



2025 HOUSING ELEMENT AND FAIR SHARE PLAN AMENDMENT

May 19, 2025

2025 HOUSING ELEMENT AND FAIR SHARE PLAN

**BOROUGH OF PEAPACK GLADSTONE
SOMERSET COUNTY, NEW JERSEY**

PREPARED FOR:

**BOROUGH OF PEAPACK GLADSTONE PLANNING BOARD
BA# 4139.10**

The original document was appropriately signed and sealed on May 19, 2025 in accordance with Chapter 41 of Title 13 of the State Board of Professional Planners.



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The Housing and Fair Share Plan was adopted by the Peapack and Gladstone Land Use Board after public hearing on

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EXECUTIVE SUMMARY

The following **2025 Housing Element and Fair Share Plan (HE&FSP) of the Master Plan** has been prepared for the Borough of Peapack Gladstone, Somerset County, New Jersey.

This plan is designed to outline the manner in which the Borough will address its affordable housing obligations for the upcoming Fourth Round. As will be discussed in greater detail in this document, these obligations were derived from a variety of different sources including the Council on Affordable Housing (COAH), prior Court-approved Judgments of Compliance and Repose, settlement agreements with Fair Share Housing Center (FSHC), and most recently from Fourth Round obligation calculations provided by the Department of Community Affairs (DCA).

In summary, the Borough's affordable housing obligation over the prior and current Fourth Round is as follows:

TABLE 1 AFFORDABLE HOUSING OBLIGATIONS SUMMARY

Category	Obligation
Present Need (Rehabilitation) Obligation	10
First & Second Round Obligation (1987-1999)	82
Third Round Obligation (1999-2025)	104
Fourth Round Obligation (2025-2035)	62

First & Second Round Obligations 1987-1999

First Round – 1987 to 1993

Pursuant to the New Jersey Fair Housing Act that created COAH, regulations were adopted that established and assigned the affordable housing obligations for all municipalities in New Jersey. The Borough was assigned an affordable housing obligation of seventy-five (75) units. In response to this obligation the Borough adopted a housing plan in 1989 that created a rehabilitation program and rezoned property along Route 206 for inclusionary development. As a result of the Borough's submittal, COAH granted the Borough First Round substantive certification on January 9, 1989.

Second Round – 1993 to 1999

Upon adoption of the Second Round rules by COAH, the Borough prepared and adopted its Second Round Plan on March 21, 1995 addressing a pre-credited need for ninety-four (94) consisting of a Present Need of ten (10) units and Prospective Need of eighty two (82) affordable housing units. The Borough determined that high density inclusionary development with a 20 percent set aside, as proposed by the First Round plan, was not consistent with the Borough's

goal of preserving its rural/Village character. The Borough, therefore, adopted a Second Round plan that provided for its fair share of affordable housing units while maintaining the character of the community as follows:

1. The Borough was determined to have a “Rehabilitation Component” need of ten (10) units. All ten (10) units were rehabilitated;
2. The “New Construction” or “Prospective Need” component of eighty-two (82) units was addressed by a Regional Contribution Agreement (RCA), permitted under the then adopted rules, with the City of Perth Amboy; construction of rental housing; and post 1980 new construction credit as follows:
 - a) Thirty-seven (37) units were transferred to the City of Perth Amboy in an RCA in the amount of \$740,000.00;
 - b) Twenty (20) affordable rental units were constructed by the Lutheran Social Ministries resulting in a total credit of thirty-eight (38) units (20 units constructed plus 18 rental bonus credits);
 - c) Nine (9) Post 1980 units constructed through the St. Luke’s Village, Inc. project.

TABLE 2: PLAN COMPONENTS SATISFYING FIRST & SECOND ROUND RDP

Plan Component	Units	Bonus	Credits
Lutheran Social Ministries (family rental), 85 Main Street, Block 23, Lot 17	20	20	40
Regional Contribution Agreement with Perth Amboy	37	-	37
St. Luke’s Senior Housing	9	-	9
Total	64	18	84

The Borough satisfied its entire prior round obligation which resulted in a two (2) unit credit to be applied in the upcoming Third Round. Upon adoption of the Second Round Plan in 1995, the Borough took measures to implement its Plan by adopting: i) an Affirmative Marketing Plan; ii) an ordinance amending its zoning to permit affordable rental housing; and iii) an ordinance to establish a Development Fee to create a housing trust fund. COAH subsequently granted the Borough Second Round substantive certification on January 10, 1996.

Third Round Compliance – 1999 to 2025

On October 26, 2018, the Borough and FSHC entered into a Settlement Agreement that established a Present Need Obligation of a single unit and Prospective Need of 104 affordable units including the “Gap Year”. The Township subsequently adopted a Third Round HE&FSP.

Afterwards, there were two subsequent amendments to the original agreement adjusting the Borough's housing plan. The first amendment was entered into with FSHC on August 17, 2020. A subsequent amendment to the agreement with FSHC was approved on May 10, 2022. Ultimately, the Borough was granted a Final Judgment of Compliance (Third Round JOR) subsequently thereafter on June ,2022.

The Third Round components of the HEFSP are summarized in the following table:

TABLE 3: THIRD ROUND HOUSING ELEMENT AND FAIR SHARE COMPONENTS

Plan Component	Number of Units	Bonus	Credits
Prior Round Surplus Credits-Lutheran Ministries	2	2	4
Smith Property (special needs group home; 100% affordable Municipally sponsored housing); Block 20, Lot 1.03	8	6	14
Smith Property (family rental; 100% affordable Municipally sponsored housing); Block 20, Lot 1.03	20	18	38
Accessory Apartment Ordinance	10	-	10
SJP Properties (family rental); Block 33, Lot 13	14	-	14
Melillo Equites; Block 20, Lot 1.02	5		5
Main and Lackawanna Street Rezoning; Block 22, Lot 13 and Block 20, Lot 5 for mixed use inclusionary commercial and residential development	3	-	3
191 Main Street (special needs group home with 4 Beds: Block 22, Lot 8	4	-	4
193 Main Street 2 Affordable Rental Units: Block 22, Lot 7	2	-	2
291 Main Street (special needs group home (6 beds) w/2 affordable rental unit); Block 1, Lot12	8	-	8
1 Railroad Avenue; Block 29, Lot 18	3	-	3
Total	79	26	105

Fourth Round Obligation

Governor Murphy signed the A-40/S-50 Bill into law on March 20, 2024 upon adoption by the State Senate and Assembly. This legislation (FHA-2) amended the Fair Housing Act (FHA or the Act) by abolishing COAH and created a new process that involved the creation of an entity known as the Affordable Housing Dispute Resolution Program (the Program), which is overseen by seven retired Mount Laurel judges. The Program has taken the place of the trial courts and COAH regarding the approval process involving municipal HE&FSPs. The DCA and the Administrative Office of the Courts (AOC) are both also involved in assisting the Program with this process.

FHA-2 directed the DCA to calculate the Present Need (also referred to as the Rehabilitation

obligation) and the Prospective Need (also known as the new construction obligation) for Round Four based upon the standards set forth in the Act. The DCA issued its report on October 18, 2024, and, in accordance with the Act, made clear that the obligations generated by the report were advisory only and were non-binding. For Peapack and Gladstone, the DCA Report identified a Present Need of zero (0) units and a Prospective Round Four Need of 75.

Since the DCA report was non-binding, each municipality the legislation provided municipalities the opportunity to study and define why its obligations should be different based on the standards in the Act. This analysis, conducted by Burgis Associates on behalf of the Borough, established a prospective need of 57 units based upon the statute's assigning a 0 land capacity to municipalities designated as PA-5, Environmentally Sensitive by the State Plan which included the entire Borough. The Borough's calculation of obligation was challenged by FSHC and the New Jersey Builder's Association who sought higher obligations. Ultimately the matter was settled and the Borough adopted a binding resolution which committed to the present and prospective need obligations identified by DCA as modified by the Court settlement. The court issued an order on April 8, 2025 that officially set the Borough's Round Four Present Need at ten (10) units and Round Four Prospective Need at 62 units.

FAIR SHARE OBLIGATION

The following section provides an overview of the Borough's fair share obligation. It includes a brief overview of the methodology utilized to calculate affordable housing obligations throughout the state.

Accordingly, the remainder of this 2025 HE&FSP is divided into the following sections:

- ❖ Section 1: Introduction

The first section of the 2025 HE&FSP provides an introduction to affordable housing. It summarizes what affordable housing is, offers an overview of the history of affordable housing in the state, and explains the role of a housing element and fair share plan.

