region, as follows:

- **Rental Assistance.** The Township will set aside a minimum of \$170,403 for rental assistance.¹ The Township anticipates on providing rental assistance to subsidize eight (8) very low income units to be created at the Ingerman affordable housing site. This may be a one time or multiple payment of all or a portion of the monthly rent. Assistance will be provided on a first-come, first-serve basis to existing income-eligible renters with good credit standing.

AFFORDABILITY ASSISTANCE CALCULATION

¹ This amount assumes the trust fund receives an additional \$347,700 including interest by December 31, 2025 as illustrated by the chart on page 2. If the Township collects less than the projected amount, the amount expended maybe reduced as seen fit by the governing body.

Actual development fees plus interest earned less housing expenditures through 12/31/2020	+	\$396,310
Development fees projected 2021-2025	+	\$152,500
Interest projected 2019-2025	+	\$ 19,200
Total	=	\$568,010
Calculate 30 percent	x .30 =	\$170,403
Less Affordability assistance expenditures through 6/2/2008	-	\$ 0
Projected Minimum Affordability Assistance Requirement 6/1/2019 through 12/31/2025	=	\$170,403
Projected Minimum Very Low-Income Affordability Assistance Requirement 12/31/2020 through 12/31/2025	÷ 3 =	\$ 56,801

(a) Administrative Expenses (N.J.A.C. 5:93-8.9)

Municipalities are permitted to use affordable housing trust fund revenue for related administrative costs up to a 20% limitation pending funding availability after programmatic and affordability assistance expenditures. The actual administrative expense maximum is calculated on an ongoing basis in the CTM system based on actual revenues.

ADMINISTRATIVE EXPENSE CALCULATION		
Actual dev fees, and interest thru 12/31/2020		\$396,310
Projected dev fees and interest 2021 thru 2025	+	\$171,700
Payments-in-lieu of construction thru 7/17/2008	+	\$1,450,000 ¹
Less RCA expenditures thru 12/31/2020	-	0
Total	=	\$2,018,010
Calculate 20 percent	x .20 =	\$403,602
Less admin expenditures thru 12/31/20	-	\$309,618
Projected Maximum available for administrative expenses 1/1/21 thru 12/31/2025	=	\$93,984

¹ These payments include payments of \$350,000 from 140 Mayhill Apartments which although not received until January and February of 2009 were obligated to be paid by June 2006 in accordance with the Settlement Agreement.

The Township projects that \$93,984 will be available from the affordable housing trust fund to be used for administrative purposes between January 1, 2021 and December 31, 2025. Projected administrative expenditures, subject to the 20% cap, are as follows:

- Township Attorney, Engineer and Planner fees as well as consulting fees related to the administration and implementation of the Township’s affordable housing program(s).
- Salaries and benefits for municipal employees for administration and implementation of the housing plan and program(s).
- Municipal Housing Liaison and Administrative Agent training and on-going continuing education.
- Completion of annual trust fund and affordable housing activity monitoring as detailed in the November 21, 2018 Settlement Agreement.
- Completion of very-low income monitoring every three years as detailed in the Settlement Agreement.
- Completion of the mid-point realistic opportunity review due on July 1, 2020 as detailed in the Settlement Agreement.

5) EXPENDITURE SCHEDULE

The Township intends to use affordable housing trust fund revenues for the creation and/or preservation of affordable housing units. It should be noted that the amount spent in a given year for any line item may span multiple years in reality. The chart following provides an estimated timeline for expenditure and does not restrict the Township from spending the money sooner or later in the Third Round period. The expenditures of funds contemplated under the Spending Plan constitute “commitment” for expenditure pursuant to N.J.S.A. 52:227D-329.2 and -329.3, with the four-year time period for expenditure designated pursuant to those provisions beginning to run with the entry of a final judgment (March 15, 2019) approving this settlement in accordance with the provisions of In re Tp. Of Monroe, 422 N.J. Super. 565 (Law Div. 2015) (aff’d 442 N.J. Super. 563).

