

AMENDED FOURTH ROUND
HOUSING ELEMENT AND FAIR SHARE PLAN
BOROUGH OF NETCONG, NEW JERSEY

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The original copy of this document was signed and sealed in accordance with N.J.S.A. 45:14 A-1 et seq.



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1 INTRODUCTION

The Borough of Netcong, New Jersey (the “Borough”), in accordance with the New Jersey Municipal Land Use Law (N.J.S.A. 40:55D-28b(3)), the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 (2024)) as amended, applicable rules established by the Council on Affordable Housing (“COAH”), and the Administrative Office of the Courts Directive #14-24, adopted its Fourth Round Housing Element and Fair Share Plan (“HEFSP”) on June 23, 2025, which was then endorsed by the Governing Body and filed with the Affordable Housing Dispute Resolution Program (the “Program”) through the New Jersey Courts system on June 25, 2025 (“2025 HEFSP”). The Borough’s 2025 HEFSP was then challenged by Fair Share Housing Center (“FSHC”) on August 31, 2025 pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b). The Borough and FSHC in December 2025 then agreed to settle the litigation and to present an agreement to the Program and the Court with jurisdiction over this matter to review, recognizing that the settlement of Mount Laurel litigation is favored because it ends delays and the expense of trial and results more quickly in the construction of homes for very-low-, low- and moderate-income households. The Borough executed a Settlement Agreement with FSHC on December 18, 2025. That Settlement Agreement established the Borough’s affordable housing obligation and mechanisms to satisfy the obligation, which notably included a vacant land adjustment. As such, this Amended HEFSP has been prepared to be consistent with the Settlement Agreement reached with FSHC dated December 15, 2025, and to set forth the Borough’s plans to address its 2025-2035 obligation to provide its fair share of the regional need for affordable housing.

The Municipal Land Use Law, N.J.S.A. 40:55D-1, et seq., requires that a municipal master plan include a Housing Element in order for the municipality to exercise the power to zone and regulate land use. The Housing Element and Fair Share Plan is adopted by the Borough Planning Board and endorsed by the governing body. It is intended to achieve the goal of meeting the Borough’s obligations to plan and regulate land use to provide for a fair share of the regional need for affordable housing.

Netcong remains committed to meeting its constitutional obligation to provide, through its land use regulations, a realistic opportunity for a fair share of the region’s present and prospective needs for housing for low- and moderate-income families. This Amended HEFSP document outlines how the Borough will address its affordable housing obligations.

2 Affordable Housing In New Jersey and Borough of Netcong

2.1 Mount Laurel I and Mount Laurel II

In 1975 the Supreme Court of New Jersey in South Burlington County N.A.A.C.P. v. Township of Mount Laurel, 67 N.J. 151 (1975), commonly referred to as Mount Laurel I, ruled that the developing municipalities in the State of New Jersey exercising their zoning power, in general, had a constitutional obligation to provide a realistic opportunity for the construction of their fair share of the region's low- and moderate-income housing needs.

In 1983, the Supreme Court refined that constitutional obligation in South Burlington County N.A.A.C.P. v. Township of Mount Laurel, 92 N.J. 158 (1983), commonly referred to as Mount Laurel II, to apply to those municipalities having any portion of their boundaries within the growth area as shown on the State Development Guide Plan.

2.2 Fair Housing Act (1985) and COAH Rounds One and Two

In 1985, the New Jersey Legislature adopted, and the Governor signed, the Fair Housing Act N.J.S.A. 52:2D-301, et seq. ("FHA") which transformed the judicial doctrine that became known as the "Mount Laurel doctrine" into a statutory one and provided an alternative administrative process in which municipalities could elect to participate in order to establish a Housing Element and Fair Share Plan ("HEFSP") that would satisfy its constitutional obligation by creating an administrative agency known as the Council on Affordable Housing ("COAH") to develop regulations to define the obligation and implement it. COAH proceeded to adopt regulations in 1986 for the First Round applicable from 1987-1994. In 1994, COAH adopted regulations for the Second Round that created a cumulative obligation from 1987 to 1999.

2.3 COAH Round Three

COAH first proposed Third Round substantive and procedural rules in 2003, but due to multiple legal challenges, these rules were not adopted until 2008. However, the Third Round rules adopted in 2008 were challenged in an appeal entitled In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing, 416 N.J. Super. 462 (App. Div. 2010) (the "2010 Case"). In October 2010, the Appellate Division determined, among other things, that the methodology in the rules adopted in 2008 was invalid and that COAH should adopt regulations utilizing methodologies similar to the ones utilized in the First and Second Rounds, i.e. 1987-1999.

In 2013, the Supreme Court of New Jersey affirmed the Appellate Division's invalidation of the third iteration of the Third Round regulations, sustained their determination that the growth share methodology was invalid, and directed COAH to adopt new regulations based upon the methodology utilized in the First and Second Rounds, In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing, 215 N.J. 578 (2013) (the "2013 Case"). COAH proceeded to propose such regulations in accordance with the schedule established by the New Jersey Supreme Court in the 2013 Case. On October 20, 2014, COAH deadlocked with a 3-3 vote and failed to adopt the revised

Third Round regulations.

Due to COAH's failure to adopt the revised regulations and subsequent inaction, Fair Share Housing Center ("FSHC"), a party in the 2010 Case and the 2013 Case, filed a motion with the New Jersey Supreme Court to enforce litigant's rights.

On March 10, 2015, the New Jersey Supreme Court issued its decision on FSHC's motion. The Supreme Court found that the COAH administrative process had become non-functioning and, as a result, returned primary jurisdiction over affordable housing matters to the trial courts. In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing, 221 N.J. 1 (2015) (the "2015 Case"), also referred to as Mount Laurel IV. In doing so, the Supreme Court established a transitional process for municipalities to file a declaratory judgment action with the trial courts seeking to declare their HEFSPs as being constitutionally compliant and seeking protection and repose against exclusionary zoning litigation.

2.4 Amended Fair Housing Act (2024) and Fourth Round (2025-2035)

On March 20, 2024, Governor Murphy signed into law P.L. 2024, c.2, an Amendment to the 1985 Fair Housing Act (hereinafter "Amended FHA" or "Act"). The Amended FHA eliminated COAH, and it set forth standards by which the fair share of municipalities must be established for the Fourth Round covering the period July 1, 2025, through June 30, 2035, and for subsequent rounds. It also created the Affordable Housing Dispute Resolution Program (the "Program") to oversee disputes and provide for mediation.

The Amended FHA also established a timeline by which government entities and municipalities are required to act including the following:

- **October 20, 2024:** Per the Amended FHA, the New Jersey Department of Community Affairs ("DCA") was required to determine the obligation of all municipalities based upon the standards in the Amended FHA and to issue a non-binding report no later than October 20, 2024, setting forth its estimates of each municipality's non-binding obligation based upon those standards. DCA issued their report setting forth their estimates of each municipality's non-binding obligation on October 18, 2024.
- **January 31, 2025:** The Amended FHA permits municipalities the choice to either accept the DCA determination of their obligation described above, or to provide their own determination based upon the standards in the Amended FHA. Municipalities were required to adopt a binding resolution of its Fourth Round obligation by January 31, 2025. If the municipality met this January 31 deadline, then the municipality's determination of its obligation would be established by default and would bear a presumption of validity beginning on March 1, 2025, as the municipality's obligation for the fourth round, unless challenged by an interested party on or before February 28, 2025.
- **February 28, 2025:** The deadline for an interested party to file a challenge with the Program regarding a municipality's determination of its Fourth Round obligation was February 28, 2025. Any

challenge was required to state with particularity how the municipal calculation failed to comply with the Amended FHA and include the challenger's own calculation of the fair share obligations.

- **March 31, 2025:** The Program was required to consider a challenge and resolve a dispute initiated by an interested party no later than March 31, 2025.
- **June 30, 2025:** A municipality is required to adopt a housing element and fair share plan and propose drafts of the appropriate zoning and other ordinances and resolutions to implement its present and prospective obligations. The plan must be filed with the Program. Any municipality that does not adopt a housing element and fair share plan by June 30, 2025, shall lose its immunity from builders' remedy lawsuits.
- **August 31, 2025:** An interested party may file a challenge with the Program on or before August 31, 2025, alleging that the municipality's fair share plan and housing element are not in compliance with the Amended FHA or the Mount Laurel doctrine. Any interested party that files a challenge shall specify with particularity which sites or elements of the municipal fair share plan do not comply with the Amended FHA or the Mount Laurel doctrine, and the basis for alleging such noncompliance. If a municipality's fair share plan and housing element is not challenged on or before August 31, 2025, then the program shall apply an objective standard to conduct a limited review of the fair share plan and housing element for consistency and to determine whether it enables the municipality to satisfy the fair share obligation, applies compliant mechanisms, meets the threshold requirements for rental and family units, does not exceed limits on other unit or category types, and is compliant with the Amended FHA and the Mount Laurel doctrine.
- **December 31, 2025:** The program shall facilitate communication between the municipality and any interested parties for a challenge and provide the municipality until December 31, 2025 to commit to revising its fair share plan and housing element in compliance with the changes requested in the challenge, or provide an explanation as to why it will not make all of the requested changes, or both. Upon resolution of a challenge, the program shall issue compliance certification, conditioned on the municipality's commitment, as necessary, to revise its fair share plan and housing element in accordance with the resolution of the challenge. The program may also terminate immunity if it finds that the municipality is not determined to come into constitutional compliance at any point in the process.
- **March 15, 2026:** The requirement to adopt all implementing ordinances to effectuate the HEFSP as set forth in and incorporating any changes from the program, shall be adopted on or before March 15, 2026. Failure to meet the March 15 deadline shall result in the municipality losing immunity from exclusionary zoning litigation.

This Housing Element and Fair Share Plan pursuant to applicable law and regulations and addresses Netcong's affordable housing obligation through the Fourth Round.

2.5 Netcong's Affordable Housing History

2.5.1 2008 Third Round HEFSP

On December 30, 2008, Netcong petitioned COAH for substantive certification of a Housing Element and Fair Share Plan addressing its total 1987-2018 affordable housing obligation. This was the first time the Borough petitioned COAH for substantive certification. Netcong's obligation was as follows:

- Present Need (Rehabilitation) Obligation: 10 units
- Prior Round Obligation (1987-1999): 0 units
- Prospective Need Obligation (1999-2018): 26 units

Per the 2008 HEFSP, the Borough proposed to address its 10-unit Rehabilitation Obligation with 7 credits resulting from participation in the Morris County Community Development Block Grant Housing Rehabilitation Program and three surplus new construction family for-sale units resulting from the Station Area Redevelopment. The Borough proposed to address its 26-unit Prospective Need obligation with two proposed redevelopment areas anticipated to yield 49 affordable units (including 3-units intended to address the Borough's Rehabilitation Obligation), resulting in a 22-unit surplus.

On September 29, 2009, COAH issued a Compliance Report recommending approval of Netcong Borough's petition for third round substantive certification; and after a 14-day period to submit comments on the Compliance Report during which no comments were received, COAH granted third round substantive certification to Netcong on October 14, 2009 which was to remain in effect until December 30, 2018.

2.5.2 Third Round Declaratory Judgment Action

Pursuant to In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing, 221 N.J. (2015) (the "2015 Case"), the Supreme Court established a transitional process for municipalities, like Netcong Borough, that participated in the administrative process before COAH, to file a declaratory judgment action with the trial courts seeking to declare their Housing Element and Fair Share Plans as being constitutionally compliant and seeking similar protections to those that the participating municipalities would have received if they had continued to proceed before COAH.

On July 2, 2015, Netcong filed a Declaratory Judgment action under Docket No. MRS-L-1766-15 seeking a declaration of its compliance with the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 53:27D-301 et seq. in accordance with In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1 (2015). The Borough Planning Board subsequently adopted a Housing Element and Fair Share Plan March 28, 2016. A fairness hearing was held on July 20, 2016. On September 29, 2016, the Court entered an order granting Third Round substantive certification to the Borough. See **Appendix A**.

3 HOUSING ELEMENT/ FAIR SHARE PLAN REQUIREMENTS

In accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1, et seq.), a municipal Master Plan must include a housing element as the foundation for the municipal zoning ordinance. Pursuant to the Fair Housing Act, a municipality's housing element must be designed to provide access to affordable housing to meet present and prospective housing needs, with particular attention to low- and moderate-income housing. The housing element must contain at least the following, as per the Amended FHA at N.J.S.A. 52:27D-310.