- ❖ Section 2: Housing Element

Section 2 contains the Housing Element for the Borough of Peapack Gladstone. It offers a community overview of the Borough, as well as background information regarding its population, housing, and employment characteristics. It also provides projections of the Borough's housing stock and employment.

- ❖ Section 3: Fair Share Obligation

Next, Section 3 provides an overview of the Borough's fair share obligation. It includes a brief history of the methodologies utilized to calculate affordable housing obligations throughout the state.

❖ Section 4: Fair Share Plan

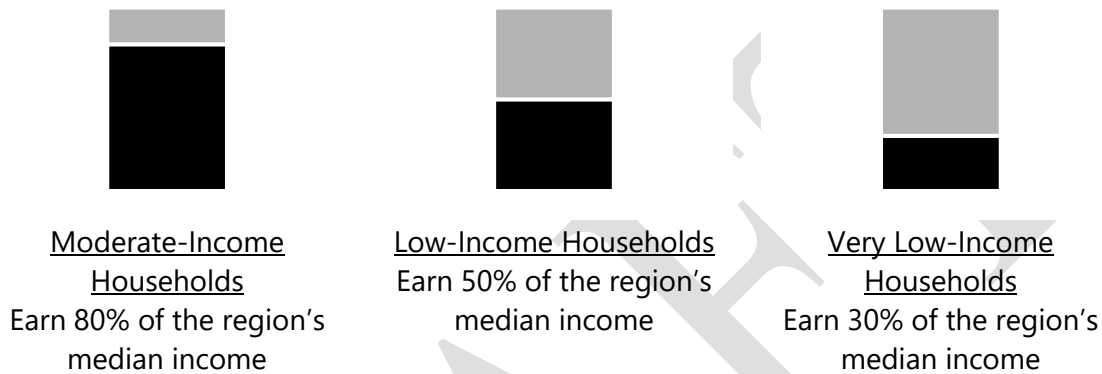
Finally, Section 4 details the manner in which the Borough has addressed its prior First, Second and Third Round obligations, how it will address its Fourth Round Prospective Need Obligation, and how same is consistent with the FHA, applicable COAH and UHAC regulations, and state planning initiatives.

SECTION I: INTRODUCTION

The following section provides an introduction to affordable housing. It summarizes what affordable housing is, offers an overview of the history of affordable housing in the state, and explains the role of a housing element and fair share plan.

A. WHAT IS AFFORDABLE HOUSING?

Affordable housing is income-restricted housing that is available for sale or for rent. Typically, affordable housing is restricted to very-low, low-, and moderate-income households. These categories are derived from median regional income limits established for the state. New Jersey is delineated into six different affordable housing regions. Peapack Gladstone is located in Region 3, which includes Hunterdon, Middlesex and Somerset counties.



Regional income limitations are updated every year, with different categories established for varying household sizes. Table 5 identifies the 2024 regional income limits by household size for Region 3. As shown, a three-person family with a total household income of no greater than \$93,180 could qualify for affordable housing in the Borough's region.

TABLE 4: 2024 AFFORDABLE HOUSING REGION 3 INCOME LIMITS BY HOUSEHOLD SIZE

Income Level	2 Person	3 Person	4 Person	5 Person
Median	\$116,960	\$13,1580	\$146,200	\$157,896
Moderate	\$93,568	\$105,264	\$116,960	\$126,317
Low	\$58,480	\$65,790	\$73,100	\$78,948
Very-Low	\$35,088	\$39,474	\$43,860	\$47,369

One of the most common forms of affordable housing is inclusionary development, in which a certain percentage of units within a multifamily development are reserved for affordable housing. Affordable housing can be found in a variety of other forms, including but not limited to: 100% affordable housing developments, deed-restricted accessory apartments, alternative living arrangements such as special need/supportive housing or group homes, assisted living facilities, and age-restricted housing.

B. WHAT IS THE HISTORY OF AFFORDABLE HOUSING IN NEW JERSEY?

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The history of affordable housing in New Jersey can be traced back to 1975, when the Supreme Court first decided in *So. Burlington Cty. NAACP v. Borough of Mount Laurel* (known as Mount Laurel I) that every developing municipality throughout New Jersey had an affirmative obligation to provide for its fair share of affordable housing. In a subsequent Supreme Court decision in 1983 (known as Mount Laurel II), the Court acknowledged that the vast majority of municipalities had not addressed their constitutional obligation to provide affordable housing.

As such, the Court refined this obligation to establish that every municipality had an obligation, although those within the growth area of the State Development and Redevelopment Plan (SDRP) had a greater obligation. The Court also called for the state legislature to enact legislation that would save municipalities from the burden of having the courts determine their affordable housing needs. The result of this decision was the adoption of the Fair Housing Act in 1985, as well as the creation of the New Jersey Council on Affordable Housing (COAH), which became the state agency responsible for overseeing the manner in which New Jersey's municipalities address their low- and moderate-income housing needs.

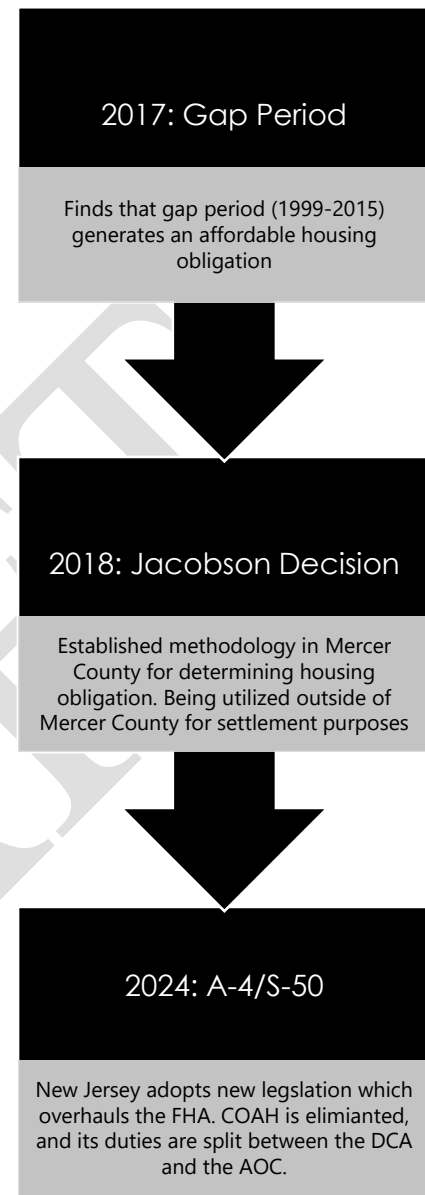
COAH proceeded to adopt regulations for the First Round obligation, which covered the years 1987 to 1993. It also established the Second Round housing-need numbers that cumulatively covered the years 1987 through 1999. Under both the First and Second Rounds, COAH utilized

what is commonly referred to as the “fair share” methodology. COAH utilized a different methodology, known as “growth share,” beginning with its efforts to prepare Third Round housing-need numbers. The Third Round substantive and procedural rules were first adopted in 2004.

These regulations were challenged and in January 2007, the Appellate Division invalidated various aspects of these rules and remanded considerable portions of the rules to COAH with the directive to adopt revised regulations.

In May 2008, COAH adopted revised Third Round regulations which were published and became effective on June 2, 2008. Coincident to this adoption, COAH proposed amendments to the rules they had just adopted, which subsequently went into effect in October 2008. These 2008 rules and regulations were subsequently challenged, and in an October 2010 decision, the Appellate Division invalidated the Growth Share methodology, and also indicated that COAH should adopt regulations pursuant to the Fair Share methodology utilized in Rounds One and Two. The Supreme Court affirmed this decision in September 2013, which invalidated much of the third iteration of the Third Round regulations and sustained the invalidation of growth share. As a result, the Court directed COAH to adopt new regulations pursuant to the methodology utilized in Rounds One and Two.

Deadlocked with a 3-3 vote, COAH failed to adopt newly revised Third Round regulations in October 2014. Fair Share Housing Center, who was a party in both the 2010 and 2013 cases, responded by filing a motion in aid of litigants’ rights with the New Jersey Supreme Court. The Court heard the motion in January 2015 and issued its ruling on March 20, 2015. The Court ruled that COAH was effectively dysfunctional and, consequently, returned jurisdiction of affordable housing issues back to the trial courts where it had originally been prior to the creation of COAH in 1985.