Projects/Programs	Number of Units Projected						Total
		2021	2022	2023	2024	2025	
Affordability Assistance							
Rental Assistance		0	20,000	50,000	50,000	50,000	\$170,000
Administration		42,000	12,000	12,000	12,000	12,000	\$ 90,000
Total		\$42,000	\$32,000	\$62,000	\$62,000	\$62,000	\$260,000

6) EXCESS OR SHORTFALL OF FUNDS

In the event of any unexpected revenue shortfall, where funds are not sufficient to implement the plan, the Township will approve a resolution of intent to bond. The only two mechanisms that require funding under this Spending Plan are the Rehabilitation Program and the affordability assistance required to date. If the 100% affordable development on Township land failed to be fully funded from outside sources, the Township would need to issue a resolution of intent to bond to fill the funding gap.

In the event more funds than anticipated are collected, projected funds exceed the amount necessary to implement the Fair Share Plan, or the Township is reserving funds for affordable housing projects to meet a future affordable housing obligation, these excess funds will be used to make additional capital repairs, purchase additional existing market-rate units or provide additional group home assistance for new providers within the community.

7) BARRIER FREE ESCROW

Collection and distribution of barrier free funds shall be consistent with the Township's Affordable Housing Ordinance, in accordance with N.J.A.C. 5:93-8.

8) SUMMARY

The Township of Saddle Brook intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:93-8.7 through 8.9 and consistent with the housing programs outlined in the Housing Plan Element and Fair Share Plan.

The Township of Saddle Brook has a balance of \$445,957 as of December 31, 2020 and anticipates an additional \$171,700 in revenues through 2025 for a total of \$617,657. This Spending Plan demonstrates the Township's **commitment to expend \$617,657** through December 31, 2025, including a commitment to expend with respect to the following:

- Commitment to expend at least \$170,403 on affordability assistance; and
- Commitment to expend up to \$93,984 towards administrative costs.

SUMMARY TABLE		
Deposits/Income Thru 12/21/2020	Payments in Lieu Development Fees Interest and Other Income	\$1,450,000.00 \$237,947.40 <u>\$158,362.60</u>
	Total	\$1,846,310.00
Anticipated Fees and Interest 1/1/2021 Thru 12/31/2025		\$171,700.00
	Total Deposits	\$2,018,010.00
Expenditures Inception Thru 12/31/2025	Housing Activities Administration Affordability Assistance	\$1,444,005.00 \$403,602.00 \$170,403.00
	Balance Projected 12/31/2025	0

\\CNGFASo1\Projects\SDP\SDP-003\Reports\Updated\210721_jj_rev amended Spending_Plan.docx

Proforma and Schedule for Township 100% Affordable Site (Ingerman)

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MULTI-FAMILY - with or without TAX CREDITS

SCHEDULE 10-A: PROJECT DESCRIPTION- PERMANENT ONLY LOAN

Date Action Taken		If a Closing Other Than Final -		HMFA#		
<input checked="" type="checkbox"/>	Inducement					
<input checked="" type="checkbox"/>	Commitment	Indicate Type By Date		Date:		
	Re-Commitment	Special Needs:		Prepared by:		
	Mtg. Extension	Other:		Reviewed by:		
	Bond Sale					
	Final Closing					
Willows at Saddle Brook						
Project Name				Zip Code:		
435 N. Midland Avenue				07663		
Project Street Address						
Municipality	Saddle Brook	Block No.	1401.00	Lot No.	18.0000	
County	Bergen					
Type of Development (Select either Family or Senior Citizens (NOT BOTH))		Type of Construction		Term of Mortgage (in years): 30		
Family	<input checked="" type="checkbox"/>	New Construction	<input checked="" type="checkbox"/>	Mortgage Interest Rate: 3.650%		
Senior Citizens		Modular				
Provide the following:		Moderate Rehabilitation				
Legislative District:	8	Substantial Rehab.				
Congressional District:	3	Conversion		The Project is in a: Y or N		
Census Tract:	7030.00	Rehabilitation/Occupied		QCT <input type="checkbox"/>		
No. of dwelling units	58	Historic		Smart Growth <input checked="" type="checkbox"/>		
No. of occupied units				Planning Area: Metropolitan		
No. of Special Needs units	15			(designate area)		
Special Needs Population	DDD					
Construction Term	15 (mos.)					
Rent-up Period	6 (mos.)					
Type of Loan		Parking		ENTER DOLLAR AMOUNT		
Construction Loan		Total Number of Parking Spaces	95			
Construction & Permanent Loan		Ratio of parking to D.U.'s	1.64 : 1			
Permanent Loan Only	<input checked="" type="checkbox"/>					
Cost Summary		Type of Financing		Type of Subsidy		
		Tax Exempt		Special Needs Program Funds	\$	
		Taxable	<input checked="" type="checkbox"/>	FRM-CDBG	\$	
		Tax Credits		Amt. Of FRM-CDBG/Unit:		
		4%		Money Follows the Person	\$	
		9%	<input checked="" type="checkbox"/>	Fire Supression	\$	
		Historic		Other	\$	
		Affordability - Check One		Other	\$	
		** 40% AT 60%	<input checked="" type="checkbox"/>			
		*** 20% AT 50%				
		Income Averaging				
		\$0 per DU		\$0 per Sqft.		
		\$192,318 per DU		\$172 per Sqft.		
		\$297,525 per DU		\$265 per Sqft.		
Cost of Land and/or Improvements						
Construction Cost						
Total Project Cost						
Types of Residential Structures*	No. of Bldgs.	No. of Stories Each	Unit Type (No. of BR's)	Average Unit Size in Sq. Ft.	No. of Units	Net Rentable = Area
Low-Rise	3	2 to 3	1	683	11	7,513
			2	886	30	26,580
			3	1,208	17	20,536
Basement/Crawl Space						
***Garage Parking						
Garage & Parking						
Commercial Space						
Common/Other Space			Community room, mgmt/maintenance/social services, circulation			10,388
Totals	3				58	65,017