- a. 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;
- b. 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;
- c. An analysis of the municipality's demographic characteristics, including, but not necessarily limited to, household size, income level, and age;
- d. An analysis of the existing and probable future employment characteristics of the municipality;
- e. A determination of the municipality's present and prospective fair share of low- and moderate- income housing and its capacity to accommodate its present and prospective housing needs, including its fair share of low- and moderate-income housing; and
- f. A consideration of the lands 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; and
- g. 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, pursuant to N.J.S.A. 52:27D-329.20f.(1);
- h. For a municipality located within the jurisdiction of the Highlands Water Protection and Planning Council, established pursuant to section 4 of P.L.2004, c.120 (C.13:20-4), 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. This analysis shall include consideration of the municipality's most recent Highlands Municipal Build Out Report, consideration of opportunities for redevelopment of existing developed lands into inclusionary or 100 percent affordable housing, or both, and opportunities for 100 percent affordable housing in both the Highlands Planning Area and Highlands Preservation Area that are consistent with the Highlands regional master plan; and

- i. 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.

The Administrative Office of the Courts issued Administrative Directive #14-24 on December 13, 2024 establishing guidelines implementing the Affordable Housing Alternative Dispute Resolution Program (“the Program”) established pursuant to section 5 of P.L.2024, c.2 (N.J.S.A. 52:27D-313.2). The Directive imposed additional requirements not included in the Amended FHA. Included in the Directive is the requirement to include a Spending Plan, Affirmative Marketing Plan, Affordable Housing Ordinance, and Mandatory Set-Aside Ordinance in the Housing Element and Fair Share Plan.

4 HOUSING STOCK AND DEMOGRAPHIC ANALYSIS

4.1 Housing Stock Inventory

In 2023, there were 1,973 housing units in Netcong Borough, of which 152, or 8 percent, were vacant. Of the 1,821 occupied units, 53 percent were owner-occupied and 47 percent were renter occupied. Table 1, [Housing Units by Occupancy Status, 2023](#), illustrates this occupancy status.

Table 1. Housing Units by Occupancy Status, 2023

	Housing Units	Owner-occupied	Renter Occupied
Occupied	1,821	963	858
Vacant	152	-	-
Total	1,973	-	-

Source: American Community Survey 5-Year Estimates Data Profiles, 2019-2023 (Table DP04 Selected Housing Characteristics)

Approximately 65 percent of the total housing stock consists of single-family detached units. Structures with three or more units make up approximately 24 percent of the total housing stock. See Table 2, [Housing Units by Number of Units in Structure, 2023](#), for a detailed explanation of the Borough's housing units.

TABLE 2. HOUSING UNITS BY NUMBER OF UNITS IN STRUCTURE, 2023

Number of Units	Total	Percent
1, Detached	1,288	65.3%
1, Attached	81	4.1%
2	131	6.6%
3 or 4	70	3.5%
5 to 9	51	2.6%
10 to 19	289	14.6%
20+	63	3.2%
Mobile Home	0	0.0%
Other	0	0.0%
Total	1,973	100.0%

Source: American Community Survey 5-Year Estimates Data Profiles, 2019-2023 (Table DP04 Selected Housing Characteristics)

Table 3, [Housing Units by Age, 2023](#), illustrates the age of the Borough's housing stock. Only 4 percent of the Borough's housing was built since 2000 and about 23 percent of the Borough's housing stock was constructed prior to 1940. Close to 28 percent of the extant housing stock was constructed between 1970 and 1980.

TABLE 3 HOUSING UNITS BY AGE, 2023

Year Built	Total Units	Percent
2020 or later	7	0.4%
2010-2019	66	3.3%
2000-2009	0	0.0%
1990-1999	64	3.2%
1980-1989	103	5.2%
1970-1979	542	27.5%
1960-1969	77	3.9%
1950-1959	303	15.4%
1940-1949	292	14.8%
Before 1940	519	26.3%

Source: American Community Survey 5-Year Estimates Data Profiles, 2019-2023 (Table DP04 Selected Housing Characteristics)

Table 4, Comparison of Housing Units by Number of Rooms for Netcong Borough and Morris County, 2023, illustrates that approximately 7 percent of housing units in Netcong Borough have between one and three rooms; 25 percent of housing units have between four and six rooms; and 68 percent have seven or more rooms. In Morris County, approximately 13 percent of housing units have between one and three rooms; 36 percent have between four and six rooms; and 52 percent have seven or more rooms. The median number of rooms per unit in the Borough is 8, which indicates that the housing stock in Netcong is, on average, larger in size as compared to the median number of rooms for Morris County, which is 6.6.

TABLE 4. HOUSING UNITS BY NUMBER OF ROOMS FOR NETCONG BOROUGH AND MORRIS COUNTY, 2023

Rooms	Number of Units in Netcong	Percent of Units in Netcong	Number of Units in Morris County	Percent of Units in Morris County
1	34	1.7%	3,231	1.6%
2	151	7.7%	4,927	2.5%
3	367	18.6%	17,467	8.8%
4	234	11.9%	23,012	11.6%
5	200	10.1%	22,577	11.4%
6	423	21.4%	24,978	12.6%
7	231	11.7%	26,090	13.1%
8	159	8.1%	27,717	14.0%
9+	174	8.8%	48,612	24.5%
Total	1,973	100.0%	198,611	100.0%
Median Rooms per Unit	5.5		6.6	

Source: American Community Survey 5-Year Estimates Data Profiles, 2019-2023 (Table DP04 Selected Housing Characteristics)

Tables 5 and 6, Housing Values, Owner-occupied, 2013 and 2023, respectively, illustrate that the median housing values of owner-occupied housing in Netcong increased by 21 percent between 2013 and 2023. During this time, the median value in Morris County increased by 30 percent. In 2013, the median value of owner-occupied housing units in Netcong (\$283,500) was 51 percent less than that of Morris County (\$428,900). In 2023, Netcong's median housing value of \$344,300 was 62 percent less than that of Morris County (\$557,000).

TABLE 5. HOUSING VALUES, OWNER-OCCUPIED, 2013

Housing Value	Number in Netcong	Percent in Netcong	Number in Morris County	Percent in Morris County
Less than \$50,000	40	5.9%	2,083	1.5%
\$50,000 to \$99,999	0	0.0%	1,406	1.0%
\$100,000 to \$149,999	0	0.0%	1,311	1.0%
\$150,000 to \$199,999	63	9.2%	3,346	2.5%
\$200,000 to \$299,999	329	48.2%	18,812	13.8%
\$300,000 to \$499,999	240	35.1%	58,230	42.7%
\$500,000 to \$999,999	11	1.6%	43,837	32.2%
\$1,000,000 or more	0	0.0%	7,271	5.3%
Total	683	100.0%	136,296	100.0%
2016 Median Value	\$283,500		\$428,900	

Source: American Community Survey 5-Year Estimates Data Profiles, 2009-2013 (Table DP04 Selected Housing Characteristics)

TABLE 6. HOUSING VALUES, OWNER-OCCUPIED, 2023

Housing Value	Number in Netcong	Percent in Netcong	Number in Morris County	Percent in Morris County
Less than \$50,000	25	2.6%	1,404	1.0%
\$50,000 to \$99,999	0	0.0%	1,480	1.0%
\$100,000 to \$149,999	0	0.0%	878	0.6%
\$150,000 to \$199,999	6	0.6%	1,472	1.0%
\$200,000 to \$299,999	188	19.5%	9,969	7.0%
\$300,000 to \$499,999	711	73.8%	44,816	31.6%
\$500,000 to \$999,999	33	3.4%	67,465	47.6%
\$1,000,000 or more	0	0.0%	14,287	10.1%
Total	963	100.0%	141,771	100.0%
2023 Median Value	\$344,300		\$557,000	

Source: American Community Survey 5-Year Estimates Data Profiles, 2019-2023 (Table DP04 Selected Housing Characteristics)

Monthly rental costs in Netcong Borough are slightly lower than monthly rental costs for the rest of Morris County, wherein about 30 percent of renters pay \$1,500 or more per month in rent; in Morris County, 72 percent of renters pay \$1,500 or more. The largest percentage of Morris County renters, 29.9 percent, pay \$1,500 to \$1,999 in rent. See Table 7, Comparison of Netcong Borough and Morris County, Monthly Rental Cost, 2023, for additional details.

TABLE 7. COMPARISON OF NETCONG BOROUGH AND MORRIS COUNTY, MONTHLY RENTAL COST – OCCUPIED RENTAL UNITS, 2023

Monthly Rent	Number in Netcong	Percent in Netcong	Number in Morris County	Percent in Morris County
Less than \$500	10	1.2%	2,209	4.6%
\$500 - \$999	34	4.0%	1,930	4.0%
\$1,000 - \$1,499	561	65.4%	9,666	20.0%
\$1,500 - \$1,999	157	18.3%	14,466	29.9%
\$2,000 - \$2,499	60	7.0%	8,520	17.6%
\$2,500 - \$2,999	36	4.2%	5,679	11.7%
\$3,000 or more	0	0.0%	5,970	12.3%
Total	858	100.0%	48,440	100.0%
Median Rent	\$1,396		\$1,860	

Source: American Community Survey 5-Year Estimates Data Profiles, 2019-2023 (Table DP04 Selected Housing Characteristics)

In 2023, 25 percent of Netcong Borough owner-occupied households contributed 30 percent or more of their income towards monthly housing costs, whereas approximately 40 percent contributed less than 20 percent of their income towards monthly housing costs. See Table 8, Monthly Housing Costs as a Percentage of Household Income in the Past 12 Months – Owner-occupied Housing Units, 2023, for further information.

TABLE 8. MONTHLY HOUSING COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME IN THE PAST 12 MONTHS – OWNER-OCCUPIED HOUSING UNITS, 2023

Household Income	Less than 20 percent	20 to 29 percent	30 percent or more
Less than \$20,000	0.0%	0.0%	0.8%
\$20,000 - \$34,999	0.0%	0.0%	4.7%
\$35,000 - \$49,999	0.0%	0.0%	3.7%
\$50,000 - \$74,999	3.4%	6.1%	7.0%
\$75,000 or more	36.8%	28.8%	8.7%
Zero or Negative Income¹	0.0%		

Source: American Community Survey, 2019-2023 (Table S2503 Financial Characteristics)

In 2023, close to 53 percent of Netcong Borough renter occupied households contributed 30 percent or more of their income towards monthly rental costs, whereas approximately 31 percent contributed less

¹ Negative income constitutes business or investment losses larger than other income.

than 20 percent of their income towards monthly rental costs. See Table 9, Monthly Housing Costs as a Percentage of Household Income in the Past 12 Months – Renter Occupied Housing Units, 2023, for further information.

TABLE 9. MONTHLY HOUSING COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME IN THE PAST 12 MONTHS – RENTER OCCUPIED HOUSING UNITS, 2023

Household Income	Less than 20 percent	20 to 29 percent	30 percent or more
Less than \$20,000	0.0%	1.2%	25.3%
\$20,000 - \$34,999	0.0%	0.0%	9%
\$35,000 - \$49,999	0.0%	0.0%	12.1%
\$50,000 - \$74,999	0.0%	10.4%	2.4%
\$75,000 or more	31.2%	4.1%	4.3%
Zero or Negative Income	0.0%		
No Cash Rent Units²	0.0%		

Source: American Community Survey 5-Year Estimates Data Profiles, 2019-2023 (Table S2503 Selected Housing Characteristics)

According to American Community Survey data, Netcong has 0 housing units that lack complete plumbing facilities and 0 units that are considered overcrowded (defined as having 1.01 or more persons per room). The Borough also has 0 units that have no telephone service available and 0 units that lack complete kitchen facilities. See Table 10, Selected Quality Indicators, Occupied Housing Stock, 2023, for additional details.

TABLE 10. SELECTED QUALITY INDICATORS, OCCUPIED HOUSING STOCK, 2023

	Overcrowded	No Telephone Service Available	Lacking Complete Plumbing Facilities	Lacking Complete Kitchen Facilities
No. Units	0	0	0	0

Source: American Community Survey 5-Year Estimates Data Profiles, 2019-2023 (Table DP04 Selected Housing Characteristics)

4.2 General Population Characteristics

The population of Netcong Borough decreased from 3,311 persons in 1990 to 2,580 persons in 2020. The largest growth in population occurred between 2000 and 2010, with an increase of approximately 25 percent; during this same time period, the County grew close to 5 percent. See Table 11, Population Growth, 1990-2020 for more information.

² Such units are generally provided for free by friends or relatives or in exchange for services such as resident manager, caretaker, minister, or tenant farmer.