This 2015 Court decision created a process in which municipalities may file a declaratory judgment action seeking a declaration that their HE&FSP is constitutionally compliant and receive temporary immunity from affordable housing builders' remedy lawsuits while preparing a new or revised HE&FSP to ensure their plan continues to affirmatively address their local housing need as may be adjusted by new housing-need numbers promulgated by the court or COAH.

Subsequently, the Supreme Court ruled on January 18, 2017 that municipalities are also responsible for obligations accruing during the so-called "gap period," the period of time between 1999 and 2015. However, the Court stated that the gap obligation should be calculated as a never-before calculated component of Present Need, which would serve to capture Gap Period households that were presently in need of affordable housing as of the date of the Present Need calculation (i.e. that were still income eligible, were not captured as part of traditional present need, were still living in New Jersey and otherwise represented a Present affordable housing need).

On March 20, 2024, Governor Murphy signed the A4/S50 Bill into law, which amended the FHA for the Fourth Round and beyond. The amendments to the FHA eliminated COAH, moved away from just allowing trial courts to approve municipal HE&FSPs, and created a new entity to approve the plans known as The Program, which consists of seven retired Mount Laurel Judges. FHA-2 also involved the DCA and the AOC in the process.

The DCA was designated by the amended FHA as the entity responsible for calculating the state's regional needs as well as each municipality's present and prospective fair share obligations pursuant to the Jacobson Decision. However, the Amended FHA makes clear that these numbers are advisory and non-binding, and that each municipality must set its own obligation number utilizing the same methodology. The Program was tasked to handle any disputes regarding affordable housing obligations and plans, and to ultimately issue a Compliance Certification to approve a municipality's HE&FSP, which would continue immunity from all exclusionary zoning lawsuits until July 30, 2035.

C. WHAT IS A HOUSING ELEMENT AND FAIR SHARE PLAN?

A HE&FSP serves as the blueprint for how a municipality will address its fair share of affordable housing. It is designed to help a community broaden the accessibility of affordable housing.

While technically a discretionary component of a municipal master plan, a HE&FSP is nevertheless an effectively obligatory plan element. As established by N.J.S.A. 40:55D-62.a of the Municipal Land Use Law (MLUL), a municipality must have an adopted HE&FSP in order to enact its zoning ordinance. Thus, from a public policy perspective, a HE&FSP is an essential community document.

The Municipal Land Use Law (MLUL) is the enabling legislation for municipal land use and development, planning, and zoning for the State of New Jersey.

Moreover, without an approved HE&FSP, a municipality may be susceptible to a builder's remedy lawsuit in which a developer could file suit to have a specific piece of property rezoned to permit housing at higher densities than a municipality would otherwise allow, provided a certain percentage of units are reserved as affordable.

The Fair Housing Act, as most recently amended pursuant to FHA-2, establishes the required components of a HE&FSP. These are summarized as follows:

1. 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;
2. 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;
3. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
4. An analysis of the existing and probable future employment characteristics of the municipality;
5. A determination of the municipality's present and prospective fair share for low- and moderate-income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low- and moderate-income housing;
6. A consideration of the lands that are most appropriate for construction of low- and moderate-income housing and 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;
7. An analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as

expressed in the recommendations of the Multigenerational Family Housing Continuity Commission;

8. For a municipality located within the jurisdiction of the Highlands Water Protection and Planning Council, an analysis of compliance of the housing element with the Highlands Regional Master Plan of lands in the Highlands Preservation Area, and lands in the Highlands Planning Area for Highlands conforming municipalities; and
9. An analysis of consistency with the State Development and Redevelopment Plan, including water, wastewater, stormwater, and multi-modal transportation based on guidance and technical assistance from the State Planning Commission.

Section 2: Housing Element

The following section provides the housing element for the Borough of Peapack Gladstone. It offers a community overview of the Borough, as well as background information regarding its population, housing, and employment characteristics. It also provides projections of the Borough's housing stock and its employment.

A. COMMUNITY OVERVIEW

The Borough of Peapack and Gladstone is a serene community located in the northernmost end of Somerset County where Somerset County borders Morris County. The Borough is approximately 5.9 square miles in area and is characterized by rolling hills, farmland, residential development and a village center along its Main Street. In many respects, the Borough is a classic representation of a very traditional rural community which forms a distinct character that is deemed desirable by most community standards.

Neighboring communities include the Township of Chester and Mendham in Morris County to the north and the Township of Bedminster and the Boroughs of Far Hills and Berndardsville in Somerset County to the west, south and east respectively.

The North Branch of the Raritan River forms a natural boundary to the east and southeast. Other water bodies within the Borough include the Peapack Brook and Raritan River. All three water bodies exert their own influences on the landscape and the environment of the community which will be discussed in more detail in subsequent sections.

The Borough has a well-connected transportation network. Major roadways include U.S. Route 206 which traverses the Borough from north to south and County Road 512, also known as Main Street which travels through the center of town. Main Street continues as County Road 671 (Old Chester Road) as it travels to the north and then turns into Pottersville Road as the road turns westward. Mendham Road (County Road 647) connects with Main Street from the north and Holland Avenue provides an east to west connection with U.S. Route 206 and Main Street.

MAP 1: EXISTING LAND USE

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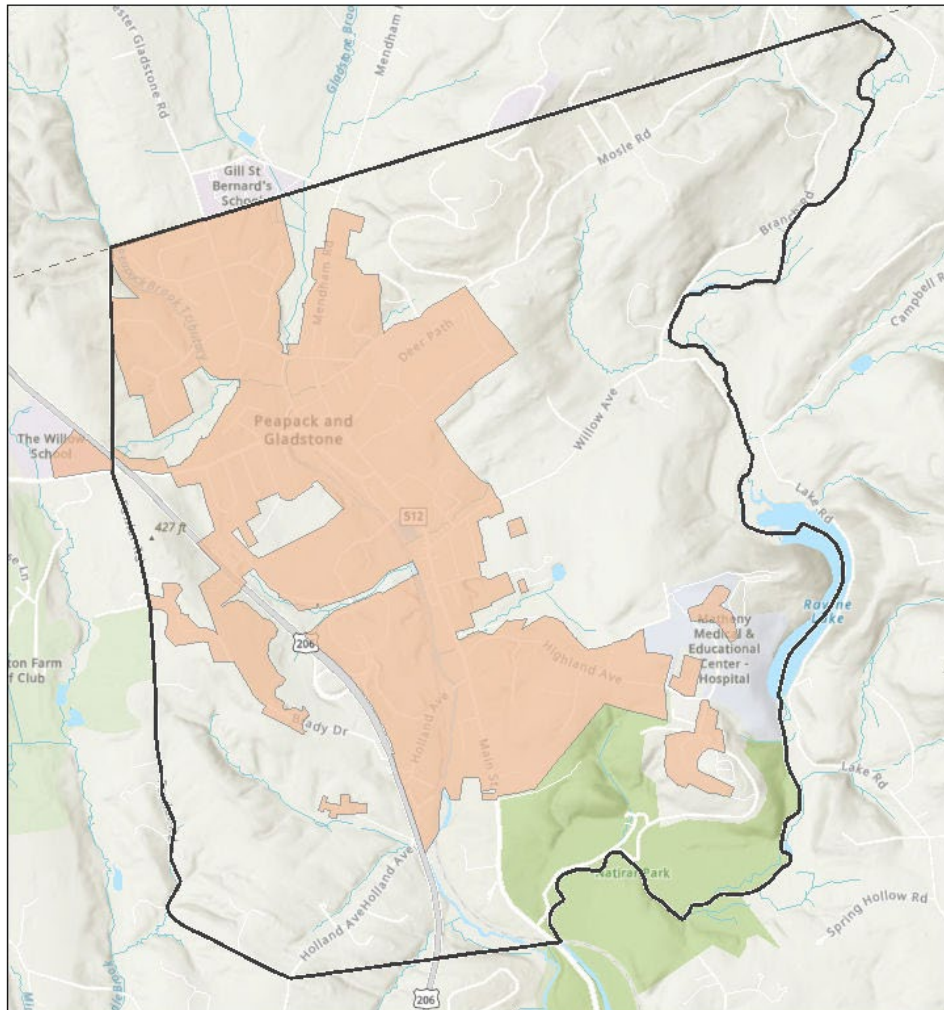
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MAP 2: ENVIRONMENTAL CONSTRAINTS

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MAP 3: SEWER SERVICE AREA



5/20/2025

- Peapack-Gladstone Borough
- Sewer Service Area

Esri, NASA, NGA, USGS, FEMA, Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

This map was developed using the New Jersey Highlands Water Protection and Planning Council Geographic Information System digital data, but this secondary product has not been verified by the