Total Project Cost	\$17,256,473
Minus Eligible Costs:	
Reserves	\$346,597
Deferred Developer Fee	\$1,691,987
Non Basis Off Site Improvements	
=	\$15,217,888
Cost Per DU	\$262,377

*Low - Rise (1 - 4), Mid/Hi - Rise (5 + stories), Townhouse or Semi-detached
 ** 40-60 set-aside means 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the area median income.
 *** 20-50 set-aside means 20% or more of the residential units will be rent restricted and occupied by households whose income is 50% or less of area median income.
 ****Includes only parking beneath the building and/or parking structure

SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS

<table border="0"> <tr><td>Inducement</td><td>_____</td></tr> <tr><td>x Commitment</td><td>_____</td></tr> <tr><td>Re-Commitment</td><td>_____</td></tr> <tr><td>Mtg. Extension</td><td>_____</td></tr> <tr><td>Bond Sale</td><td>_____</td></tr> <tr><td>Closing</td><td>_____</td></tr> </table>	Inducement	_____	x Commitment	_____	Re-Commitment	_____	Mtg. Extension	_____	Bond Sale	_____	Closing	_____	<table border="0"> <tr><td>HMFA#</td><td>_____</td></tr> <tr><td>Prepared by:</td><td>_____</td></tr> <tr><td>Reviewed by:</td><td>_____</td></tr> <tr><td colspan="2" style="text-align: center;">Director of Technical Services</td></tr> <tr><td colspan="2" style="text-align: center;">_____</td></tr> <tr><td colspan="2" style="text-align: center;">Managing Director of Multifamily</td></tr> <tr><td colspan="2" style="text-align: center;">_____</td></tr> <tr><td colspan="2" style="text-align: center;">Chief of Multifamily</td></tr> </table>	HMFA#	_____	Prepared by:	_____	Reviewed by:	_____	Director of Technical Services		_____		Managing Director of Multifamily		_____		Chief of Multifamily	
Inducement	_____																												
x Commitment	_____																												
Re-Commitment	_____																												
Mtg. Extension	_____																												
Bond Sale	_____																												
Closing	_____																												
HMFA#	_____																												
Prepared by:	_____																												
Reviewed by:	_____																												
Director of Technical Services																													

Managing Director of Multifamily																													

Chief of Multifamily																													
	Date _____																												
	Date _____																												

1. SOURCES OF FUNDS DURING CONSTRUCTION:	Enter the total Loan Amount Here	Will loan/s be repaid from project revenues? (If Source is a grant, enter "G".) Y, or N, or G	
a) Construction Loan (TD Bank)	\$12,265,531		\$ 12,265,531
b) Tax Credit Equity Installment #1	\$12,424,757		\$ 1,863,714
c) Tax Credit Equity Installment #2 (partial)			\$ 692,309
d)			\$
e)			\$
f)			\$
g)			\$
h) Deferred Developer's Fee			\$ 1,886,298
TOTAL SOURCES OF CONSTRUCTIONS FUNDS:			\$ 16,707,851