TABLE 11. POPULATION GROWTH, 1990-2020

	1990	2000	Percent Change (1990-2000)	2010	Percent Change (2000-2010)	2020	Percent Change (2010-2020)
Netcong	3,311	2,580	-22.1%	3,232	25.3%	3,375	4.4%
Morris County	421,353	470,212	10.4%	492,279	4.7%	509,285	3.5%

Source: 1990, 2000, 2010, and 2020 U.S. Census

From 2010 through 2020, there were shifts in Netcong' age distribution. The age group of 65-74 years old experienced the greatest positive percent change (i.e., 51 percent). The 55-64 year old age group also increased (i.e., 34 percent). Three age groups, 15-24 years old, 35-44 years old, and 45-54 years old experienced negative percent change (i.e., -6 percent, -18 percent and -15 percent, respectively). The data suggest that the population in Netcong is aging which may have an impact on housing preferences. For example, residents whose children have left home but would like to remain in Netcong Borough may wish to downsize to smaller single-family detached homes or seek other types of housing such as townhomes or apartment living. See Table 12, Comparison of Age Distribution, 2010- 2020, for additional details.

TABLE 12. COMPARISON OF AGE DISTRIBUTION, 2010 - 2020

Age Group	2010	2020	Percent Change (2010-2020)
Under 5	166	176	6.0%
5-14	324	331	2.2%
15-24	401	378	-5.7%
25-34	499	549	10.0%
35-44	466	384	-17.6%
45-54	546	462	-15.4%
55-64	390	522	33.8%
65-74	218	329	50.9%
75+	222	244	9.9%
Total	3,232	3,375	-

Source: 2010 and 2020 U.S. Census

4.3 Household Characteristics

A household is defined by the U.S. Census Bureau as those persons who occupy a single room or group of rooms constituting a housing unit; however these persons may or may not be related. As a subset of households, a family is identified as a group of person including a householder and one or more persons related by blood, marriage, or adoption, all living in the same household. In 2023, there were 1,821 households in Netcong Borough, with an average of 1.94 persons per household. Approximately 36 percent of the households are comprised of married couples with or without children. Approximately 49 percent of the Netcong Borough households are non-family households, which includes individuals (Source: American Community Survey, 2023 (Table S1101)).

4.4 Income Characteristics

Persons residing in Netcong Borough have, on average, lower incomes than that of Morris County. Annual median income for Netcong households in 2023 was \$92,596, whereas annual median income for households in the County was \$134,929. The most notable difference with regard to income between Netcong Borough and Morris County is the percentage of households earning \$150,000 or more (i.e., 24 percent and 45 percent, respectively). Table 13, Household and Family Income by Income Brackets for Netcong and Morris County, 2023, further illustrates these findings.

TABLE 13. HOUSEHOLD AND FAMILY INCOME BY INCOME BRACKETS FOR NETCONG AND MORRIS COUNTY, 2023

	Netcong		Morris County	
	Households	Percent	Household	Percent
Less than \$5,000	14	0.8%	3,659	1.9%
\$5,000 - \$9,999	0	0.0%	1,630	0.8%
\$10,000 - \$14,999	201	11.0%	2,711	1.4%
\$15,000 - \$19,999	20	1.1%	2,423	1.3%
\$20,000 - \$24,999	5	0.3%	2,975	1.6%
\$25,000 - \$34,999	117	6.4%	7,383	3.8%
\$35,000 - \$49,999	140	7.7%	10,491	5.5%
\$50,000 - \$74,999	269	14.8%	19,409	10.1%
\$75,000 - \$99,999	167	9.2%	19,283	10.1%
\$100,000 - \$149,999	451	24.8%	35,184	18.3%
\$150,000 or more	437	24.0%	86,692	45.2%
Total	1,821	100.0%	191,840	100.0%
Median Income	\$92,596		\$134,929	

Source: American Community Survey 5-Year Estimates Data Profiles, 2019-2023 (Table S2503 Financial Characteristics)

4.5 Employment Characteristics

Table 14, Employment Status, indicates the number of Borough residents 16 years and over who are in the labor force, the type of labor force (i.e., civilian or armed forces) and employment status. Approximately 69 percent of Netcong residents 16 and over are in the labor force. Of the residents in the civilian labor force, approximately 98 percent are employed and approximately 2 percent are unemployed.

TABLE 14. EMPLOYMENT STATUS

	Number in Netcong	Percent in Netcong
Population 16 years and over	3,092	-
In Labor Force	2,135	69.0%
Civilian Labor Force	2,135	69.0%
<i>Employed</i>	2,092	67.7%
<i>Unemployed</i>	43	1.4%
Armed Forces	0	0.0%
Not in Labor Force	957	31.0%

Source: American Community Survey 5-Year Estimates Data Profiles, 2019-2023 (Table DP03 Selected Economic Characteristics)

Table 15, Employment by Occupation, Netcong, 2023, identifies the occupation of employed persons. While Netcong Borough residents work in a variety of job sectors, approximately 38 percent of employed residents work in Management, Business, Science and Arts-related occupations; and approximately 27 percent of employed residents work in Service occupations. The Natural Resources, Construction and Maintenance sector, Sales and Office sector, and the Production, Transportation and Moving sector have fewer employed residents (7 percent, 17 percent, and 11 percent, respectively).

TABLE 15. EMPLOYMENT BY OCCUPATION, NETCONG, 2023

Sector Jobs	Number	Percent
Management, Business, Science, and Arts Occupations	799	38.2%
Service	559	26.7%
Sales and Office	362	17.3%
Natural Resources, Construction, and Maintenance	152	7.3%
Production, Transportation, and Moving	220	10.5%
Total	2,092	100.0%

Source: American Community Survey 5-Year Estimates Data Profiles, 2019-2023 (Table DP03 Selected Economic Characteristics)

Table 16, Distribution of Employment by Industry, Borough Residents, 2023, shows the distribution of

employment by industry for employed Netcong Borough residents. The four industries to capture the largest segment of the population were the Educational, Health and Social Services industry (21 percent); the Financing, Insurance, Real Estate, Renting, and Leasing industry (15 percent), the Arts, Entertainment, Recreation, Accommodation and Food services industry (13 percent), and the Manufacturing industry (13 percent).

TABLE 16. DISTRIBUTION OF EMPLOYMENT BY INDUSTRY, BOROUGH RESIDENTS, 2023

Job Sectors	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	0	0.0%
Construction	105	5.0%
Manufacturing	263	12.6%
Wholesale Trade	57	2.7%
Retail Trade	230	11.0%
Transportation and Warehousing, and Utilities	94	4.5%
Information	54	2.6%
Financing, Insurance, Real Estate, Renting, and Leasing	306	14.6%
Professional, Scientific, Management, Administrative, and Waste Management Services	197	9.4%
Educational, Health and Social services	430	20.6%
Arts, Entertainment, Recreation, Accommodation and Food services	272	13.0%
Public Administration	50	2.4%
Other	34	1.6%
Total	2,092	100.0%

Source: American Community Survey 5-Year Estimates Data Profiles, 2019-2023 (Table DP03 Selected Economic Characteristics)

Of the employed Netcong residents, approximately 85 percent are private wage and salary workers; 12 percent are government workers; and 3 percent are self-employed. See Table 17, [Distribution by Class of Worker, 2023](#), for additional details.

TABLE 17. DISTRIBUTION BY CLASS OF WORKER, 2023

	Number in Netcong	Percent in Netcong
Private Wage and Salary Workers	1,776	84.9%
Government Workers	251	12.0%
Self-employed in own not incorporated business workers	65	3.1%
Unpaid family workers	0	0.0%
Total	2,092	100.0%

Source: American Community Survey 5-Year Estimates Data Profiles, 2019-2023 (Table DP03 Selected Economic Characteristics)

4.6 Multigenerational Housing Continuity

Multigenerational housing is becoming a desired housing option in the State due to rising housing costs and an aging population. Housing for multigenerational families is necessary to offer a diverse housing stock and to account for population trends. Multigenerational housing can provide an opportunity for

residents to age in place, save on costs associated with housing, and provide in-house care for an older adult or persons with disabilities. Additionally, multigenerational housing is a more sustainable approach to meeting housing obligations as there is no need for the construction of new homes in order to provide housing for additional individuals.

On November 8, 2021, the Senate and General Assembly of the State of New Jersey adopted C.52:27D-329.209, which established the Multigenerational Family Housing Continuity Commission. The commission is allocated within the Department of Community Affairs. The duties of the commission include: preparing and adopting 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.

The bill requires that a municipality's housing element shall 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, and shall contain, among other requirements:

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).

This language is included in the Amended FHA at N.J.S.A. 52:27D-310. It should be noted that at the time of the preparation of this Housing Element and Fair Share Plan, the commission has made no recommendations. That said, Netcong Borough is committed to promoting multigenerational family continuity through the provision of a variety of housing options offered to a variety of income levels in a manner consistent with the regulations. In recent years, Netcong Borough has increased the diversity of its housing stock with the construction of multifamily housing offering one-level living.

The Borough is committed to supporting inclusive housing opportunities that meet the needs of residents at every stage of life, actively prioritizing thoughtful planning and following population trends.

4.7 Growth Trends and Projections

4.7.1 Residential Trends and Projections

According to the New Jersey Construction Reporter, between 2013 and 2023, Netcong issued 137 certificates of occupancy; of which, 92 percent were multifamily units and 8 percent were one- and two-family dwelling units. Approximately 96 percent of these residential certificates of occupancy were issued between 2020 and 2021. See Table 18, Residential Certificates of Occupancy, 2013-2023, for additional details.

TABLE 18. RESIDENTIAL CERTIFICATES OF OCCUPANCY, 2013-2023

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
1 & 2 Family	0	1	0	0	0	1	3	5	0	0	1	11
Multifamily	0	0	0	0	0	0	0	35	91	0	0	126
Mixed-Use	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	1	0	0	0	1	3	40	91	0	1	137

Source: New Jersey Construction Reporter

4.7.2 Non-residential Trends and Projections

According to the New Jersey Construction Reporter, between 2013 and 2023, Netcong issued certificates of occupancy for a total of ±228,150 square feet of non-residential building space. See Table 19, Non-Residential Certificates of Occupancy, 2013-2023, for additional details. The majority of the non-residential growth can be attributed to:

- 181,335 square feet of multifamily/dormitories space, for which certificates of occupancy were issued in 2018, 2020, and 2021;
- 36,547 square feet of office space, for which certificates of occupancy were issued in 2014 and 2021;
- 5,040 square feet of storage space, for which certificates of occupancy were issued in 2023 only.

TABLE 19. NON-RESIDENTIAL CERTIFICATES OF OCCUPANCY, 2013-2023

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Office	0	14,885	0	0	0	0	0	0	21,662	0	0	3,6547
Retail	0	0	0	0	0	0	0	0	0	0	0	0
A-1	0	0	0	0	0	0	0	0	0	0	0	0
A-2	0	0	0	0	0	0	0	0	0	0	0	0
A-3	0	0	0	0	0	0	0	0	0	0	0	0
A-4	0	0	0	0	0	0	0	0	0	0	0	0
A-5	0	0	0	0	0	0	0	0	0	0	0	0
Multifamily / Dormitories	0	0	0	0	0	48	0	49,523	131,764	0	0	181,335
Hotel/Motel	0	0	0	0	0	0	0	0	0	0	0	0
Education	0	0	0	0	0	0	0	0	0	0	0	0
Industrial	0	0	0	0	0	0	5,000	0	0	0	0	5,000
Hazardous	0	0	0	0	0	0	0	0	0	0	0	0
Institutional	0	0	0	0	0	0	0	0	0	0	0	0
Storage	0	0	0	0	0	0	0	0	0	0	5,040	5,040
Signs, Fences, Utility and Misc.	0	0	0	228	0	0	0	0	0	0	0	228
TOTAL	0	14,885	0	228	0	48	5,000	49,523	153,426	0	5,040	228,150

Source: New Jersey Construction Reporter

4.8 Capacity for Growth

The Borough has seen the construction of predominantly multi-family dwelling units over the last decade. However, due in part to lack of vacant land, and environmental constraints on the remaining undeveloped tracts zoned for residential use. Most development anticipated to occur will be the redevelopment of already improved sites. As is detailed further in Chapter 5, the Borough anticipates the construction of several recently approved developments. The Borough has encouraged the development of these projects in efforts to provide its fair share of affordable housing. Aside from these projects, the Borough anticipates little additional residential or non-residential development.

5 BOROUGH OF NETCONG AFFORDABLE HOUSING PLAN

5.1 Prior Round Affordable Housing Obligations (1987-2025)

Per the Amended FHA (N.J.S.A. 52:27D-304.1.3.a(f)(2)(a)), as part of its housing element and fair share plan, the municipality shall include an assessment of the degree to which it has met its fair share obligation from the prior rounds of affordable housing obligations as established by prior court approval, or approval by COAH, and determine to what extent this obligation is unfulfilled or whether the municipality has credits in excess of its prior round obligations.