B. INFORMATION REGARDING DATA SOURCES

The background information contained in Section 2.C entitled “Inventory of Municipal Housing Stock,” Section 2.D entitled “Projection of Municipal Housing Stock,” Section 2.E entitled “Demographic and Population Data,” and Section 2.F entitled “Employment Characteristics and Projections” was obtained from a variety of publicly available data sources. These are summarized below:

<p>1. United States Decennial Census</p> <p>The US Census is described in Article I, Section 2 of the Constitution of the United States, which calls for an enumeration of the people every ten years for the apportionment of seats in the House of Representatives. Since the time of the first Census conducted in 1790, it has become the leading source of data about the nation’s people and economy. Please note that all incomes reported in the Census are adjusted for inflation.</p>	<p>4. New Jersey Department of Community Affairs (DCA)</p> <p>The New Jersey Department of Community Affairs is a governmental agency of the State of New Jersey. Its function is to provide administrative guidance, financial support, and technical assistance to local governments, community development organizations, businesses, and individuals to improve the quality of life in New Jersey.</p>
<p>2. American Community Survey (ACS)</p> <p>The American Community Survey is a nationwide ongoing survey conducted by the US Census Bureau. The ACS gathers information previously contained only in the long form version of the decennial census, such as age, ancestry, educational attainment, income, language proficiency, migration, disability, employment, and housing characteristics. It relies upon random sampling to provide ongoing, monthly data collection. Please note that all incomes reported in the ACS are adjusted for inflation.</p>	<p>5. New Jersey Department of Labor and Workforce Development</p> <p>The New Jersey Department of Labor and Workforce Development is a governmental agency of the State of New Jersey. One of its roles is to collect labor market information regarding employment and wages throughout the state.</p>
<p>3. New Jersey Department of Health</p> <p>The New Jersey Department of Health is a governmental agency of the State of New Jersey. The department contains the Office of Vital Statistics and Registry, which gathers data regarding births, deaths, marriages, domestic partnerships, and civil unions.</p>	

C. **INVENTORY OF MUNICIPAL HOUSING STOCK**

This section of the Housing Element provides an inventory of the Borough's housing stock, as required by the MLUL. The inventory details housing characteristics such as age, condition, purchase/rental value, and occupancy. It also details the number of affordable units available to low- and moderate-income households and the number of substandard housing units capable of being rehabilitated.

1. Number of Dwelling Units. As shown in the table below,

TABLE 5: DWELLING UNITS (1990-2023)

Year	Dwellings	Numerical Change	% Change
1990	828	-	-
2000	871	43	5%
2010*	985	114	13%
2023*	1,018	33	3%

Sources: U.S. Census, *American Community Survey 5-Year Estimates

The Borough's housing stock has not grown significantly over the past four decades increasing only 3% in the last decade. This reflects the Borough's stability as a rural community that is not experiencing significant development pressure.

The following table provides details regarding the tenure and occupancy of the Borough's housing stock. As shown below, since 2010, the Borough's housing stock remains primarily owner occupied however, the Borough saw a 6.3% increase in renter occupied units over the past decade.

TABLE 6: HOUSING UNITS BY TENURE AND OCCUPANCY STATUS (2010 AND 2023)

Category	2010*		2023*	
	# of Units	%	# of Units	%
Owner Occupied	792	80.4%	749	73.6%
Renter Occupied	165	16.8%	235	23.1%
Vacant Units	28	2.8%	34	3.3%
Total	985	100.0%	1,018	100.0%

Source: American Community Survey 5-Year Estimates

2. Housing Characteristics. This section provides additional information on the characteristics of the Borough's housing stock, including the number of units in structure (Table 7) and the number of bedrooms per dwelling unit (Table 8). The Borough remains primarily a single family community wherein detached units account for approximately 93.8% percent of the Borough's housing stock, up from the 86.1% percent reported in 2010. The majority (62.5 percent) of dwellings in the Borough have three or four bedrooms, up from 58.1 percent in 2010.

TABLE 7: UNITS IN STRUCTURE (2010 AND 2023)

Units in Structure	2010		2023	
	No.	%	No.	%
Single Family, Detached	848	86.1%	955	93.8%
Single Family, Attached	0	0.0%	12	1.2%
2	81	8.2%	18	1.8%
3 or 4	56	5.7%	0	0.0%
5 to 9	0	0.0%	0	0.0%
10 to 19	0	0.0%	33	3.2%
20+	0	0.0%	0	0.0%
Mobile Home	0	0.0%	0	0.0%
Other	0	0.0%	0	0.0%

Source: American Community Survey 5-Year Estimates

TABLE 8: NUMBER OF BEDROOMS IN HOUSING UNITS (2010 AND 2023)

Bedrooms	2010		2023	
	Number	Percent	Number	Percent
None	30	3.0	0	0
One	79	8.0	13	1.3
Two	147	14.9	224	22
Three	251	25.5	185	18.2
Four	321	32.6	451	44.3
Five or more	157	15.90	145	14.2
Total	985	100.0	1,018	100.0

Source: American Community Survey 5-Year Estimates

3. **Housing Age.** Table 9 shows that one third of the Borough's housing units were built in 1939 or earlier with a majority of dwellings constructed between 1970 to 1999. Since 2010, only 24 units (2.57 percent of all housing units) have been built.

TABLE 9: YEAR STRUCTURE BUILT (2023)

Year Units Built	Number	Percent
Built 2020 or later	0	0
Built 2010 to 2019	24	2.57
Built 2000 to 2009	16	1.57
Built 1990 to 1999	163	16.01
Built 1980 to 1989	134	13.16
Built 1970 to 1979	192	18.86
Built 1960 to 1969	49	4.81
Built 1950 to 1959	52	5.10
Built 1940 to 1949	42	4.12
Built 1939 or earlier	346	33.98
Total Units	1018	100.0%

Source: American Community Survey 5-Year Estimates

4. Housing Conditions. Table 10 provides an indication of overcrowded housing units, represented by units containing more than one occupant per room which are indicators of substandard housing. The data indicates that, in both 2010 and 2023, that less than 1% of the Borough's dwelling units can be considered overcrowded.

TABLE 10: OCCUPANTS PER ROOM (2010 AND 2023)

Occupants Per Room	2010*		2023*	
	Number	%	Number	%
1.00 or less	957	100.0%	980	99.6%
1.01 to 1.50	0	0.0%	4	0.4%
1.51 or more	0	0.0%	0	0.0%
Total Occupied Units	957	100%	984	100.0%

Source: American Community Survey 5-Year Estimates

Table 11 presents additional detail regarding housing conditions, including the presence of complete plumbing and kitchen facilities and the type of heating

equipment used. These statistics are also indicators of substandard housing. As shown below, no units lacked complete plumbing or heating facilities in 2023 and only 1.3% (or 13 units) lacked complete kitchen facilities which is a very slight increase from 2020.

TABLE 11: EQUIPMENT AND PLUMBING FACILITIES (2010 AND 2023)

Facilities	2010*		2023*	
	Number	Percent	Number	Percent
Kitchen:				
With Complete Facilities	957	100.0%	971	98.7%
Lacking Complete Facilities	0	0.0%	13	1.3%
Plumbing:				
With Complete Facilities	957	100.0%	984	100.0%
Lacking Complete Facilities	0	0.0%	0	0.0%
Heating Equipment:				
Standard Heating Facilities	957	100%	984	100.0%
Other Fuel	0	0%	0	0.0%
No Fuel Used	0	0.0%	0	0.0%
Total Occupied Units	957	100	984	100

Source: American Community Survey 5-Year Estimates

5. **Purchase and Rental Values.** The Borough experienced a rise in housing rental and purchase prices between 2010 and 2023, as shown in the following tables. As shown below, the median gross rent for the Borough's rental housing stock increased from the majority of rents falling between \$500 to \$1,499 (67%) between 2010 and 2023, to \$1,463 in 2010 to 70% at higher levels above that in 2023.

TABLE 12: GROSS RENT OF SPECIFIED RENTER-OCCUPIED UNITS (2010 AND 2023)

Rent	2010		2023*	
	Number	Percent	Number	Percent
Less than \$500	0	0%	0	0%
\$500 to \$999	33	20%	0	0%
\$1,000 to \$1,499	77	47%	33	22%
\$1,500 to \$1,999	55	33%	65	43%
\$2,000 to \$2,499			41	27%
\$2,500 to \$2,999			0	0%
\$3,000 or more			12	8%
No cash rent	0	X	84	X

Total Occupied units paying rent	165	100%	151	100%
Median Gross Rent	\$1,309		\$1,827	

Source: American Community Survey 5-Year Estimates

The median value of owner-occupied units in Peapack Gladstone increased between 2010 and 2023, though perhaps not nearly as much as renter-occupied units. The median value of owner-occupied units in the Borough increased 8.7 percent between 2010 and 2023, from \$776,100 in 2010 to \$843,800 in 2023.