2. USES OF FUNDS DURING CONSTRUCTION:			% of Const't Cost OR Cost/Unit
A. ACQUISITION COSTS:			
a) Land	_____ @ (\$ _____ per Acre)	\$ _____	1
b) Building Acquisition	Should be between \$15,000 & \$25,000 per units		
c) Relocation			
d) Other:	_____		1
B. CONSTRUCTION COSTS		Total Acquisition as a percent of Total Project Costs:	0.00%
a) Demolition		\$ _____	
b) Off-site Improvements			
c) Residential Structures (including all on-site improvement)		9,523,785	
d) Community Building			
e) Environmental Clearances			
f) Surety & Bonding	should be between .75% and 2% of Construction Costs	85,808	0.77%
g) Building Permits		175,000	
h) Garage Parking	garage should be approx \$15,000/space; parking lot around \$700/space		
i) General Requirements	should be about 6% of construction costs	587,076	6.00%
j) Contractor Overhead & Profit	-should not exceed 8% of construction costs - usually 2% for Overhead & 6% for Profit	782,767	8.00% *Via Percentage_Lin
k) Green Features			
l) Other	Municipal Review Fees		
m) Other	_____		
		Total Const't Costs as a percent of Total Project Costs:	67.87%

C. DEVELOPERS FEE - CONSTR/REHAB	20.00%	2,809,979	11,154,436
DEVELOPERS FEE - BUILDING			
		2,809,979	
		\$1,539,468	10.96%
D. CONTINGENCY			
Non-Deferred Amt on Building Acq Not to Exceed 2% :			
a) Hard Costs	5.000% 5% for New Construction & 10% for Rehabilitation	557,722	
b) Soft Costs	1.157% should be a Maximum of 5%	25,000	582,722

E. PROFESSIONAL SERVICES			
a) Appraisal & Market Study		\$ 7,500	
b) Architect		385,200	
c) Site Engineer		230,000	
d) Attorney		155,000	
e) Cost Certification/Audit	- should not exceed \$35,000	13,000	
f) Environmental Consultant		34,000	
g) Historical Consultant			
h) Geotechnical Consultant		10,000	
i) Surveyor		30,000	
j) Other: Municipal Review Fees		172,350	
k) Other: HERS Rater		41,000	1,078,050
		Total Professional fees as a % of Total Project Costs:	6.25%

F. PRE-OPERATIONAL EXPENSES *			
* Non-eligible costs in TC basis			
a) Operator fees (pre-construction completion) *	Should not exceed \$250 per unit		
b) Advertising and Promotion (pre-construction completion)*		50,000	
c) Staffing and Start-up Supplies (pre-construction completion)*			
d) Other: *			
e) Other: *			
		Total Pre Opt Costs as a % of Total Project Costs:	0.29%

G. CARRYING AND FINANCING COSTS DURING CONSTRUCTION			
a) Interest @	3.4493 % for (_____ 24 mos.) on \$ _____	6,132,765	423,079
b) R.E. Tax \$	(per annum) x _____	2.00 Yrs.	
c) Insurance \$	22,776 (per annum) x _____	2.00 Yrs.	45,551
d) Title Insurance and Recording Expenses			53,156
e) Utility Connection Fees			65,250
f) Other Lender's Points			41,000
g) Other Lender Construction Financing Fee			91,991
h) Tax Credit Fees	If the HMFA will be selling Bonds for the project either before or during the		130,800
i) Negative Arbitrage (if Bonds are sold during Construction)	time the Development is under construction, these costs		71,224 (ESTIMATE)
j) Cost of Issuance (If Bonds are sold during Construction)	should be accounted for during the construction period.		35,612 (ESTIMATE)
k) Furniture, Fixtures & Equipment (FF&E)			75,000
		Total Carrying/Fin. Costs as % of Total Project Costs:	5.98%

3. USES OF FUNDS DURING CONSTRUCTION:	\$ 16,707,851
4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION (overage / shortage):	\$ _____

PERMANENT LOAN CLOSING

5. SOURCES OF FUNDS FOR PERMANENT FUNDING:

	Y, or N, or G	
a) HMFA 1st Mortgage, NOTE I	Y	\$ 3,561,205
b) Equity Installment #2 (partial)		\$ 7,383,784
c) Equity Installment #3		\$ 2,484,951
d)		\$
e)		\$
f)		\$
g)		\$
h)		\$
TOTAL SOURCES FOR PERMANENT CLOSING:		\$ 13,429,940