5.1.1 Prior Round Obligation (i.e., 1987-1999)= 0 units

As detailed in Chapter 2, in September 2016 the court entered a Judgment of Compliance and Repose for Netcong for the 1987-2025 compliance periods. The Judgment of Compliance and Repose refers to the January 2016 Housing Element and Fair Share Plan which indicated that the Borough's Prior Round obligation as established in N.J.A.C. 5:93 was **0 units**.

5.1.2 Third Round Prospective Need Obligation (i.e., 1999-2025)= 36 units

In 2008, COAH assigned Netcong a Prospective obligation of **26 units** which Netcong addressed in its COAH certified 2008 Plan. However, N.J.A.C. 5:97 was invalidated by the Court which in its 2015 Decision declined to adopt a specific methodology or formula to calculate the Prospective obligation. At the time of the Judgment of Compliance and Repose, Netcong's Third Round obligation was still being debated on a State level by various experts who each issued reports offering their respective Prospective Need estimates for each municipality. A summary of the obligations which existed as of September 2016 included the following:

- **Burchell Numbers:** COAH in June 2014 (i.e., N.J.A.C. 5:99) issued numbers prepared by Rutgers University Center for Urban Policy Research, under the direction of Robert W. Burchell, Ph.D; (referred to herein as the "Burchell Numbers"). Burchell Numbers indicated that Netcong had a Prospective Need obligation of **4 units**.
- **Kinsey Numbers:** David N. Kinsey, Ph.D., FAICP, PP has issued three sets of Third Round municipal obligation numbers over the 18 months dated July 2014, April 2015, and July 2015, respectively (referred to herein as the "Kinsey Numbers"). The Kinsey Numbers indicated that Netcong had a Prospective Need obligation of **29 units**.
- **Econsult Solutions:** Econsult Solutions issued a report *New Jersey Affordable Housing Need and Obligations* dated December 30, 2015 (the "Econsult Report"). Econsult indicated that Netcong had a Prospective Need obligation of **9 units**.

None of the above estimates were ever sanctioned by the Court. The 2016 HEFSP and Judgment of Compliance and Repose anticipated that Netcong would produce affordable housing units far in excess of any of the obligations calculated by the above experts. However, neither the 2016 HEFSP and Judgment

of Compliance and Repose indicate a specific number constituting Netcong’s Third Round Prospective Need obligation.

However, subsequent to the 2016 HEFSP and Judgment of Compliance and Repose, In a 2018 unpublished decision, the Honorable Mary C. Jacobson, A.J.S.C., in (the “Jacobson Decision”) in the consolidated declaratory judgment proceedings: In the Matter of the Municipality of Princeton, Docket No. MER-L-1550-15 and in the Matter of West Windsor Township, Docket No. MER-L01561-15, Superior Court of New Jersey, established a methodology for calculating Prospective Need obligations which multiple experts went on to use to calculate Third Round Fair Share Obligations.

Per the Jacobson Decision, Netcong had a 1999-2025 obligation to provide **36 affordable housing units**. Although not bound by the Jacobson Decision, given the ambiguity surrounding the Borough’s Third Round Prospective Need, in this Housing Element and Fair Share Plan Netcong elects to use the Jacobson Decision numbers since the numbers were the only set of expert numbers generally presumed to be valid.

5.2 Satisfaction of Prior Round Affordable Housing Obligations (1987-2025)

5.2.1 The 2016 HESFP

The 2016 HEFSP and subsequent Judgment of Compliance and Repose anticipated the following projects would yield 65 affordable housing units.

THE STATION AREA REDEVELOPMENT PLAN

In 2004, the Mayor and Council designated a Redevelopment Area pursuant to the LHRL. The Redevelopment Area was bounded by Flanders Road, Furnace Pond, Bank Street, Main Street, and Route 46 and included the entirety of Block 19, as well as Block 16, Lots 24, 25, and 25.01. The Station Area Redevelopment Plan was first adopted in 2005 for a 12.8-acre subset of the redevelopment area on Block 19, Lots 20, 21.01, 22, 28, 28.01, 29, 30, 34.02, 35, 36, 37, 38, and 39. Adjacent to downtown Netcong and the New Jersey Transit train station, the Redevelopment Plan envisioned a mixed use redevelopment that would yield 108 market-rate residential units **and 25 affordable units** (14 for-sale and 11 rental, including very low-income rental units), as well as office and/or retail developments. Residential development would include a mix of multi-family, townhouses, and semi-attached housing.

THE STOLL/ALLEN STREET REDEVELOPMENT PLAN

In 2005, the Borough designated the Stoll/Allen Street Redevelopment Area which included Block 8, Lots 15, 16, 17, 23.01, 24, 24.02, 24.03, 27, 28, 29, 30, 31, and 32. The Redevelopment Area is divided into three “sectors,” including an older industrial complex on the western half, automotive uses on the eastern half, and a small residential/commercial enclave on the north-central section. The Stoll/Allen Street Redevelopment Plan permits townhouse and multifamily development at a density not to exceed 12 units per acre. The Borough anticipated 103 stacked multi-family condominium units including **21 affordable housing units**.

THE OLD POCKETBOOK FACTORY

In 2013, the Planning Board adopted a Redevelopment Plan for a subsection of the Station Area Redevelopment Area. The plan focused on Block 19, Lot 14 on Flanders Road between Route 46/Main Street and the rail right-of-way. The Plan permitted 72 multifamily units, ten percent of which will be affordable housing units (i.e., **7 affordable units**).

THE QUIRK SITE

In 2016, the Planning Board adopted a Redevelopment Plan for another subsection of the Station Area Redevelopment Area. The plan focused on Block 16.01, Lots 24 and 25.01 for the former Quirk Industrial property known as the Quirk Site. This plan anticipated the development of 120 residential units including **12 affordable units**.

5.3 Status of Projects in 2016 HEFSP

THE STATION AREA REDEVELOPMENT PLAN

An amendment to the phase one redevelopment of the Station Area was prepared in August 2016, titled Phase 1 Amendment to the Station Area Redevelopment Plan. This plan discusses the lack of traction to implement the original 2005 Plan as related to issues with diverse ownership and difficulties in assembling properties to carry out the redevelopment scheme. In addition, a weakening condominium market, recession, growth of online retail, and legal changes to the use of eminent domain in securing land. The amended 2016 Plan allowed for a phased approach to implementation of the Station Area Redevelopment Plan, focusing on redevelopment of the NJ Transit property, which includes Block 19, Lots 35, 36, 38, 39, and a portion of Lot 37, as the first phase. Uses permitted in the Phase 1 Area included multifamily residential dwellings, either for sale or for rent, required ground-floor retail, offices, and surface/structured parking. The maximum density was 32 units per acre, which could be increased to 40 units per acre if structured parking was provided. Building heights were permitted to the lesser of four stories or 50 feet. The Amended Plan also removed the public realm requirements that were part of the original Plan but encouraged creative and innovative approaches to modifying the street grid and open space plan.

Since the Plan's adoption in 2005 and amendment in 2016, no redevelopment activity has occurred, apart from subsections of the original Redevelopment Area described below, despite the Borough's facilitation efforts. The Station Area Redevelopment Plan Area continues to hold potential to become a vibrant mixed-use district. The 2022 Reexamination Report recommended that the Borough re-visit the Plan to formulate a viable redevelopment scheme. At this time, the 25 affordable units contemplated in the 2016 HEFSP have not been completed. As such, consistent with the Borough's Fourth Round FSHC Settlement Agreement, the Borough will prepare an amended Phase 1 Amendment to the Station Area Redevelopment Plan in order to provide for the continued realistic opportunity for the construction of affordable housing units, as described in further detail in Section 5.6.3 below.

THE STOLL/ALLEN STREET REDEVELOPMENT PLAN

Since its last amendment in 2009, no redevelopment activity has occurred, and the prospective redeveloper seeking to assemble properties within the Redevelopment Area has stepped away from the project. Consequently, the Plan Area requires a fresh look to determine whether existing constraints, which include possible environmental contamination and diverse ownership, can be overcome either in whole or in part to facilitate redevelopment. At this time, the 21 affordable units contemplated in the 2016 HEFSP have not been completed.

THE OLD POCKETBOOK FACTORY/CROWN WALK APARTMENTS

The 2013 Redevelopment Plan was amended in February 2019. The Plan permits multi-family residential development with a maximum residential yield of 80 units and a ten-percent set-aside of affordable units. Building heights are permitted to be five stories, 48 feet to the highest eave, and 58 feet to the roof ridgeline. The Planning Board approved a residential project that is generally consistent with the amended Redevelopment Plan. The CrownWalk Apartments (i.e., 2 Flanders Road) are complete and include **8 rental affordable housing units**, one more unit than anticipated in the 2016 HEFSP.

The family rental units are administered by CPG&H. They include 2 one-bedroom, 4 two-bedroom units; and 2 three-bedroom units. Four of the 8 units are available to low-income households and four are available to moderate-income households. At least half of each unit type are available to low-income households.

THE QUIRK SITE/CROWN POINT NETCONG

The Planning Board approved a site plan application for “Crown Point Netcong” in 2017 on the Quirk Site, consisting of a four-building multi-family residential project that was generally consistent with the Redevelopment Plan. The development is now constructed and located across Bank Street from the unrealized area of the Station Area Redevelopment Plan. Crown Point Netcong (i.e., 34 Bank Street) is complete and includes **13 rental affordable housing units**, one more unit than anticipated in the 2016 HEFSP.

The family rental units are administered by CPG&H. They include 2 one-bedroom units; 8 two-bedroom units; and 3 three-bedroom units. Seven of the 13 units are available to low-income households (i.e., 54 percent) including two very-low-income units (i.e., 15 percent). At least half of each unit type is available to low-income households.

5.4 Affordable Housing Units Constructed and/or Planned Since 2016

- 5.4.1 Since the 2016 HEFSP and Judgment of Compliance and Repose, additional projects with affordable housing units have been proposed and/or completed in Netcong including the following:

ALLEN HILL MANOR

In 2024, the Planning Board granted Preliminary Site Plan approval to demolish existing structures on

Block 11, Lot 6 (i.e., 39 Ledgewood Avenue/Route 183) to build a 2-story residential apartment building with 8 dwelling units including **1 one-bedroom family rental affordable housing unit**.

ST. MICHAEL’S/ MOUNTAIN VIEW AT NETCONG

In 2022, the Borough Council designated Block 26, Lot 6 and a portion of Lot 10 as a non-condemnation area in need of redevelopment. The Planning Board subsequently adopted a Redevelopment Plan in August 2023. The properties consist primarily of surface parking lots associated with an unbuilt early childcare learning center and St. Michael’s Church, as well as undeveloped land on an oversized residential lot. The Plan permits 64 3½-story market-rate townhouses and 12 three-story affordable senior multi-unit dwellings.

In 2024, the Planning Board granted approval to the project which will produce **12 senior rental affordable housing units**.

BLOCK 15 REDEVELOPMENT

In 2023, the Borough Council designated five contiguous properties (i.e., Block 15, Lots 29, 30, 31, 32, & 33) on the east side of Main Street and the north side of Maple Avenue as a “rehabilitation area” consistent with the LRHL at N.J.S.A. 40A:12A-14. Thereafter, the Borough adopted a “Redevelopment Plan for Block 15, Lots 29, 30, 31, 32, & 33.” The Plan permits a variety of commercial uses on the ground floor and multifamily residential dwellings above. A maximum of 50 residential units and a minimum of 6,000 square feet of commercial area is required. The Plan also requires a 15% set-aside of affordable units. The Block 15 Rehabilitation Area is located within the official ½-mile Transit Village area.

In 2024, the Planning Board granted approval to the project which will produce **8 family rental affordable housing units**.

5.5 Calculation of Fourth Round Obligation (2025-2035)

5.5.1 Introduction

The Fourth Round affordable housing obligation is comprised of two components: a Present Need (or Rehabilitation) obligation; and a Prospective Need obligation.

The Present Need obligation is defined as the number of substandard existing deficient housing units in the municipality currently occupied by low- and moderate-income (LMI) households.

The Prospective Need is a projection of the need for low- and moderate-housing based on development and growth which is reasonably likely to occur in a region or a municipality.

5.5.2 DCA Estimates of Borough’s Fourth Round Obligations

The Amended FHA required the New Jersey Department of Community Affairs (“DCA”) to provide an estimate of the fair share affordable housing obligations of all municipalities on or before October 20, 2024 based upon the criteria of the Amended FHA.