TABLE 13: VALUE OF SPECIFIED OWNER-OCCUPIED HOUSING UNITS (2010 AND 2023)

Value	2010*		2023*	
	Number	Percent	Number	Percent
Less than \$50,000	0	0.0%	33	4.4%
\$50,000 to \$99,999	0	0.0%	4	0.5%
\$100,000 to \$149,999	0	0.0%	0	0.0%
\$150,000 to \$199,999	0	0.0%	8	1.1%
\$200,000 to \$299,999	14	1.8%	0	0.0%
\$300,000 to \$499,999	149	18.8%	79	10.5%
\$500,000 to \$999,999	422	53.3%	409	54.6%
\$1,000,000 or more	207	26.1%	216	28.8%
Total Owner Occupied	792	100.0%	749	100.0%
Median Value	\$776,100		\$843,800	

Source: American Community Survey 5-Year Estimates

6. **Number of Units Affordable to Low- and Moderate-Income Households.** Based on the Affordable Housing Professionals of New Jersey (AHPNJ) 2024 regional income limits, the median household income for a three-person household in COAH Region 3, Peapack Gladstone's housing region comprised of Hunterdon, Middlesex and Somerset Counties is \$131,580. A three-person moderate-income household, established at no more than 80 percent of the median income, would have an income not exceeding \$105,264. A three-person low-income household, established at no more than 50 percent of the median income, would have an income not exceeding \$65,790.

An affordable sales price for a three-person moderate-income household earning 80 percent of the median income is estimated at approximately \$421,056. An affordable sales price for a three-person low-income household earning 50 percent of the median

income is estimated at approximately \$263,160. These estimates are based on the UHAC affordability controls outlined in N.J.A.C. 5:80-26.1 et seq. Approximately 6 percent of Peapack Gladstone’s owner-occupied housing units are valued at less than \$300,000, and 16% below \$499,000 according to the 2023 American Community Survey.

Rental costs are generally more affordable to moderate income families than low. For renter-occupied housing, an affordable monthly rent for a three-person moderate-income household is estimated at approximately \$2,193. An affordable monthly rent for a three-person low-income household is estimated at approximately \$1,500. According to the 2023 American Community Survey, approximately 92 percent of Peapack Gladstone’s rental units have a gross rent less than \$2,500, whereas only 22 percent have a gross rent less than less than \$1,500.

7. Substandard Housing Capable of Being Rehabilitated. The DCA utilized a formula for calculating the number of units in a community that are in need of rehabilitation and are not likely to experience “spontaneous rehabilitation.” Peapack Gladstone’s rehabilitation share has been determined by the DCA to be ten (10) units.

D. PROJECTION OF MUNICIPAL HOUSING STOCK

Applicable COAH regulations require a projection of the community’s housing stock, including the probable future construction of low- and moderate-income housing, for the ten years subsequent to the adoption of the Housing Element. This projection shall be based upon an assessment of data which minimally must include the number of residential construction permits issued, approvals of applications for residential development, and probable residential development of lands. Each of these items are identified and outlined below.

1. Housing Units Constructed During the Last Ten Years. The table below provides data concerning residential building permits issued for new construction during the past ten years. During this period, a total of only 39 residential building permits were issued for new construction, all of which except 1 were issued for single-family units.

TABLE 14: NUMBER OF RESIDENTIAL BUILDING PERMITS ISSUED FOR NEW CONSTRUCTION (2014-2023)

Year Issued	One & Two Family	Multi-Family	Mixed-Use	Total
2014	3	0	0	3
2015	7	0	0	7
2016	6	0	0	6

2017	1	0	0	1
2018	0			0
2019	0			0
2020	5			5
2021	3		1	4
2022	9			9
2023	4			4
Total	38	0	1	39

Source: New Jersey Department of Community Affairs (DCA) Construction Reporter

2. **Probable Residential Development of Lands.** Considering the rate of residential growth experienced in Peapack Gladstone over the past decade, current economic uncertainty, and the fact that there are few developable parcels remaining in the Borough, it is anticipated that Peapack Gladstone's residential growth over the next decade will primarily be in the form of new inclusionary multi-family development as a result of affordable housing zoning adopted by the Borough. Noteworthy is the future redevelopment of the Pfizer property which is anticipated to result in the construction of 200 new senior apartments and the anticipated rezoning of Trimmer Lane for inclusionary family development of 96 units which will result in significantly increasing the dwelling count in the community in the near future.

E. **DEMOGRAPHIC AND POPULATION DATA**

The MLUL requires that the Housing Element of this plan provide data on the municipality's population, including population size, age and income characteristics.

1. **Population Size.** As seen in the table below, the Borough's population saw tremendous growth between 1940 to 1960, particularly during the 1960s. Since that period, the Borough has experienced more modest growth with a growth spurt observed 2000. However, since 2000, Peapack Gladstone has experienced steady slow down in population, with the population increasing actually decreasing from its peak in 2020 to 2023.

TABLE 15: POPULATION GROWTH (1930-2023)

Year	Population	Population Change	Percent Change
1930	1,273	-	-
1940	1,354	81	6%
1950	1,450	96	7%
1960	1,804	354	24%
1970	1,924	120	7%
1980	2,038	114	6%

1990	2,111	73	4%
2000	2,433	322	15%
2010	2,562	129	5%
2020	2,582	20	1%
2023*	2,547	-35	-1%

Sources: U.S. Census, *American Community Survey 5-Year Estimates

2. **Age Characteristics.** The Borough's age characteristics are represented in Table 16 below. There was a dramatic decrease in the 45-54 age cohort which experienced a 43 percent decrease between periods. The second largest population decline between 2010 and 2023 occurred in the younger age cohort from 15 to 19 years, during which time said age cohort experienced a 15 percent decrease. The Borough's largest increases occurred in the 60 to 74 age cohort, which increased by 48.4 percent between 2010 and 2023. This resulting shift caused an increase in the median age of Borough residents from 42.6 years in 2010 to 49.8 years in 2023 reflecting an aging population.

TABLE 16: AGE CHARACTERISTICS (2010 AND 2023)

Age Group	2010		2023*	
	Pop	%	Pop	%
under 5	117	5%	107	4%
5-9	141	6%	93	4%
10-14	199	8%	190	7%
15-19	197	8%	166	7%
20-24	155	6%	209	8%
25-34	133	5%	119	5%
35-44	292	11%	252	10%
45-54	630	25%	356	14%
55-59	147	6%	218	9%
60--64	165	6%	303	12%
65-74	165	6%	310	12%
75-84	158	6%	168	7%
85+	63	2%	56	2%
Total	2,562	100.0%	2,547	100%
Median Age	45.7		47.3	

Source: American Community Survey 5-Year Estimates

3. Average Household Size. The average size of Peapack Gladstone households has decreased each decade since 1980, as indicated in the table below. The average household size in 2023 is down to a historic low of 2.41 persons per household.

TABLE 17: AVERAGE HOUSEHOLD SIZE (1980-2023)

Year	Total Population	Number of Households	Average Household Size
1980	2,038	698	2.66
1990	2,111	769	2.6
2000	2,433	840	2.71
2010	2,562	887	2.59
2020*	2,582	829	2.72
2023*	2,547	984	2.41

Sources: U.S. Census, *American Community Survey 5-Year Estimates

4. Household Income. The median household income for Peapack Gladstone households increased significantly by approximately 48.72 percent between 2010 and 2023, rising from \$123,875 to \$184,231. Detailed household income figures are shown in the table below.

TABLE 18 : HOUSEHOLD INCOME DISTRIBUTION (2010 AND 2023)

Income Category	2010*		2023*	
	Number	%	Number	%
less than \$10,000	8	1%	47	4.8%
\$10,000 to \$14,999	54	6%	8	0.8%
\$15,000 to \$24,999	42	4%	0	0.0%
\$25,000 to \$ 34,999	20	2%	81	8.2%
\$35,000 to \$ \$49,999	76	8%	57	5.8%
\$50,000 to \$74,999	126	13%	46	4.7%
\$75,000 to \$99,999	33	3%	77	7.8%

\$100,000 to \$149,999	245	26%	122	12.4%
\$150,000 to \$199,000	180	19%	87	8.8%
\$200,000 or more	173	18%	459	46.6%
Total households	957	100%	984	100.0%
Median Income (Household)	\$123,875		\$184,231	

Source: American Community Survey 5-Year Estimates

F. EMPLOYMENT CHARACTERISTICS AND PROJECTIONS

The MLUL requires that a Housing Element include data on employment levels in the community. The following tables present information on the Borough's employment characteristics.