6. USES OF FUNDS FOR PERMANENT CLOSING:

A. DEVELOPER'S FEE:				\$ 615,787	
B. HMFA Points (to reduce annual servicing fee)™	2.00%	on	\$ 3,561,205	71,224	\$ 71,224
C. HMFA Second Note Financing Fee ™		on	\$		
D. Special Needs Financing Fee ™	3.00%	on	\$		
E. CONSTRUCTION LOAN PAYOFF:				\$ 12,265,531	
F. Construction Loan Interest Due(per diem)		on	\$		\$
G. Negative Arbitrage (ESTIMATE)				(List Daily Amount)	
H. Cost of Issuance (ESTIMATE)					
I. Reimbursement of any Indemnification Fee not dedicated to other costs					
J. TAX CREDIT FEES					130,800
K. R.E. Taxes due & Payable at Closing					
L. Title Insurance	# of days			(List Daily Amount)	
M. HMFA Loan per diem interest on NOTE I (if applicable)		on	\$		
N. Outstanding Payments to Professional & Sub-contractors					
O. Payment and Performance Bond, 30% Warranty Bond, or 10% Letter of Credit					
P. Other Fees:					
Q. ESCROW REQUIREMENTS:	Total Costs@ PermClosing as%of Total Project Costs:			4.74%	
1) Working Capital Escrow					305,908
a) Debt Service & Operating Expenses					
b) Rental Agent Rent-up Fee (during Rent-up)					
c) Advertising and Promotion (during Rent-up)					
2) Other Escrows					
a) Insurance (1/2 YR.)					\$ 13,630
b) Taxes (1 Qtr.)					\$ 9,581
c) Debt Service Payment & Servicing Fee for 1 Month					\$ 17,478
d) Mortgage Insurance Premium (MIP) 1 year plus 3 months					\$
e) Repair & Replacement Reserves					\$
f) HMFA Operating Deficit Reserve					\$
g) Other: Social service reserve					\$
h) Other:					\$
				Total Escrows as a % of Total Project Costs:	2.01%
7. USES OF FUNDS FOR PERMANENT CLOSING					\$ 13,429,940
8. BALANCE NEEDED TO CLOSE (overage / shortage):					\$
9. TOTAL PROJECT COSTS					\$ 17,256,473
10. MAXIMUM MORTGAGE LOAN	20.64	% of Item 10			\$ 3,561,205

11. 55% of Basis Test:

Aggregate Basis:	\$ 16,551,015	Check each line item for Eligibility
55% of Basis (estimated):	9,103,058	
Less 1st Mtg., 1st Note:		
Equals 1st. Mtg., 2nd Note Needed:	9,103,058	

12. REPAYMENT OF SECOND NOTE (IF APPLICABLE)

	Principal	Interest @	() mos.	Total	Total	List Source
	\$	\$		\$	\$	
	\$	\$		\$	\$	
	\$	\$		\$	\$	
	\$	\$		\$	\$	

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By: _____
(Developer or Authorized Signatory)

By: _____
NJHMFA Executive Director or Designee

SCHEDULE 10-C: OPERATING EXPENSES

Borrowing Entity: MBID of Delaware, LLC
 Dev. Name: Willows at Saddle Brook

HMFA# _____
 Prepared by: _____
 Reviewed by: _____
 (Director of Asset Management) _____
 Date _____

I. ADMINISTRATIVE EXPENSE

Stationery & Suppl.	3,248
Telephone	3,000
Dues & Sub.	2,500
Postage	1,000
Insp. & Other Fees	2,000
Advertising	4,500
Legal Services	5,000
Auditing (Year End)	13,255
Soc. Serv. Suppl.	1,500
Misc. Adm. Expenses	4,000
Bookkeeping/Accounting and/or Computer Charges	4,997
Shuttle	
TOTAL \$	45,000

II. SALARIES & RELATED CHARGES

	# of Employees	Total Wages inc benefits
Superintendent		30,000
Janitorial		
Grounds & Landscaping		
Security		
Social Services	0.50	2,000
Site Office & Admin	1.00	30,000
Maintenance	0.50	18,000
Other Salaries:		
Empl. Benefits		14,649
Empl. Payroll Taxes		9,840
Worker's Comp.		1,953
Other		
TOTAL \$	2.00	106,442

