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**Borough of Riverdale
Morris County, New Jersey
Housing Plan Supplement**

1.0 Growth Share Re-calculation

This analysis re-calculates the projected growth share obligation of the Borough of Riverdale in light of the comments received from the Council on Affordable Housing (COAH) dated April 19, 2006 and updated residential and nonresidential statistics that has become available.

Residential Component

The number of residential certificates of occupancy that have been issued in the Borough since 1996 is illustrated on Table 1. For 2006, the New Jersey Construction Reporter only identifies eight (8) C.O.'s as having been issued through August. The Borough's Construction Office reports 65 having been issued through November 2006. Most of the C.O.'s issued in 2006 were for the D.R. Horton development, which will have 558 units when completed, five (5) of which will be affordable.

TABLE 1 BOROUGH OF RIVERDALE RESIDENTIAL CERTIFICATES OF OCCUPANCY AND DEMOLITIONS		
Year	C.O.'s	Demolitions
1996	1	1
1997	17	0
1998	23	1
1999	22	1
2000	14	1
2001	35	3
2002	16	1
2003	24	2
2004	0	2
2005	15	1
2006	65	0
Total	232	13
* The 2006 figures are through November Source: N.J. Department of Community Affairs, N.J Construction Reporter and Building Department.		

The numbers of residential certificates of occupancy that are projected to be issued through the end of 2013 are illustrated on Table 2. That table reflects the actual

certificates of occupancy and demolitions issued for 2004 through November of 2006, and projections through the end of 2013. The projections include the D.R. Horton project, which is currently under construction and the Riverwalk project by Tramel Crow, which has received preliminary approval and will include 424 units with 46 units being made available to low and moderate income households. The projections also reflect an average of five (5) additional residential certificates of occupancy within the Borough for each year of the projection period, with one (1) demolition per year. These conservatively reflect the recent trends in the community when the large projects noted above are factored out.

TABLE 2 BOROUGH OF RIVERDALE PROJECTED NET INCREASE IN NEW DWELLINGS 2004 Through 2013			
Year	C.O.'s	Demolitions	Net Increase
2004	0	2	-2
2005	15	1	14
2006	70	1	69
2007	335	1	334
2008	160	1	159
2009	195	1	194
2010	195	1	194
2011	5	1	4
2012	5	1	4
2013	5	1	4
Total	985	11	974
Note: Data for 2004-10/06 are historical, 2006 and 2007 are project from permits issued and 2005 through 2013 are projected from historical trends and approvals.			

In order to determine the growth share obligation from the above housing projection, the projected net increase in the number of dwellings (974) is divided by eight (8). The result, 121.75 is the low and moderate housing obligation projected to be generated by residential growth within the Borough from 2004 through 2013.

Nonresidential Component

Nonresidential certificates of occupancy issued by square foot and by use are identified in Table 3 for the Borough between 1996 and August 2006. This data was taken from the New Jersey Construction Reporter.

**TABLE 3
BOROUGH OF RIVERDALE
NONRESIDENTIAL CERTIFICATES OF OCCUPANCY BY SQUARE FOOTAGE
1996 Through August 2006**

Use Group	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Office	1,272	8,840	-	7,500	9,552	42,423	-	1,100	400	1,902	-
Retail	-	-	108,000	-	-	-	-	-	-	-	-

Source: New Jersey Department of Community Affairs, New Jersey Construction Reporter

In November 2006 a certificate of occupancy was issued for a 252,432 square foot Wal-Mart Store located on Route 23. Additionally, a 140,000 square foot Target store is currently under construction and is anticipated to be completed in 2007. These projects and a 94,500 square foot storage warehouse are included on Table 4 as projections of nonresidential certificates of occupancy. There are no additional C.O.'s included in the projections, since there are no nonresidential applications currently before the Borough's Boards. Therefore, the projection includes no additional nonresidential development during the projection period.

**TABLE 4
BOROUGH OF RIVERDALE
PROJECTION OF NONRESIDENTIAL CERTIFICATES OF OCCUPANCY
IN SQUARE FEET
2004 Through 2013**

Use Group	2004	2005	2006	2007	2008	2009	2010	2012	2013	Totals
Office	400	1,902								2,302
Retail			252,432	140,000						392,432
Industrial										0
Restaurants										0
Warehouse				94,500						94,500

Note: Data for 2004 and 2005 are historical, 2006 through 2008 are projected from permits issued and 2009 through 2013 are projected from historical trends.

There were demolitions to two (2) buildings in 2006 on the site in which the Target Store will be constructed. Additionally, two (2) demolitions are projected to occur during 2009. They are demolitions that need to occur in order for the Riverwalk project to be constructed. Therefore since the Riverwalk residential development is projected so to are the following demolitions for buildings that currently occupy the land to be developed residentially. The demolitions that have occurred and those projected are as follows:

11,280 square foot storage building for Decker Transport -2006
 14,400 square foot office building for Decker Transport - 2006

54,488 square foot industrial building – 2008 projected
 30,500 square foot office building – 2008 projected

Given the above, the following are the growth share projections to be generated from nonresidential development. The number of jobs projected to be generated by the projected development is as follows:

2,302 S.F. of office space @ 3 jobs/1,000 S.F. =	6.9 jobs
392,432 S.F. of retail space @ 1 job/1,000 S.F.=	392.4 jobs
94,500 S.F. of warehouse space @ 0.2 jobs/1,000 S.F. =	<u>18.9 jobs</u>
Total jobs to be created =	418.2 jobs

The number of jobs projected to be lost due to demolitions is as follows:

11,280 S.F. of storage space @ 0.2 jobs/ 1,000 S.F. =	2.3 jobs
14,400 S.F. of office space @ 3 jobs/ 1,000 S.F.=	43.2 jobs
54,488 S.F. of industrial space @ 2 jobs/ 1,000 S.F. =	109 jobs
30,500 S.F. of office space @ 3 jobs/1,000 S.F. =	<u>91.5 jobs</u>
Total jobs to be lost =	246

Net increase in jobs (418.2 – 246) = 172.2

The number of low and moderate income dwellings projected to be required due to nonresidential growth is calculated on the basis of one unit per 25 net new jobs created from development. Therefore Riverdale nonresidential growth share requirement will be 6.8 affordable units (172.2/25).

Combined Residential and Nonresidential Growth Share

The North Jersey Transportation Planning Authority (NJTPA) has projected the following residential and nonresidential employment growth in the Borough from 2005 to 2015:

Residential:

2015 NJTPA Households	-	2005 NJTPA Households	=	Household Change
1,040	-	960	=	80

Nonresidential:

2015 NJTPA Employment	-	2005 NJTPA Employment	=	Employment Change
3,700	-	3,510	=	190

The number of households projected in this report is greater than that projected by the NJTPA. The number of new jobs projected to be created is slightly less than the NJTPA projection, therefore the NJTPA projection will be used, which results in the need for 7.6 affordable units rather than 6.8. The combined obligation for low and moderate income households generated by projected residential and nonresidential development is as follows:

Residential Growth Share Projection =	121.75 units
Nonresidential Growth Share Projection =	<u>7.6 units</u>
Total Growth Share Obligation =	129.25 or 129 units

2.0 Fair Share Plan

The Borough of Riverdale’s Fair Share Plan is designed to accommodate the combined obligations of the prior rounds and the projected growth share obligation. Therefore the total obligation for the Borough is 158 units which include 28 units from the prior rounds and a projected need of 130 units as calculated above as the growth share obligation.

Prior Round Compliance Plan

The prior round compliance plan is comprised of a combination of credits from units provided in the Rock Creek Development, Regional Contribution Agreement (RCA) units funded through the Rock Creek Development, units provided in the D.R. Horton Development and rental bonuses permitted.

The Rock Creek Development included the provision of thirteen (13) units of low and moderate income rental housing. Of those, nine (9) were age-restricted and four (4) were non-age-restricted. The project also included a contribution for a regional contribution agreement (RCA) for sixteen (16) units.

The D.R. Horton Development, which is currently under construction, will have 558 total units, of which there will be five (5) rental low and moderate income units constructed on-site and the developer has agreed to finance a RCA of 13 units.

Since COAH regulations limit the RCA of the prior round to fifty (50%) percent of the obligation, the maximum RCA that can be taken is 14 units. Additionally, under the prior round regulations the rental obligation is 25 percent of the total obligation and the maximum rental bonus available is 25 percent of the total obligation. Therefore,

Riverdale's maximum rental bonus for the prior rounds is seven (7) units. Given the above the following summarizes the Borough's Round 1 and 2 compliance plan:

Prior Round Obligation =	28
Rock Creek Non-Age-Restricted Rental Units =	4 (Credit)
D.R. Horton Non-Age-Restricted Rental Units (3 of 5) =	3 (Credit)
Rental Bonuses (0.25 x 28) =	7 (Bonus)
Rock Creek RCA's (14 of 16) =	<u>14</u> (Credit)
Total =	28
Remaining Prior Round Obligation =	0

Growth Share Compliance Plan

The growth share compliance plan uses a combination of credits and reductions from units provided with the Rock Creek development, D.R. Horton development, Riverwalk development, RCA's and rental bonuses. Rental bonuses under the third round are awarded for rental units provided after the rental obligation is met. The rental obligation is 25 percent of the total obligation (25% of 130 or 33 units). The Riverwalk development, which has received preliminary approval, will provide 46 units of rental low and moderate income units, half of which will be age-restricted. Age-restricted units are limited to fifty (50%) percent of the total third round obligation (50% of 130 units or 65 units). The compliance plan is summarized in the following:

Growth Share Obligation =	130
Rock Creek Age-Restricted Rental Units =	9 (Credit)
D.R. Horton Non-Age-Restricted Rental Units (2 of 5) =	2 (Credit)
Rock Creek Remaining RCA's (2 of 16) =	2 (Credit)
Riverwalk Age-Restricted Rental Units =	23 (Credit)
Riverwalk Non-Age-Restricted Rental Units =	23 (Credit)
Rental Bonuses (57-33) =	<u>24</u> (Bonus)
Total =	83
Remaining Obligation (129 -83) =	46 units

The Borough will also receive a payment in lieu of contribution from D.R. Horton for thirteen (13) units which was initially intended to fund a RCA. Since the third round rules do not permit payments in lieu of construction to be used for that purpose, the Borough will utilize those funds for the provision of affordable housing within the community. It is anticipated that the amount to be received will be \$455,000 (13x \$35,000).

(To be continued)