1. Employment Status. Table 19 provides information on Peapack Gladstone's employment status for the segment of the population 16 and over. Approximately 62.7 percent of the Borough's population 16 and over was in the labor force in 2023, down from 71 percent in 2010. During the same period between 2010 and 2023, the percentage of the Borough's labor force that was unemployed increased from 5.0 percent in 2010 to 7.4 percent in 2023.

TABLE 19: EMPLOYMENT STATUS - POPULATION 16 & OVER (2010 AND 2023)

Employment Status	2010*		2023*	
	Number	%	Number	%
In labor force	1,320	71.0%	1,285	62.7%
Civilian labor force	1,318	70.9%	1,285	62.7%
Employed	1,252	67.3%	1,190	58.0%
Unemployed	66	3.6%	95	4.6%
% of civilian labor force	-	5.0%	--	7.4%
Armed Forces	2	0.1%	0	0.0%
Not in labor force	539	29.0%	765	37.3%
Total Population 16 and Over	1,859	100.0%	2,050	100.0%

Source: American Community Survey 5-Year Estimates

2. Employment Characteristics of Employed Residents. The following two tables detail information on the employment characteristics of Peapack Gladstone residents. Table 20 details employment by occupation and Table 21 details employment by industry. While the majority of residents in the Borough are employed in management, professional and related occupations, and the service industry, the Borough experienced declines in all other occupations. The largest change between 2010 and 2023 were in sales and office occupations, which shrank by 12.5 percent. Also, while the largest percentage of residents are employed in the Finance, insurance, real estate, and rental and leasing social services industry, the largest growth by industry between 2010 and 2023 was in professional, scientific, management, administrative, and waste management services which grew by 21 percent followed by education which increased by 17 percent. All other industries shrank by comparison.

TABLE 20: EMPLOYED RESIDENTS AGE 16 AND OVER, BY OCCUPATION (2010 AND 2023)

Occupation	2010		2023*	
	Number	Percent	Number	Percent
Management, business, science, and arts occupations	598	50.3%	755	59.5%
Service occupations	85	7.1%	130	10.3%
Sales and office occupations	336	28.2%	294	23.2%
Natural resources, construction, and maintenance occupations	110	9.2%	71	5.6%
Production, transportation, and material moving occupations	61	5.1%	18	1.4%
Total	1,190	100.0%	1,268	100.0%

Source: American Community Survey 5-Year Estimates

TABLE 21: EMPLOYED RESIDENTS AGE 16 AND OVER, BY INDUSTRY (2010 AND 2023)

Industry	2010*		2023*	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining	0	0.0%	45	3.5%
Construction	116	9.7%	114	9.0%
Manufacturing	81	6.8%	75	5.9%

Wholesale trade	21	1.8%	80	6.3%
Retail trade	155	13.0%	77	6.1%
Transportation and warehousing, and utilities	25	2.1%	1	0.1%
Information	49	4.1%	80	6.3%
Finance, insurance, real estate, and rental and leasing	220	18.5%	174	13.7%
Professional, scientific, management, administrative, and waste management services	177	14.9%	274	21.6%
Educational, health and social services	199	16.7%	216	17.0%
Arts, entertainment, recreation, accommodation and food services	63	5.3%	70	5.5%
Other services (except public administration)	45	3.8%	55	4.3%
Public administration	39	3.3%	7	0.6%
Total	1,190	100.0%	1,268	100.0%

Source: American Community Survey 5-Year Estimates

3. Employment Projections. A projection of the Borough's probable future employment characteristics is based on an assessment of historic employment trends, the number of non-residential construction permits issued, and probable non-residential development of lands. Each of these items are identified and outlined below.
 - a. Historic Employment Trends. As shown in the table below, employment in Peapack Gladstone has experienced its largest gains in 2015 and 2021. The remaining years saw fluctuating changes both up and down during the years with the aforementioned growth. Since 2022, however, Peapack Gladstone lost 1.1 percent of employment over the previous year.

TABLE 22: AVERAGE COVERED EMPLOYMENT TRENDS (2014-2023)

Year	Number of Jobs	Change in Number of Jobs	Percent Change
2014	2,666	-	-
2015	2,822	156	5.8

2016	2,806	-16	-0.5
2017	2,903	97	3.4
2018	2,861	-42	-1.4
2019	2,878	17	0.6
2020	2,773	-105	-3.6
2021	2,894	121	4.3
2022	2,960	66	2.2
2023	2,925	-35	-1.1

Sources: New Jersey Department of Labor and Workforce Development

- b. Non-Residential Square Footage Constructed During the Last Ten Years. The table below provides data concerning the amount of non-residential square footage authorized by building permits in Peapack Gladstone between 2014 and 2023. During this period, building permits were issued for 82,899 square feet of non-residential space, the majority of which (approximately 71.8 percent or 59,557 square feet) was for assembly use followed by retail at approximately 15 percent or 12,500 square feet. On average, the Borough issued building permits for approximately 8,289 square feet of non-residential space per year over the past decade.

TABLE 23: NON-RESIDENTIAL SPACE AUTHORIZED BY BUILDING PERMITS (2014-2023)

Year Issued	Office	Retail	A2 & A3 Assembly	Education	Total
2014	0	0	0	0	0
2015	0	0	0	0	0
2016	0	12,500	13,001	0	25,501
2017	0	0	13,001	0	13,001
2018	0	0	0	0	0
2019	0	0	0	0	0
2020	0	0	0	0	0
2021	0	0	0	0	0
2022	0	0	13,001	0	13,001
2023	1,993	0	0	0	1,993
Total	10,842	12,500	59,557	0	82,899

- c. Probable Non-Residential Development of Lands. The Borough experienced an average of only 8,829 square feet of new non-residential space per year over the past decade. The Borough anticipates a similar pace of non-residential growth to occur over the next ten-year period with an increase expected by the construction of noncommercial space anticipated as a result of the Pfizer redevelopment.
- d. Probable Future Employment Characteristics. As detailed in Tables 21 and 22 above, employment in Peapack Gladstone is not expected to experience significant job growth over the next decade with the exception of the jobs that will be created as a result of the Pfizer redevelopment. This is not surprising given the rural residential character of the community.

SECTION 3: FAIR SHARE OBLIGATION

The following section provides an overview of the Borough's fair share obligation. It includes a brief overview of the methodology utilized to calculate affordable housing obligations throughout the state.

DRAFT

SUMMARY OF FAIR SHARE OBLIGATION

On March 20, 2024, Governor Murphy signed the A4/S50 Bill into law, which amended the FHA for the Fourth Round and beyond. The amendments to the FHA eliminated COAH, moved away from just allowing trial courts to approve municipal HE&FSPs, and created a new entity to approve the plans known as The Program, which consists of seven retired Mount Laurel Judges. FHA-2 also involved the DCA and the AOC in the process.

The Amended FHA now designates the DCA as the entity responsible for calculating the state's regional needs. Specifically, N.J.S.A. 52:27D-304.2 establishes the methodology to be utilized by the DCA to determine the state's regional prospective needs of low- and moderate-income housing for the ten-year period spanning from July 1, 2025 to June 30, 2035. In summary, the projected household change for this period is estimated by establishing the household change experienced in each region between the most recent federal decennial census and the second-most recent decennial census. This household change, if positive, is then to be divided by 2.5 to estimate the number of low- and moderate-income homes needed to address low- and moderate-income household change in the region for the next ten years. This methodology resulted in a statewide prospective need of 84,698 low- and moderate-income units.

Furthermore, the DCA is also the entity responsible for calculating each municipality's present and prospective fair share obligations. However, FHA-2 makes clear that these calculations are advisory and non-binding, and that each municipality may set its own obligation number utilizing the same methodology.

On January 27, 2025, the Borough of Peapack Gladstone adopted Resolution # , which established its affordable housing obligations for the Fourth Round. A copy of this resolution is located in Appendix A of this plan. As noted in that resolution, the Borough accepted DCA's Present Need calculation of ten (10) units however, based upon the Borough's planning area designation by the State Development and Redevelopment Plan (SDRP) as a PA-5, Environmentally Sensitive municipality, the Land Capacity Factor of 0 was applied to the NJDCA land capacity calculation which reduced the Borough's obligation from 75 to 57 units. A subsequent challenge by the Fair Share Housing Center that was joined by the NJ Builder's Association, was filed with the Program and by settlement, the prospective need was established by the Program as 62 units.