III. MAINTENANCE AND REPAIRS

Masonry	1,000
Carpentry	2,000
Plumbing	2,500
Electrical	2,500
Kitchen Equipment	1,000
Elevator	
Windows & Glass	2,000
Vehicles & Equip.	1,000
Snow Removal	7,000
Grounds & Landscaping	6,000
Paint & Dec. Supl.	2,000
Small Equip. & Tools	2,000
Janit. Sup. & Tools	2,000
HVAC Supplies	4,000
Misc. Maint. Suppl.	
Other:	
TOTAL \$	35,000

IV. MAINTENANCE CONTRACTS

Security	
Elevator	
Rubbish Removal	8,000
Heating & AC Maint.	8,000
Grounds, Parking & Landscaping	4,000
Exterminating	2,483
Cyclical Apt. Painting	6,767
Other:	13,490
TOTAL \$	42,740

V. UTILITY EXPENSE

Water Charges	19,000
Sewer Charges	19,000
Electricity	3,513
Gas	2,000
Fuel	
Less Solar Energy Savings	
TOTAL \$	43,513

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT

Gross Rents	\$	702,972
Less Vacancy	(-)	49,208
Less Utilities (if applicable)	(-)	43,513
Gross Sheltered Rents	\$	610,251
x Rate	x	6.28 %
Real Estate Taxes	\$	38,324

OR ACTUAL TAXES IF NO P.I.L.O.T.

SCHEDULE 10-D : ANTICIPATED GROSS RENTS

Mortgage Amount 3,561,205 HMFA # _____
 Mortgage Interest Rate 3.65% Prepared by: _____
 Term (years) 30 Yrs. The Interest rate has been _____
 Amortization (Y,S,M) M reduced by: 15 basis points Reviewed by: _____ Date
 FMR Area Bergen as the Cost-of-Issuance is being paid out-of-pocket by the sponsor.
 Date of Income Limits Chart Used: 04/26/21
 Date of Utility Chart Used: 10/01/28

ANTICIPATED GROSS RENTS:

No. of Bedrooms	No. of Units	Target ** Occupancy	Gross Rent	Allowance for Tenant Paid Utilities***	Net Rent	Monthly	Annual	Square Feet of Individual Units
1	1	20% (VLI); DDD	410	48	362	362	4,344	683
2	1	20% (VLI); DDD	492	85	407	407	4,884	963
2	3	30% (VLI); Family	738	85	653	1,959	23,508	963
3	3	30% (VLI); Family	853	92	761	2,283	27,396	1,154
1	5	47.5% (Low); DDD	410	48	362	1,810	21,720	683
2	6	47.5% (Low); Family	1,169	85	1,084	6,504	78,048	963
2	5	47.5% (Low); DDD	492	85	407	2,035	24,420	963
3	6	47.5% (Low); Family	1,351	92	1,259	7,554	90,648	1,154
1	2	57.5% (MOD); Family	1,180	48	1,132	2,264	27,168	683
1	3	57.5% (MOD); DDD	410	48	362	1,086	13,032	683
2	15	57.5% (MOD); Family	1,416	85	1,331	19,965	239,580	963
3	8	57.5% (MOD); Family	1,636	92	1,544	12,352	148,224	1,154
Super's Apt.*								

TOTALS 58

58,581

Anticipated Annual Gross Rents 702,972

* Indicate on a separate line which apartment is for the Superintendent. If it's rent-free, put \$0 in the Rent column.

** Indicate "Low", "Mod" or "Mkt" AND the percentage of median income.
 Low Income - 50% or less of median income
 Moderate Income - 50% to 80% of median income
 Market Income - 80%+ of median income

NOTE: The percentage listed in this section is merely the percentage of the Gross Rent as to the applicable Area Median Income.

NOTE: For Underwriting Purposes Only, Target Occupancy is based on (1) person per Bedroom

*** Where tenants pay their own utilities, a "utility allowance" must be subtracted from the maximum chargeable rent when determining their rental charge.