DCA issued a report on October 18, 2024 (the “DCA Report”) wherein it reported its estimate of the fair share affordable housing obligation for all municipalities based upon its interpretation of the standards in the Act.

The DCA Report calculates Netcong’s Round 4 (2025-2035) fair share affordable housing obligations as follows: a Present Need (Rehabilitation) Obligation of 24 units and a Prospective Need (New Construction) Obligation of 50 units.

The Amended FHA states that the DCA Report is non-binding and permits municipalities to demonstrate that the Amended FHA would support revised calculations of Round 4 fair share affordable housing obligations; and provides municipalities the opportunity to propose a different fair share affordable housing obligation from those reported by the DCA Report. The Amended FHA requires municipalities to adopt a binding resolution no later than January 31, 2025, as to its obligations.

Prior to adopting the binding resolution setting forth the Borough’s obligations, Netcong exercised its right to analyze the data reported by DCA in the October 18, 2024 Report.

Pursuant to the Amended FHA, on January 30, 2025, the Mayor and Council adopted a binding resolution (Resolution Number (2025-25) of participation with the Affordable Housing Dispute Resolution Program (the “Program”) in accordance with the requirements of the Amended FHA. The Borough’s resolution to set the Borough’s affordable housing obligations for the Fourth Round as follows: a Present Need of 24 units; and a Prospective Need of 47 units.

The Borough subsequently filed the resolution and a declaratory judgment (Docket No. DOCKET NO.: MRS-L-312-25) within 48 hours of adoption with the Superior Court.

5.5.3 Challenge and Settlement of Fourth Round Obligation

In accordance with the timeframes set forth in the Amended FHA, the New Jersey Builders Association (“NJBA”) filed objections to the Borough’s resolution contending that the Borough had improperly calculated its Prospective Need obligation.

The Borough engaged in settlement conferences with NJBA before reaching a settlement on March 27, 2025 that the Borough’s Prospective Need obligation for the Fourth Round is 48 units. The Program recommended the obligation to the Mt. Laurel vicinage judge. See **Appendix B**.

In short, the Borough’s Fourth Round obligation is as follows in Table 20, Fourth Round Obligation.

TABLE 20. FOURTH ROUND OBLIGATION

Present Need (Rehabilitation) Obligation	24 Units
Prospective Need Obligation	48 Units

5.5.4 Highlands Build Out Analysis and Vacant Land Adjustment

There is limited land in the Borough that is vacant or otherwise developable for affordable and/or inclusionary housing. This is largely due to the Borough being mostly built-out with many of the undeveloped parcels being environmentally constrained (i.e., wetlands, steep slopes, water bodies, and/or flood hazard areas). As a result, the Borough is seeking a Vacant Land Adjustment (“VLA”) analysis undertaken on behalf of the Borough of Netcong pursuant to the Amended FHA.

Netcong remains committed to meeting its constitutional obligation to provide, through its land use regulations, a realistic opportunity for a fair share of the region’s present and prospective needs for housing for low- and moderate-income families. The Borough is in the process of becoming Highlands-conforming municipality and its petition for designation as a Highlands Center was approved by the Highlands Council in April 2025. The Highlands has indicated to the Borough that it is entitled to the statutory benefits associated with Highlands Plan Conformance.

Pursuant to the 2024 Highlands Affordable Housing RMP Amendment, conforming municipalities shall implement both the resource protection requirements of the Highlands Regional Master Plan (“RMP”) and provide for a realistic opportunity for a fair share of its region’s needs for housing for low- and moderate-income households. Proposed affordable housing developments in conforming municipalities must therefore be consistent with the RMP Land Use Capability Zone designations while providing for the protection of individual Highlands region resources. As such, the Highlands Council created a Highlands Build-Out Analysis (BOA), to determine parcels eligible for development. This analysis applied a series of conditional determination rules to each parcel, determining, per Highlands standards, if the parcel is developable. The Borough’s VLA conforms to both the standards of the Amended FHA and the Highlands RMP. See **Appendix C** for an explanation of the VLA methodology. **Appendix D** provides an inventory of each parcel analyzed and an explanation for why it was excluded. Appendix D also includes maps showing the locations of the parcels inventoried and maps of their respective constraints.

Based on the Highlands Build-Out Analysis and the provisions of the Amended FHA, Netcong’s VLA indicates that approximately ±3.1-acres exist within the Borough that are suitable for inclusionary multifamily residential development. Assuming a density of 15 dwelling units per acre, the Borough has a **RDP of 10 units (rounded up)**. See Table 21, Developable Acreage.

TABLE 21. DEVELOPABLE ACREAGE

Block	Lot	Property Class	Property Location	Owner Name	Zone	Lot Acreage	Total Environmentally Constrained Acreage	Remaining Acreage	Notes
19	29	1	FLANDERS RD	ROSEWOOD NETCONG HOLDINGS, LLC	B-C	1.078	0.064	1.014	Sleep slopes present; remaining developable acreage > 0.83 acres.
22	4	1	TERRACE ST	ST MICHAELS ROMAN CATHOLIC CHURCH	R-3A	13.710	12.534	1.176	Steep slopes, wetlands, & waterbody present; developable acreage > 0.83 acres.
23	5	1	37-2 CENTER ST	MONTELLA, FELICE/ANNA C	R-3A	1.078	0.188	0.890	Sleep slopes present; remaining developable acreage > 0.83 acres.
Total Developable Acreage								3.1 acres	

5.6 Plan to Address Fourth Round Obligation (2025-2035)

5.6.1 Present Need (24 Units)

The Borough will continue to participate in The Morris County Housing Rehabilitation Program which provides funds to income eligible homeowners to address major system failures in their primary residence. The Borough will also provide funds from its Affordable Housing Trust Fund if deemed necessary to supplement the County Program funds.

5.6.2 Plan to Address its Fourth Round RDP of 10 Units and Third Round Obligation of 36 Units

In order to address to its 10 unit RDP and the 36 unit Third Round Obligation, the Borough proposes the following compliance mechanisms. Table 22, Third and Fourth Round Affordable Housing Plan.

TABLE 23. AFFORDABLE HOUSING PLAN FOR THIRD AND FOURTH ROUNDS

Project	Tenancy	Total Affordable Units	THIRD ROUND		FOURTH ROUND		Status
			Affordable Units to Meet Third Round	Bonus Credits to Meet Third Round	Affordable Units to Meet Fourth Round	Bonus Credits to Meet Fourth Round	
Crown Walk/2 Flanders	Family Rentals	8	8	8 ¹	---	---	Complete
Crown Point/ 34 Bank	Family Rentals	13	9	1 ¹	4	2 ³	Complete
Allen Hill Manor	Family Rental	1	1	---	---	---	Approved
St. Michael's/ Mountain View At Netcong	Senior Rental	12	9 ²	---	3		Approved
Block 15 Redevelopment	Family Rental	8	---	---	8	0.5 ³	Approved
			27	9⁴	15	2.5⁴	
			36 Credits to Third Round Obligation of 36 Units		17.5 Credits to Fourth Round RDP of 10 Units		

¹Third Round rental bonus credits.

² Number of age-restricted units to address Third Round is limited to 25 percent of obligation (i.e., 25% of 36 or 9).

³ Each unit is eligible for a 0.5 bonus credit because the project is within a half-mile of a NJ Transit railroad station.

⁴ Limited to 25 percent of obligation.

5.6.3 Zoning to Address Twenty-Five Percent of Unmet Need Likely to Redevelop

As part of addressing its Fourth Round affordable housing obligation through the utilization of a vacant land adjustment, the Borough is required to identify properties which represent at least 25 percent of its unmet need which are likely to redevelop during the Fourth Round. The Borough must then accordingly adopt realistic zoning which permits affordable housing development at such locations.

The Borough has an unmet need of 38 units (48-unit obligation minus RDP of 10 units) and 25 percent of 38 units is 9.5 units. The Borough will apply 7.5 Fourth Round units in surplus of its 10-unit RDP toward the 25 percent requirement.

The Borough will also amend the Phase 1 Amendment to the Station Area Redevelopment Plan to allow for greater density and provide affordable units in excess of the 2 credits needed to address the Borough's remaining unmet need requirement..

5.7 Other Requirements

The Borough will comply with the following requirements pursuant to the Amended FHA:

VERY LOW-INCOME OBLIGATION

Per the Amended FHA, the Borough will require that 13% of all units created in this plan, except those units that were constructed or granted preliminary or final site plan approval prior to July 1, 2008, to be very low-income units, with half of the very low-income units being available to families.

Specifically, of the 42 units included in this plan, at least 6 units will be available to very low-income households. Two of the units at Crown Point are very low-income. Two of the units at Mountain View at Netcong will be very low-income. Two of the units at the Block 15 Redevelopment will be very low-income.

LOW INCOME OBLIGATION

Per the Amended FHA, the Borough will require that at least 50 percent of the units created to address both the Third and Fourth Round Prospective Need obligations will be affordable to very low-income and low-income households, with the remainder affordable to moderate-income households.

MINIMUM RENTAL OBLIGATION

Per the Amended FHA, a municipality shall satisfy a minimum of 25 percent of the actual affordable housing units created, exclusive of any bonus credits, to address its prospective need affordable housing obligation, through rental housing, including at least half of that number available to families with children.

All 42 units included in this plan will be rental units and 30 units (i.e., 71 percent) will be family rental units.

MINIMUM FAMILY OBLIGATION

Per the Amended FHA, a municipality shall satisfy a minimum of 50 percent of the actual affordable housing units, exclusive of any bonus credits, created to address its prospective need affordable housing obligation through the creation of housing available to families with children.

Of the 42 units included in this plan, 30 units (i.e., 71 percent) will be family rental units.

MAXIMUM PERMITTED AGE-RESTRICTED UNITS

The Amended FHA limits the amount of age-restricted units a municipality can use to address its obligation to 30 percent (up from 25 percent in the Third Round).

This plan includes 9 age-restricted units to address the 36-unit Third Round obligation (i.e., 25 percent) and 3 age-restricted units to address the 10-unit Fourth Round RDP (i.e., 30 percent).

REQUIRED BEDROOM DISTRIBUTION

All units shall include the required bedroom distribution, and be governed by controls on affordability

and affirmatively marketed in conformance with the Uniform Housing Affordability Controls N.J.A.C. 5:80-26.1 et seq. or any successor regulation.

5.8 Spending Plan

The Borough's Amended Fourth Round Spending Plan is included in **Appendix E**.

6 Consistency with Housing Element of Highlands Regional Master Plan

The vacant land adjustment (the “VLA”) for Netcong is consistent with the housing element of the Highlands Regional Master Plan (“RMP”) for lands in the Highlands Planning Area. The VLA includes consideration of the municipality's most recent Highlands Municipal Build Out Report, consideration of opportunities for redevelopment of existing developed lands into inclusionary or 100 percent affordable housing, or both.

The Borough is in the process of updating its ordinances, including its Affordable Housing Ordinance, to be consistent with the RMP.

7 Consistency with the State Development and Redevelopment Plan

The New Jersey State Development and Redevelopment Plan (SDRP) was originally adopted in 1992. The purpose of the SDRP according to the State Planning Act at N.J.S.A. 52:18A-200(f) 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.

The State Plan is not a regulation, but a policy guide, and is meant to coordinate planning activities and development throughout the state. At the municipal level, master plans are required to be evaluated and, if necessary, modified to reflect policies of the State Plan. The State Plan is also important when the State makes infrastructural and other investment decisions, i.e., in determining where available State funds should be expended.

A revised version of the plan was adopted by the State Planning Commission in 2001. While required by the State Planning Act to be revised and re-adopted every three years, the SDRP had not been revised and readopted since 2001 until 2025. On December 17, 2025, the State Planning Commission readopted the revised SDRP, which set forth the following comprehensive goals:

- Promote economic growth that benefits all residents of new jersey
- Provide an adequate supply of housing for residents of all ages and incomes in communities of their choosing that meet their needs and offer ready access to the full range of supportive goods and services
- Economic opportunity through nation-leading infrastructure
- Revitalize and recenter the state's underutilized developed areas
- Effectively address the adverse impacts of global climate change
- Protect, maintain, and restore the state's natural and water resources and ecosystems
- Protect the environment; prevent and clean up pollution
- Protect, enhance, and improve access to areas with exceptional archeological, historic, cultural, scenic, open space, and recreational value
- Implement equitable planning practices to promote thriving communities for all New Jerseyans
- Foster sound and integrated planning and implementation at all levels Statewide

At the time of readoption, the State Planning Commission and Office of Planning Advocacy decided to postpone decisions related to State Plan map changes as part of the cross-acceptance process through 2026, with no timetable set as of yet. As such, the designations as shown within the 2001 SDRP Policy Map remain applicable, subject to future revisions as part of the cross-acceptance process. As depicted within the last revised State Plan Map, the majority of Netcong is located within the Suburban Planning Area (PA2) with small portions in the southern part of the Borough in the Environmentally Sensitive Planning Area (PA5).