TABLE 24: SUMMARY OF FAIR SHARE OBLIGATION

Affordable Obligation	Units
Present Need (Rehabilitation)	10
Prospective Need	62

SECTION 4: FAIR SHARE PLAN

The following Fair Share Plan outlines the components and mechanisms the Borough will utilize to address its affordable housing obligations.

DRAFT

A. PLAN SUMMARY

The Fair Share Plan identifies the manner in which the Borough's fair share affordable housing obligations – inclusive of a Present Need (Rehabilitation) obligation of 10 units, a First and Second Round obligation of 85 units, a Third Round obligation of 104 and a Fourth Round obligation of 62 – are to be addressed. These obligations are summarized as follows:

TABLE 25: AFFORDABLE HOUSING OBLIGATIONS SUMMARY

Category	Obligation
Present Need (Rehabilitation) Obligation	10
First & Second Round Obligation (1987-1999)	82
Third Round Obligation (1999-2025)	104
Fourth Round Obligation (2025-2035)	62
Total	258

As detailed herein, the Housing Element and Fair Share Plan can accommodate the entirety of the community's Fourth Round affordable housing obligation through 2035 in a manner that affirmatively addresses affordable housing need, while at the same time addressing planning concerns and maintaining the overall character of the community.

B. PLAN COMPONENTS

This section of the plan details the projects, mechanisms and funding sources which will be used to meet the Borough's affordable housing obligations, as discussed above. The Plan Components Map included at the end of Section 4.C. of this plan illustrates the location of all developments identified herein.

1. Present Need (Rehabilitation) Obligation

Peapack Gladstone has a Present Need obligation of ten (10) units. The Borough established a housing rehabilitation program under the Third Round cycle and will continue its program into the Fourth Round.

2. First and Second Round RDP

As discussed in Section 3 of this plan, Peapack Gladstone's First and Second Round RDP obligation is 82 units. The Borough has addressed the entirety of this obligation and therefore, does not have a prior round obligation. The Prior Round Plan resulted in 84 credits generating two (2) additional credits that were subsequently credited to the Third Round obligation as detailed in the following table:

TABLE 26: PLAN COMPONENTS SATISFYING FIRST & SECOND ROUND RDP

Plan Component	Units	Bonus	Credits
Lutheran Social Ministries (family rental), 85 Main Street, Block 23, Lot 17	20	20	40
Regional Contribution Agreement with Perth Amboy	37	-	37
St. Luke's Senior Housing	9	-	9
Total	64	18	84

3. Third Round RDP

As discussed in Section 3 of this plan, Peapack and Gladstone's Third Round RDP obligation was settled at 104 units. The Borough's Third Round HE&FSP, which was prepared pursuant to the 2022 Settlement Agreement with FSHC and granted a Third Round JOR, identified various plan mechanisms to address the entirety of its Third Round obligation through a combination of 2 prior round credits, zoning amendments and bonus credits thereby satisfying the entirety of its Third Round Obligation as detailed below:

TABLE 27: PLAN COMPONENTS SATISFYING THIRD ROUND RDP (PER 2018 PLAN AS AMENDED)

Plan Component	Number of Units	Bonus	Credits
Prior Round Surplus Credits-Lutheran Ministries	2	2	4
Smith Property (special needs group home; 100% affordable Municipally sponsored housing); Block 20, Lot 1.03	8	6	14
Smith Property (family rental; 100% affordable Municipally sponsored housing); Block 20, Lot 1.03	20	18	38
Accessory Apartment Ordinance	10	-	10
SJP Properties (family rental); Block 33, Lot 13	14	-	14
Melillo Equites; Block 20, Lot 1.02	5		5
Main and Lackawanna Street Rezoning: Block 22, Lot 13 and Block 20, Lot 5 for mixed use inclusionary commercial and residential development	3	-	3
191 Main Street (special needs group home with 4 Beds: Block 22, Lot 8	4	-	4
193 Main Street 2 Affordable Rental Units: Block 22, Lot 7	2	-	2
291 Main Street (special needs group home (6 beds) w/2 affordable rental unit); Block 1, Lot12	8	-	8
1 Railroad Avenue; Block 29, Lot 18	3	-	3
Total	79	26	105

4. Fourth Round RDP

Peapack and Gladstone has a Fourth Round Prospective need obligation of 62 units. The Borough proposes to satisfy the entirety of its obligation as follows:

- a. *Pfizer Senior Campus.* In response to the imminent closure of the Pfizer campus, the Borough adopted Ordinance 23-3.9.3 rezoning the property from the Office Research Laboratory (ORL) to a new Senior Living Campus Zone (SLC). The rezoning anticipates the construction of 200 senior units, an assisted living facility 120 units, an extended stay hotel and limited ancillary commercial uses to serve the campus residents.
- b. *Trimmer Lane Rezoning.* The Borough proposes to rezone two properties on Trimmer Lane for family inclusionary zoning to accommodate 24 affordable units.
- c. *Mandatory Set-Aside Ordinance.* Peapack and Gladstone will amend its Borough-wide Mandatory Set-Aside Ordinance established in the Third Round to increase the mandatory affordable housing set aside from 20 to 25% thereby requiring a greater affordable housing obligation on future development.
- d. *Surplus Credit.* The Borough will utilize 1 unit of surplus credit from the Third Round.
- e. *Development Fee Ordinance:* Lastly, the Borough will continue to impose development fees on new development, as set forth in the Borough's adopted development fee ordinance. As stated therein, residential development fees of 1.5 percent of the equalized assessed value shall be collected on all residential development involving new buildings or when an existing building undergoes a change to a more intense use, is demolished and replaced, or is expanded, if the expansion is not otherwise exempt from the development fee requirement. In addition, non-residential development fees of 2.5 percent of the equalized assessed value shall be collected on all non-residential development, with the exception of those types of developments specifically exempted pursuant to the Statewide Non-Residential Development Fee Act. The funds generated by the collection of development fees will be applied towards affordable housing programs as set forth in the Borough's Spending Plan.

C. DEVELOPMENT SITES

Each of the Borough's existing affordable housing sites identified in Section B. is discussed in more detail below. The Plan Components Map included at the end of this subsection illustrates the location of all developments identified in this plan.