EQUIPMENT AND SERVICES

(a) Equipment:	(b) Services:	Gas, Electric or Oil	Individual or Master Meter	Paid by Tenant
Ranges	Heat	G	I	Tenant
Refrigerator	Hot Water	G	I	Tenant
Air Conditioning	Cooking	E	I	Tenant
Laundry Facilities	Air Conditioning	E	I	Tenant
Disposal	Household Electric		I	Tenant
Dishwasher	Water		M	Owner
Carpet	Sewer		M	Owner
Drapes	Parking			
Swimming Pool	Other:			
Tennis Court	Other:			
Other:				

UTILITY ALLOWANCE METHODS (Yes or No)

DCA Utility Allowance Chart x* Utility Company Estimates
 HUD Utility Schedule Model Energy Consumption Model

*Will be replaced by pending energy consumption model

COMMERCIAL SPACE

(Include all utility costs associated with the commercial space in your description)

N/A

SCHEDULE 10-E : SUMMARY OF ANTICIPATED ANNUAL INCOME AND EXPENSES

Borrowing Entity: MBID of Delaware, LLC HMFA# _____
 Dev. Name: Willows at Saddle Brook Prepared by: _____
 Reviewed by: _____ Date
 (Director of Asset Management - Expenses Only)

RENTAL INCOME

Apartment Rents		\$ 702,972
Vacancy Loss (7.00 %)	-	49,208
NET APT. RENTS		653,764
Commercial Income	per Sq. Ft.	\$
Garage & Parking	per Sq. Ft.	
Commercial Vacancy	%	

This memorandum contains advisory, consultative and deliberative materials and is intended for the person(s) named as recipient(s).

NET COMMERCIAL RENTALS			
TOTAL RENTAL INCOME		\$	<u>653,764</u>
OTHER INCOME			
Laundry Machines		\$	<u> </u>
Other:			<u> </u>
TOTAL OTHER INCOME		\$	<u> </u>
TOTAL REVENUE			\$ <u><u>653,764</u></u>
EXPENSES			
Administrative (Schedule I)		\$	<u>45,000</u>
Salaries (Schedule II)			<u>106,442</u>
Maint. & Repairs (Schedule III)			<u>35,000</u>
Maint. Contracts (Schedule IV)			<u>42,740</u>
Utilities (Schedule V)			<u>43,513</u>
Management Fee 55.00 per unit			<u>38,280</u> * Should be between \$55 & \$70 per unit per month
P.L.L.O.T. on Commercial Income(%)			<u> </u>
Real Estate Taxes (Schedule VI)			<u>38,324</u>
Insurance \$470 per Unit*			<u>27,260</u> 2-Story & below - \$500; 3-Story & above - \$550
Reserve for Repair and Replacement 440.00 per unit			<u>25,520</u> *Ingerman portfolio cost; quote available upon request
TOTAL EXPENSES			\$ <u><u>402,079</u></u>
NET OPERATING INCOME			\$ <u><u>251,685</u></u>
DEBT SERVICE			
1. Principal and Interest		\$	<u>195,493</u>
2. Mortg & Bond Serv Fee 0.40 %			<u>14,245</u>
3. MIP %			<u> </u>
4. Debt Service on Other Mortgage Loans \$		\$	<u> </u>
AGENCY DEBT SERVICE			\$ <u>209,738</u>
DEBT SERVICE NOT TO BE CONSIDERED IN DSR			\$ <u> </u>
TOTAL DEBT SERVICE			\$ <u><u>209,738</u></u>
NET INCOME			\$ <u><u>41,947</u></u>
Less Return on Equity (% on \$)			- \$ <u> </u>
Project Profit/(Loss)			\$ <u><u>41,947</u></u>

DEBT SERVICE RATIO CALCULATION :

$$DSR = \frac{NET\ OPERATING\ INCOME}{AGENCY\ DEBT\ SERVICE} = \underline{\underline{1.20000}}$$

New Mortgage Amount
3,561,205



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WILLOW AT SADDLE BROOK

PROJECT MILESTONES

- Preliminary Site Plan Approval 8/2021
- Final Site Plan Approval 8/2022
- Local, County and/or State Planning and Variance Approvals 10/2022
- Local, County and/or State Environmental Approvals 10/2022
- Closing and Transfer of Property 12/2022
- Construction Start 1/2023
- Lease-Up 4/2024
- Construction Completion 7/2024
- Anticipated Placed in Service Date 7/2024
- Anticipated Completion of Rent-Up 9/2024
- Anticipated Start of Compliance Period 7/2024