In the Suburban Planning Area, the intention of the State Plan is to:

1. Provide for a portion of the state's future growth in compact development and redevelopment in Centers and other appropriate areas;
2. Promote walkability and multi-modal transportation options;
3. Protect and enhance the character of existing stable communities;
4. Protect and enhance natural resources and promote increased biodiversity, reforestation and habitat restoration;
5. Redesign auto-oriented areas and promote traffic calming and other forms of pedestrian counter measures;
6. Reverse any further sprawl development, including warehouse sprawl; and
7. Revitalize and enhance towns and other traditional settlements.

In the Environmentally Sensitive Planning Area, the intent of the State Plan is to:

1. Protect environmental resources;
2. Protect both large and small contiguous areas of land;
3. Promote restoring habitats and bio-diversity;
4. Accommodate growth only in Centers, excluding flood prone areas;
5. Confining programmed sewers and public water services to Centers;
6. Revitalize cities, towns, and older traditional settlements; and
7. Protect, enhance, and diversify the existing character of stable communities.

It is further noted that the revised 2025 SDRP establishes a sub area to the Suburban Planning Area, known as the Suburban/Floodprone Planning Area (PA2B). The intent of this planning area is to:

1. Recognize developed areas that face current and future flood risk;
2. Minimize the risks to life and property from natural hazards;
3. Advance redevelopment and climate adaptation strategies that reduce flooding impacts and support existing communities;
4. Discourage new and unneeded development and growth-inducing infrastructure projects; and
5. Implement green infrastructure improvements.

The Netcong Housing Element and Fair Share Plan recognizes the need to encourage development and redevelopment on the limited developable land in the Borough, while also prioritizing the protection of its natural resources and maintaining the character of the area. This Housing Plan promotes strategic and smart planning for compact forms of housing and mixed-use development in appropriate locations

served by existing infrastructure and proximate to transit, stores and services, and is therefore consistent with the State Plan.

8 Appendixes

- Appendix A** 2017 Third Round Settlement Agreements with Fair Share Housing Center
- Appendix B** Program Recommendation for Municipal Obligations for “Present Need” and “Prospective Need” for the Fourth Round
- Appendix C** Highlands Build-Out Analysis & Vacant Land Adjustment Methodology
- Appendix D** Inventory and Maps of Parcels Investigated in Build-Out Analysis and Vacant Land Adjustment
- Appendix E** Spending Plan
- Appendix F** Adopted Affordable Housing Ordinance
- Appendix G** Adopted Development Fee Ordinance
- Appendix H** Resolution Appointing Municipal Housing Liaison

Appendix A. 2016 Judgment of Compliance and Repose

FILED
SEP 20 2016
JUL 10 14
JUL 10 14

FILED

SEP 20 2016

CLERK OF SUPERIOR COURT

MURPHY McKEON, P.C.
51 Route 23 South, P.O. Box 70
Riverdale, New Jersey 07457
(973) 835-0100
Attorneys for Borough of Netcong, Plaintiff/Petitioner
By: Robert H. Oostdyk, Jr. [021961989]

IN THE MATTER OF THE APPLICATION
OF THE BOROUGH OF NETCONG, a
municipal corporation of the State of New Jersey,

Plaintiff/Petitioner.

: SUPERIOR COURT OF NEW JERSEY
: LAW DIVISION : MORRIS COUNTY

: DOCKET NO. MRS-L-1766-15

: Civil Action

: ORDER GRANTING THIRD ROUND
: SUBSTANTIVE CERTIFICATION TO
: THE BOROUGH OF NETCONG

This matter having been presented to the Court by Robert Oostdyk, Esq., Murphy McKeon, PC, by way of declaratory judgment action filed on behalf of the Borough of Netcong, and the court having considered the municipality's request for a declaratory judgment through a hearing on July 20, 2016, for the purpose of determining Netcong's compliance with its affordable housing obligation pursuant to the Mount Laurel doctrine and the Fair Housing Act; and

IT APPEARING that Netcong filed the above-captioned matter on July 2, 2015 seeking a declaration of its compliance with the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 53:27D-301 et seq. in accordance with In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1 (2015); and,

IT FURTHER APPEARING that a case management order was entered on April 19, 2016 that scheduled the fairness hearing to July 20, 2016 at 9:30 a.m.; and,

IT FURTHER APPEARING that a Notice of this hearing was previously provided to all parties on the service list identified on the Declaratory Judgment for this matter, including Fair Share Housing Center, and that the court received into the record evidence of said notice having been provided; and,

IT FURTHER APPEARING that the Housing Element and Fair Share Plan and related documents have been made available to the public for inspection at the Borough Clerk's Office; and,

IT FURTHER APPEARING that no written objections or opposition have been filed in regard to the Borough's proposed Housing Element and Fair Share Plan; and,

IT FURTHER APPEARING that the Court has heard testimony from Paul A. Philips, PP, AICP regarding Borough of Netcong's Housing Element and Fair Share Plan.

NOW THEREFORE, IT IS on this 29th day of September, 2016, ORDERED as follows:

1. The Court hereby, without objection from any party, finds that the Fair Share Plan and Housing Element dated January 2016 as adopted by the Borough of Netcong Planning Board on March 28, 2016 and accepted by the Borough Council of the Borough of Netcong on April 14, 2016 to be fair and reasonable.

2. The court further finds that the Fair Share Plan adopted by the Borough meets its constitutional obligations under Mount Laurel and the Fair Housing Act.

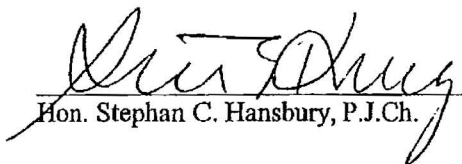
3. The Borough shall comply with all provisions of the Fair Housing Act during the ten year period of repose granted by the Council. The Fair Housing Act includes two provisions regarding action to be taken by the Borough during the ten-year period of protection provided in this Judgment. The Borough shall comply with those provisions as follows:

- a. For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, the Borough will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its implementation of its 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.
- b. 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 Borough 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 Fair Share Plan.

4. The Court hereby grants the Borough the judicial equivalent of substantive certification and accompanying protection as provided under the Fair Housing Act and in accordance with In re N.J.A.C. 5:96 & 5:97, 221 N.J. 1, 36 (2015). The accompanying protection shall remain in effect through July 20, 2025.

5. A copy of this order shall be served on all counsel of record, and all interested parties within 5 days of receipt of it by counsel for the Borough of Netcong.


Hon. Stephan C. Hansbury, P.J.Ch.

*Signed pursuant to
the 5 day rule
without objection*

Appendix B. Program Recommendation for Municipal Obligations for
“Present Need” and “Prospective Need” for the Fourth Round

PREPARED BY THE AFFORDABLE HOUSING PROGRAM:

**In the Matter of
Netcong Borough**

Superior Court of New Jersey
Law Division, Civil Part

Docket No. MRS-L-312-25

**Program Settlement Recommendation
Present Need and Prospective Need**

THIS MATTER, having come before the Affordable Housing Program, pursuant to the Complaint for Declaratory Judgment filed on February 2, 2025 ("DJ Complaint") by **Netcong Borough** ("Petitioner" or "Municipality"), pursuant to N.J.S.A. 52:27D-304.2, -304.3, and -304.1(f)(1)(c) of the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301, et seq. (collectively, the "FHA"), and in accordance with Section II.A of Administrative Directive #14-24 ("Directive #14-24") of the Affordable Housing Dispute Resolution Program (the "Program"), seeking a certification of compliance with the FHA;

AND IT APPEARING that, on October 18, 2024, pursuant to the FHA (as amended), the **New Jersey Department of Community Affairs ("DCA")** issued its report entitled "Affordable Housing Obligations for 2025-2035 (Fourth Round)", therein setting forth the "present need" and "prospective need" obligations of all

New Jersey municipalities for the Fourth-Round housing cycle (the “DCA’s Fourth Round Report”);

AND IT APPEARING that, pursuant to the DCA’s Fourth Round Report, the “prospective need” obligation of the Petitioner has been calculated and reported as 50 affordable units, and which calculations have been deemed “presumptively valid” for purposes of the FHA;

AND IT APPEARING THAT The Amended FHA Act requires municipalities that wish to receive immunity for the Fourth Round via participation in the Program to file a “binding resolution no later than January 31, 2025” which contains the Township’s calculation of its Fourth-Round fair share obligations and to “file an action regarding the resolution with the Program.” N.J.S.A. 52:27D-304.1(f)(1)(b),

AND IT APPEARING that the Municipality represented by Robert Oostdyk timely adopted **resolution 2025-25 on January 31, 2025** seeking deviation from DCA numbers based on their planners recommendation for 47 units for prospective need affordable housing obligation;

AND IT APPEARING that challenges to the Municipal calculations were timely and properly filed by

the **New Jersey Builders Association** represented by Thomas Carroll, Esq. challenger disputing the town proposed obligations for present and prospective need, and supporting DCA present and prospective need obligations, each challenge supported by their own expert reports,

AND IT APPEARING; The Administrative Office of the Courts and the Program appointed and assigned the case to program member **Judge Stephan C. Hansbury, Retired on Recall** to manage the proceedings, host settlement conferences and make recommendations to the Mount Laurel Judge in accordance with the FHA statute and the AOC Directive,

AND IT APPEARING THAT the appointed program member has fully considered all the submissions of counsel for all parties, the various planners reports, the DCA report, and the program member having a conducted **settlement conference on March 27, 2025**, in accordance with Directive and the statutory framework.

AND IT APPEARING THAT, the AOC appointed an independent special adjudicator affordable housing expert to work with, make recommendations and assist the program, working closely with the program member, and **James Kyle** appointed as special adjudicator in this case,

AND IT APPEARING THAT, the March 27 settlement conference was conducted on notice to all parties and the participation including attorneys, and planners for the Builders Association, everyone with the goal of reaching a resolution,

AND IT APPEARING THAT, the parties have engaged in extensive settlement negotiations before, during and after the settlement conferences, with the guidance and assistance of the program member assigned to the case and the special adjudicator,

AND IT APPEARING THAT the municipality and Fair Housing have reached a resolution, the settlement was placed on the record,

AND IT APPEARING that the special adjudicator recommends accepting the settlement to the program, and that the terms of the **settlement are as follows: 48** units of affordable housing for prospective need obligation, and that parties will now move on to the compliance phase to address the remaining issues pursuant to FHA and the AOC Directive,

For all those reasons, The program member hereby recommends for consideration and review that an ORDER be entered by the County Mount Laurel Judge as follows:

Accepting the proposed settlement and establishing that the Municipal Affordable Housing that the “prospective need” obligation of the Municipality, be, and hereby is fixed as 48 affordable units for the Fourth Round Housing cycle.

And the program also recommending an order be entered that the Municipality is hereby authorized to proceed with preparation and adoption of its proposed Housing Element and Fair Share Plan for the Fourth Round, incorporating therein the “present need” and “prospective need” allocations aforesaid (and which plan shall include the elements set forth in the “Addendum” attached to Directive #14-24), by or before June 30, 2025, as provided for and in accordance with Section III.A of Directive #14-24, and without further delay.

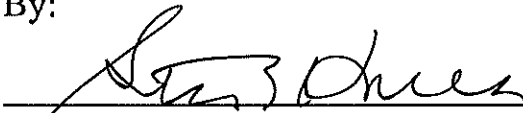
And the Program recommending for an order that any and all “challenges” to the Petitioner’s housing element and fair share plan as adopted pursuant to Paragraph 3 above must be filed by August 31, 2025, by way of Answer/Objection filed in the

eCourts and as provided for and in accordance with Section III.B of Directive #14-24;

And the program also recommending that a copy of the Order shall be deemed served on the Petitioner, Petitioner's counsel and the Program Chair upon its posting by the Court to the eCourts case jacket for this matter pursuant to R. 1:5-1(a) and R. 1:32-2A.

Respectfully submitted by The Program:

By:


 Hon. Stephan C. Hansbury, J.S.C. (Ret.)

Dated: March 27, 2025

Mount Laurel Judge:

The Program's decision is ☐ accepted for the reasons set forth by the Program, ☐ accepted for the reasons set forth below, ☐ rejected, ☐ accepted/rejected in part.