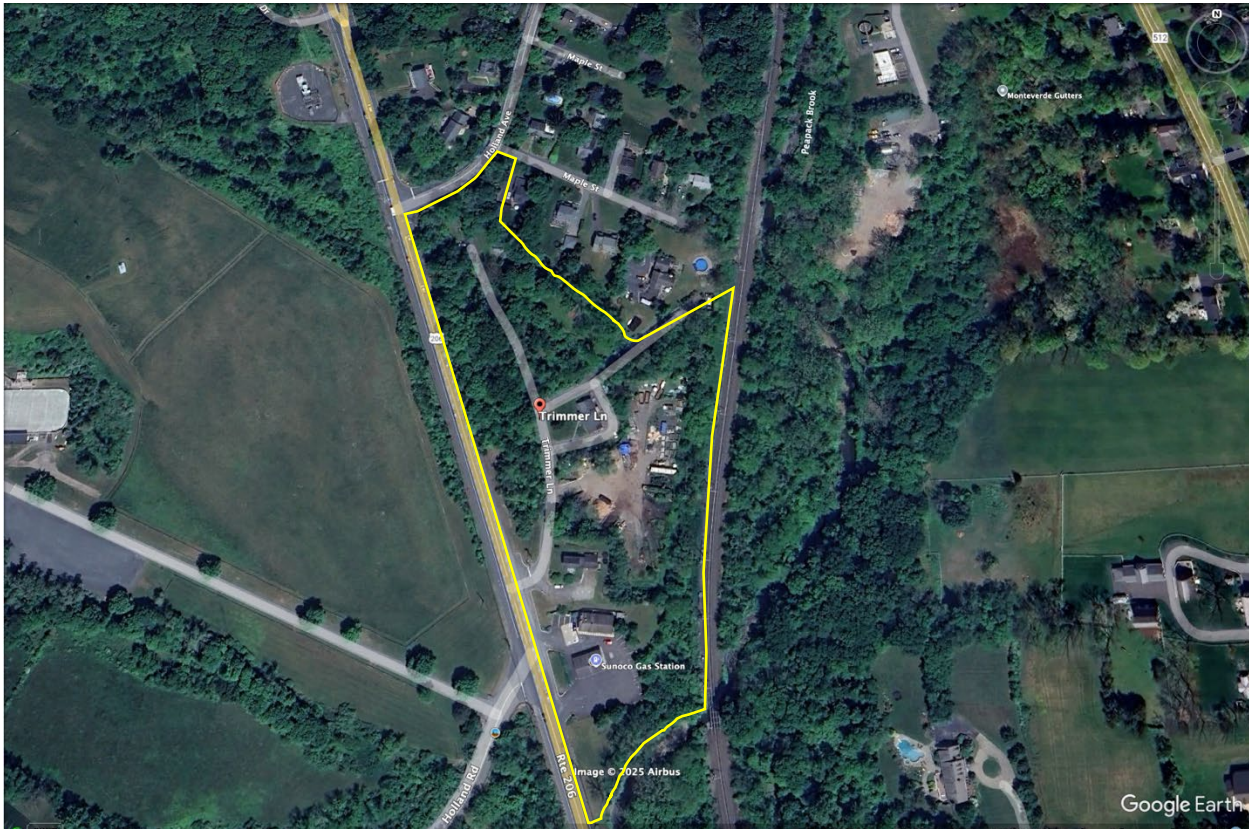
Aerial 1: Pfizer Senior Campus



1. Pfizer Senior Campus. The property is centrally located within the Borough of Peapack and Gladstone with street address of 100 Route 206 for the corporate headquarters. The campus consists of five parcels further identified by Borough Tax Assessment records as Block 20, Lots 7, 8, 9, 9.01, 10 and 15.

The property contains 148-acres and is developed with ten (10) buildings totaling 550,000 square feet and two (2) two story parking garages. The property also includes an extensive solar array located on lot 9 designed to provide power to the campus. Main access to the existing campus is provided directly from US Route 206 with a secondary emergency access located off Holland Avenue. In 2024, the Borough adopted an ordinance creating the Pfizer Senior Campus Zone in order to repurpose the campus as to provide inclusionary development opportunities since Pfizer has ceased operations on the property. The Pfizer Senior Campus Zone (SCL) permits 200 senior housing units which will generate 13 senior units and 6 bonus credits. The SCL zone also permits senior adult special needs housing that is capped at a maximum of 15 beds which will provide 9 units and 9 bonus credits towards the obligation. Since FHA-2 regulations only permits credit for non-age restricted beds, the SCL zone will be amended to allow adult special housing. After applying the maximum credits permitted under current regulations it is anticipated that the Pfizer Senior Campus will provide a total of 37 units including bonus credits.

Aerial 2: Trimmer Lane



2. Trimmer Lane. The Trimmer Lane site is comprised of two separate parcels identified as Block 31, Lot 1 and Block 31, Lot 6 that combined, occupy a lot area of 7.67 acres. The site is presently developed with a Sunoco gasoline station, a construction yard and two single family residences. The site is constrained by the riparian buffer impacting the southern portion of the tract however, the property provides acreage sufficient to support inclusionary residential development. The site will be zoned to permit the construction of 96 units that will produce the required 24 affordable family units at a density of 12.5 units per acres.

D. Plan Components

TABLE 28: PLAN COMPONENTS SATISFYING FOURTH ROUND OBLIGATION

Plan Component	Number of	Bonus	Credits
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	Units		
Prior Third Round Surplus Credits	1	-	1
Pfizer Senior Campus – Senior Units	13	2*	15
Pfizer Senior Campus – Special Needs Adult Housing	9	9**	18
Trimmer Lane Family Inclusionary Development	24	4***	28
Total	47	15	62

*Senior Credit capped at 10% of total credits.

**2:1 Credit for Adult Special Needs.

***0.5:1 Credit for development within 1 mile of transit.

It should be noted that the proposed plan generates excess affordable units however, these cannot be credited due to the regulatory caps of the Act. These units, however, can be applied to the next round pursuant to the regulations at that time.

E. OTHER PROVISIONS

The following additional requirements are noted:

1. Fourth Round Bonuses. Fourth Round bonuses will be applied in accordance with N.J.A.C. 52:27d-311.k.
2. Very-Low Income and Low-Income Units. At least 50 percent of the units addressing the Fourth Round Prospective Need obligation shall be affordable to very low-income and low-income households with the remainder affordable to moderate-income households. A minimum of 13 percent of the affordable units will be made available to very low-income households, defined as households earning 30 percent or less of the regional median income by household size.
3. Rental Component. At least 25 percent of the Fourth Round Prospective Need obligation shall be met through rental units, including at least half in rental units available to families.
4. Families. At least half of the actual units created to address the Fourth Round Prospective Need obligation must be available to families.
5. Age-Restricted Cap. No more than 30 percent of all units developed or planned to meet the Fourth Round Prospective Need obligation shall be met with age-restricted units.

F. REJECTED DEVELOPMENT SITES

Given the sensitive environmental features of the Borough that limit development opportunities, the Borough has limited land resources for development. Consequently, the Borough seeks to redevelop existing developed sites and has identified such sites that in totality, provide a realistic opportunity for development that will satisfy the Borough's entire prospective need obligation.

G. OTHER PROVISIONS

The following additional requirements are noted:

6. Fourth Round Bonuses. Fourth Round bonuses will be applied in accordance with N.J.A.C. 52:27d-311.k.
7. Very-Low Income and Low-Income Units. At least 50 percent of the units addressing the Fourth Round Prospective Need obligation shall be affordable to very low-income and low-income households with the remainder affordable to moderate-income households. A minimum of 13 percent of the affordable units will be made available to very low-income households, defined as households earning 30 percent or less of the regional median income by household size.
8. Rental Component. At least 25 percent of the Fourth Round Prospective Need obligation shall be met through rental units, including at least half in rental units available to families.
9. Families. At least half of the actual units created to address the Fourth Round Prospective Need obligation must be available to families.
10. Age-Restricted Cap. No more than 30 percent of all units developed or planned to meet the Fourth Round Prospective Need obligation shall be met with age-restricted units.

H. CONSISTENCY WITH STATE PLANNING INITIATIVES

As noted in Section 1 of this plan, a HE&FSP must also include:

- ❖ An analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission; and
- ❖ An analysis of consistency with the State Development and Redevelopment Plan, including water, wastewater, stormwater, and multi-modal transportation based on

guidance and technical assistance from the State Planning Commission.

Accordingly, the following subsection analyzes the consistency of this HE&FSP to the above referenced state planning initiatives.

1. Multigenerational Family Housing Continuity Commission

The Multigenerational Family Housing Continuity Commission was established by the State of New Jersey in 2021. As noted in N.J.S.A. 52:27D-329.20, one of the primary duties of the Commission is to “prepare and adopt recommendations on how State government, local government, community organizations, private entities, and community members may most effectively advance the goal of enabling senior citizens to reside at the homes of their extended families, thereby preserving and enhancing multigenerational family continuity, through the modification of State and local laws and policies in the areas of housing, land use planning, parking and streetscape planning, and other relevant areas.”

As of the date of this HE&FSP, the Multigenerational Family Housing Continuity Commission has not yet adopted any recommendations.

2. State Development and Redevelopment Plan

As established by N.J.S.A. 52:18A-200(f), the purpose of the State Development and Redevelopment Plan (SDRP) is to “coordinate planning activities and establish Statewide planning objectives in the following areas: land use, housing, economic development, transportation, natural resource conservation, agriculture and farmland retention, recreation, urban and suburban redevelopment, historic preservation, public facilities and services, and intergovernmental coordination.”

As such, the SDRP establishes a number of goals and strategies related to a number of different topics, including the development of affordable housing, the preservation of open space and promoting smart growth principles.

As indicated by the SDRP’s Policy Map, the entirety of Peapack Gladstone Borough is located in the PA-5 Environmentally Sensitive Planning Area, wherein development and redevelopment is recognized as severely limited due to the presence of heavily regulated environmental features. The intent of this Planning Area is to promote a balance of conservation and limited growth where environmental constraints affect development and preservation is encouraged in large contiguous tracts.

Accordingly, this HE&FSP is consistent with the intents of the PA-5. Specifically, it is designed to encourage redevelopment and growth in addressing its affordable

housing obligation by repurposing existing developed sites while preserving critical environmental features.

DRAFT

Housing Location Map to be inserted

DRAFT

Appendices

A	_____
B	_____
C	_____
D	_____
E	_____
F	_____

Appendix

A _____

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