Findings of fact and conclusions of law (Rule 1:7-4(a)):

By:

Hon. _____, J.S.C.

Dated: _____

Appendix C. Highlands Build-Out Analysis & Vacant Land Adjustment Methodology

Highlands Build-Out Analysis & Vacant Land Adjustment Analysis Methodology

8.1 Introduction

The Borough of Netcong seeks an adjustment of its prospective need obligation for the Fourth Round based on a lack of vacant land. Per P.L.2024, c.2 (C.52:27D-310.1), when computing a municipal adjustment regarding available land resources as part of the determination of a municipality's fair share of affordable housing, the municipality, may exclude the following vacant land:

- (a) any land that is owned by a local government entity that as of January 1, 1997, has adopted, prior to the institution of a lawsuit seeking a builder's remedy or prior to the filing of a petition for substantive certification of a housing element and fair share plan, a resolution authorizing an execution of agreement that the land be utilized for a public purpose other than housing;
- (b) any land listed on a master plan of a municipality as being dedicated, by easement or otherwise, for purposes of conservation, park lands or open space and which is owned, leased, licensed, or in any manner operated by a county, municipality or tax-exempt, nonprofit organization including a local board of education, or by more than one municipality by joint agreement pursuant to P.L.1964, c.185 (C.40:61-35.1 et seq.), for so long as the entity maintains such ownership, lease, license, or operational control of such land;
- (c) any vacant contiguous parcels of land in private ownership of a size which would accommodate fewer than five housing units based on appropriate standards pertaining to housing density;
- (d) historic and architecturally important sites listed on the State Register of Historic Places or National Register of Historic Places prior to the date of filing a housing element and fair share plan pursuant to section 3 of P.L.2024, c.2 (C.52:27D-304.1) or initiation of an action pursuant to section 13 of P.L.1985, c.222 (C.52:27D-313);
- (e) agricultural lands when the development rights to these lands have been purchased or restricted by covenant;
- (f) sites designated for active recreation that are designated for recreational purposes in the municipal master plan; and
- (g) environmentally sensitive lands where development is prohibited by any State or federal agency, including, but not limited to, the Highlands Water Protection and Planning Council, established pursuant to section 4 of P.L.2004, c.120 (C.13:20-4), for lands in the Highlands Preservation Area, and lands in the Highlands Planning Area for Highlands -conforming municipalities.

No municipality shall be required to utilize for affordable housing purposes land that is excluded from being designated as vacant land.

The Borough is seeking an adjustment of its prospective need obligations for the Fourth Round based

on a lack of vacant land pursuant to P.L.2024, c.2 (C.52:27D-304.1) including P.L.2024, c.2 (C.52:27D-304.1(g)).

The Borough of Netcong is entitled to the statutory benefits associated with Highlands Plan Conformance as detailed in the Highlands Act, the Regional Master Plan (“RMP”), and the Plan Conformance Procedures in Addendum 2019-2. On April 18, 2024, the Highlands Council adopted an amendment to the RMP entitled Highlands Affordable Housing RMP Amendment. The amendment provides standards based on the RMP and the Fair Housing Act as to where it is appropriate to locate affordable housing based on the Goals, Policies and Objectives of the RMP. Policy 607 of the RMP requires that conforming municipalities implement both the resource protection requirements of the RMP and provide for a realistic opportunity for a fair share of its region’s needs for housing for low- and moderate-income households. Proposed affordable housing developments in conforming municipalities must therefore be consistent with the RMP Land Use Capability Zone (“LUCZ”) designations while providing for the protection of individual Highlands region resources. As such, the Highlands Council created a Highlands Build-Out Analysis (BOA), to determine parcels eligible for development. This analysis applied a series of conditional determination rules to each parcel, determining, per Highlands’ standards, if the parcel is developable. These rules reflect the policies and standards in the 2024 Highlands Affordable Housing RMP Amendment.

The Highlands Council conducted a Build-Out Analysis for Netcong which was reviewed by the Borough and used as a basis for the Borough to seek a Vacant Land Adjustment pursuant to P.L.2024, c.2 (C.52:27D-304.1). The Highlands Build-Out Analysis steps are summarized below as are the steps used by the Borough to conduct a Vacant Land Adjustment.

8.2 Highlands Build-Out Analysis

METHODOLOGY

Step 1. The Highlands Build-Out analysis update process begins with the inclusion of all parcels within the municipality, using the 2024 statewide parcel data layer. Any missing data was flagged and the Borough subsequently provided the data to the Highlands Council.

Step 2. The Highlands identified developable parcels. This involved including all of the following parcels identified as being vacant, underdeveloped, and eligible for development, specifically:

- Parcels with MODIV property class code 1 and 3B; or
- Parcels with a public or other MODIV property class code 15C or 15F where 0.83 acres or greater is available for development after the existing building footprint area (Microsoft, 2018) is subtracted from the maximum building coverage (based on the maximum building coverage percentage permitted by local zoning); or
- Parcel with a public or other MODIV property class code 15C or 15F where 0.83 acres or greater is available for development after the existing impervious surface area is subtracted from the maximum impervious surface lot coverage (based on the impervious lot coverage percentage permitted by local zoning).

Step 3. Next, the Highlands identified non-developable parcels. This involved excluding all parcels that met the following criteria:

- Any parcels identified as developable above but were subsequently determined to be developed, not vacant, or otherwise ineligible for development;
- Parcels with over 95% open water; or
- Parcels over 0.83 acre in area which are 95% preserved; or
- Parcels 95% in the Preservation Area; or
- Parcels with MODIV property class 2 or 3A and 3b combined; or
- Parcels with MODIV property class codes 4A, 4B, 4C, 15A, 15B, 15D, 15E; or
- Parcels with a public or other MODIV property class code 15C or 15F where 0.83 acres or less is available for development after the existing building footprint area (Microsoft, 2018) is subtracted from the maximum building coverage (based on the maximum building coverage percentage permitted by local zoning); or
- Parcel with a public or other MODIV property class code 15C or 15F where 0.83 acres or less is available for development after the existing impervious surface area is subtracted from the maximum impervious surface lot coverage (based on the impervious lot coverage percentage permitted by local zoning).

Step 4. Next, the Highlands assigned a septic density to each parcel. Where developable lots are not assigned a septic density, they were assumed to be able to be serviced by public wastewater. The following criteria were used:

- Sewer: Where a parcel was more than 5% or has more than 2,500 sq. ft. in a sewer service area, it is identified as being sewer eligible.
- Septic: Where a parcel is outside a sewer service area (less than 5% or 2,500 sq. ft. in a sewer service area) or the parcel contains any amount of Conservation and/or Protection Zone (based on the 2024 LUCZ).
- Additionally, the Highlands BOA eliminated parcels with a combined septic density greater than 0 units, but less than 5 units.

Step 5. Next, the Highlands identified Highlands resource constraints and overlayed them on each parcel. Where the overlayed resources left less than 0.83 acres developable area on a parcel, the parcel was considered not developable. The constraints used were based on the Highlands Affordable Housing RMP Amendment (2024) and include the following:

- Highlands Open Water and associated Highlands Open Water Buffers;
- Prime Groundwater Recharge Areas (or Municipally Important Groundwater Recharge Areas, as adopted);
- Severe Steep Slopes (20%+ slopes);
- Critical Habitat;
- Vernal Pools and associated 300-meter buffer;
- Natural Heritage Priority Sites; and/or

- Special Environmental Zone.

Step 6. The final output of the build-out update includes a dataset of 2024 parcels (Parcels and MOD-IV Composite of NJ downloaded from NJ-Office of Information Technology) with all the input information used by the Highlands Council to determine the eligibility for development, as well as a related table of the rules, constraints, and determinations used to identify the development status of each parcel. Parcels that meet the conditions of a rule are assigned a related rule record in the Build-Out Rules table. See Appendix A Table 1. Highlands Build-Out Analysis Rules for a list of the rules applied to exclude parcels in Netcong. Exclusion Parcels can have multiple rules applied. A final determination of a parcel's eligibility for development is made using the full set of related determination rules.

The NJ Highlands Resource Protection Standards are measured and applied to their intersecting parcels using a geometric union to estimate the total combined acreage of constrained and developable lands. Parcels where the combined acreage of constrained resources leaves less than 0.83 acres of unconstrained land were considered totally constrained and excluded using rule (607) TOTALLY CONSTRAINED.

A final development determination is made after all the determination rules have been checked for and applied to every qualifying parcel. The final determination is made parcel-by-parcel, using the following criteria:

- **YES** Parcels with at least one INCLUDE rule (and no EXCLUDE or MISSING rules) are considered potentially non-vacant or underdeveloped and therefore eligible for further development.
- **NO** Parcels with a single EXCLUDE rule are considered non-vacant, developed, or ineligible for development.

Netcong then reviewed the Build-Out Analysis data, and provided any input to the Highlands Council who then returned to the Borough a spreadsheet and GIS data to aid in the completion of the Build-Out Analysis report. The spreadsheet indicates the following:

- Parcels that can support development of 5 units or more and have a net developable acreage of 0.83 acres or greater.
- Parcels that can be serviced by public wastewater or via on-site septic systems.
- A maximum residential unit septic density for parcels identified as developable that are to be serviced by one-site septic systems.
- Where parcels are to be serviced by public wastewater, the municipality determines the supportable density for each parcel. A minimum presumptive density of 6 units per acre based on developable acreage is assumed, which may be adjusted based on surrounding land uses. The presumptive density shall not exceed the available net water availability for the

The Build-Out Analysis determined that approximately 3.1 acres in Netcong met the above criteria.

8.2.1 Appendix C Table 1. Highlands Build-Out Analysis Rules for Exclusion

Code	Rule	Description
401	OPEN WATER	Parcels that are over 95% Open Water
402	PRESERVED	Parcels that are larger than 1 acre and are over 95% preserved
403	PRESERVATION AREA	Parcels that are 95% within the NJ Highlands Preservation Area
404	RESIDENTIAL DEVELOPED	Parcels where the following is a MODIV property class of: <ul style="list-style-type: none"> • 2- Residential; or • 3A- Farm (Regular)
405	EXCLUDE RAILROAD (5A, 5B)	Parcels with one of the following MODIV property classes: <ul style="list-style-type: none"> • 5A- Class I Railroad Property • 5B- Class II Railroad Property
406	PUBLIC EXCLUDE (15A, 15B, 15D, 15E)	Parcels with one of the following MODIV property classes: <ul style="list-style-type: none"> • 15A- Public School Property • 15B- Other School Property • 15D- Church and Charitable Property • 15D- Cemeteries and Graveyards
407	PUBLIC DEVELOPED BLD COV	Parcels with all of the following: <ul style="list-style-type: none"> • A MODIV property class of: <ul style="list-style-type: none"> ○ 15C- Public Property; or ○ 15F- Other Exempt • A ZONE_BLDG_COVERAGE acreage, minus 0.83 acres reserved as available for development less than the acreage of all existing buildings detected on the parcel using Microsoft Building Footprints
408	PUBLIC DEVELOPED LOT/IS COV	Parcels with all of the following: <ul style="list-style-type: none"> • A MODIV property class of: <ul style="list-style-type: none"> ○ 15C- Public Property; or ○ 15F- Other Exempt • A ONE_BLDG_COVERAGE acreage, minus 0.83 acres reserved as available for development less than the acreage of all existing impervious coverage surfaces detected on the parcel using Highlands Impervious Surfaces
504	INSUFFICIENT SEPTIC DENSITY THRESHOLD (<5 UNITS)	Parcels with both the following: <ul style="list-style-type: none"> • Combined Septic Density is greater than zero (>0 units) • Combined Septic Density is less than five (<5 units)
607	TOTALLY CONSTRAINED	Parcels where resource constraints cover the entire parcel, leaving less than 0.83 acres of developable land.

Source: Highlands Municipal Build-Out Update Prepared by the Highlands Water Protection and Planning Council in support of the Highlands Regional Master Plan; November 1, 2024.

8.3 Vacant Land Analysis

The Build-Out Analysis formed the basis of the Borough’s Vacant Land Adjustment (“VLA”) analysis undertaken pursuant to P.L.2024, c.2 (C.52:27D-304.1). The VLA augments the results of the Build-Out analysis with additional parcel specific information used to substantiate the exclusion of parcels based on the Amended FHA. Specifically, C.52:27D-304.1:

(b) any land listed on a master plan of a municipality as being dedicated, by easement or otherwise, for purposes of conservation, park lands or open space and which is owned, leased, licensed, or in any manner operated by a county, municipality or tax-exempt, nonprofit organization including a local board of education, or by more than one municipality by joint agreement pursuant to P.L.1964, c.185 (C.40:61-35.1 et seq.), for so long as the entity maintains

such ownership, lease, license, or operational control of such land;

(d) historic and architecturally important sites listed on the State Register of Historic Places or National Register of Historic Places prior to the date of filing a housing element and fair share plan pursuant to section 3 of P.L.2024, c.2 (C.52:27D-304.1) or initiation of an action pursuant to section 13 of P.L.1985, c.222 (C.52:27D-313);

(f) sites designated for active recreation that are designated for recreational purposes in the municipal master plan; and

8.4 Summary of Build-Out Analysis and Vacant Land Adjustment

Based on both the Build-Out analysis and the Vacant Land Adjustment analysis, Netcong currently has approximately 3.1-acres within its boundaries suitable for development of affordable housing. See **Appendix B** for a list of all properties inventoried and maps showing their locations and environmental and/or Highlands' area constraints.

Appendix D: Inventory and Maps of Parcels Investigated in Build-Out Analysis and Vacant Land Adjustment

Inventory of All Developable Parcels

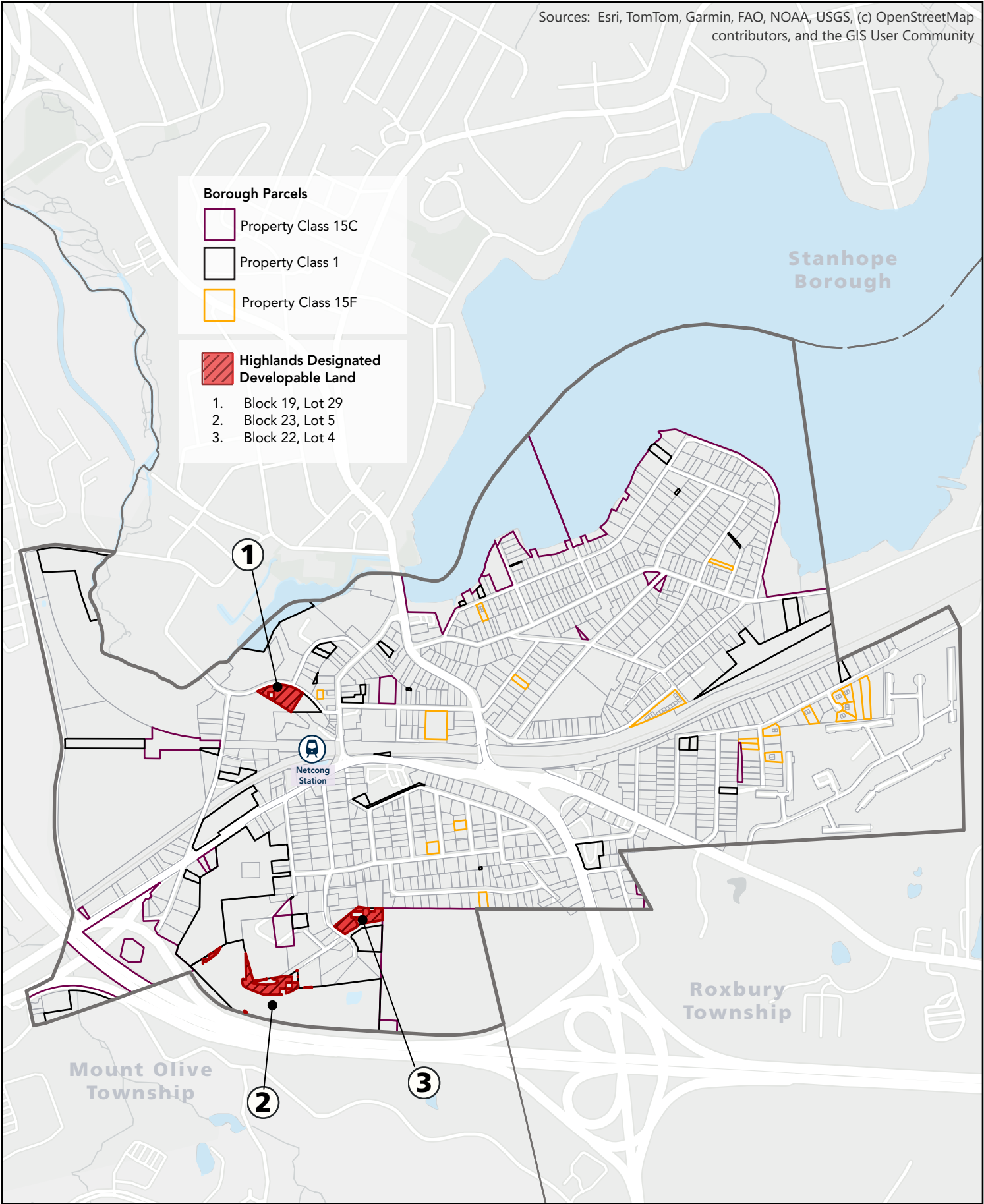
Block	Lot	Property Class	Property Location	Owner Name	Zone	Lot Acreage	Total Environmentally Constrained Acreage	Remaining Acreage	Percent within Sewer Service Area	LUCZ Existing Community Zone Acreage	Highlands Designated Developable Acreage	Highlands Developable Designation	Highlands Exclusion Determination	Other Rational/VLA Final Determinations
19	29	1	FLANDERS RD	ROSEWOOD NETCONG HOLDINGS, LLC	B-C	1.078	0.064	1.014	100	1.078	1.014	YES	n/a; lot is developable	Sleep slopes present; remaining developable acreage > 0.83 acres.
22	4	1	TERRACE ST	ST MICHAELS ROMAN CATHOLIC CHURCH	R-3A	13.710	12.534	1.176	99	3.340	1.176	YES	n/a; lot is developable	Steep slopes, wetlands, & waterbody present; developable acreage > 0.83 acres.
23	5	1	37-2 CENTER ST	MONTELLA, FELICE/ANNA C	R-3A	1.078	0.188	0.890	100	1.078	0.890	YES	n/a; lot is developable	Sleep slopes present; remaining developable acreage > 0.83 acres.
											Final Total Developable Acreage			
											3.080			

Inventory of All Parcels Investigated

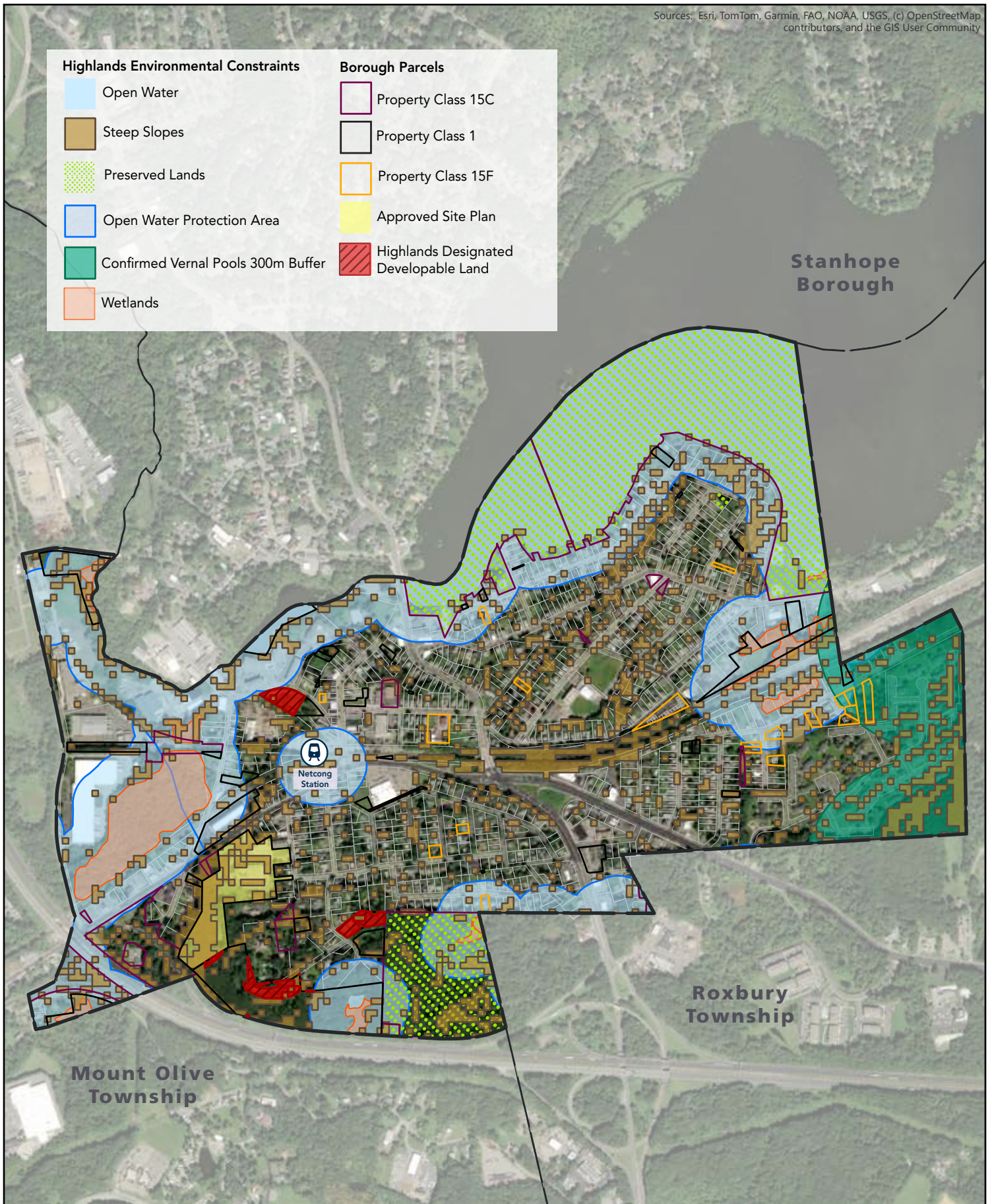
Block	Lot	Property Class	Property Location	Owner Name	Zone	Lot Acreage	Total Environmentally Constrained Acreage	Remaining Acreage	Percent within Sewer Service Area	LUCZ Existing Community Zone Acreage	Highlands Designated Developable Acreage	Highlands Developable Designation	Highlands Exclusion Determination	Other Rational/VLA Final Determinations
1	16.01	1	KOCLAS DR	MASTERS, ADELIA/MICHELE	R-2	0.330	0.330	0.000	100	0.000	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
1	17	15C	KOCLAS DR	N J STATE OF	R-2	64.759	64.751	0.008	6	0.000	0.000	NO	(402) PRESERVED (607) TOTALLY CONSTRAINED	Lake Musconetcong Access, as designated on the NJDEP ROSI; almost entire lot is within open water; entire lot is within open water protection area
2	23	15F	7 BURTT ST	BRUCE, RASHLEIGH	R-2	0.141	0.036	0.105	100	0.000	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
2	99	1	HILLSIDE AVE	UNKNOWN OWNER	R-2	0.052	0.038	0.015	100	0.000	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
4	37	1	KOCLAS REAR	UNKNOWN OWNER	R-2	0.026	0.008	0.018	100	0.000	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
5	17	15C	ALLEN ST	BOROUGH OF NETCONG	R-2	0.181	0.000	0.181	100	0.000	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
5	25	15C	PROSPECT ST	BOROUGH OF NETCONG	R-2	0.062	0.015	0.047	100	0.000	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
6	24	15C	54 COLLEGE RD	BOROUGH OF NETCONG	R-2	0.110	0.000	0.110	100	0.000	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
8	14	15F	STOLL ST	CONDOMINIUM COMMON ELEMENT	I-3	0.873	0.073	0.800	100	0.873	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot developed with condominium complex & associated elements
8	29	1	128 ALLEN ST	FIZ PROPERTIES LLC	I-3	0.687	0.687	0.000	100	0.000	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
8	32	1	PORT MORRIS RD	NRR LLC	I-3	3.728	3.728	0.000	100	0.000	0.000	NO	(607) TOTALLY CONSTRAINED	Entire lot within open water protection area; partially within vernal pool 300m buffer; steep slopes and wetlands present throughout lot; remaining developable acreage < 0.83 acres
8	36.01	1	55 RAILROAD AVE	55 RAILROAD AVENUE HOMEOWNER ASSOC	R-1A	0.240	0.240	0.000	100	0.000	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
10	21	15F	12 ALLEN TER	APATANO, NAOMI	R-2	0.169	0.104	0.065	100	0.000	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
12	17	15F	DELL AVENUE	CONDOMINIUM COMMON ELEMENT	R-2	0.172	0.172	0.000	100	0.000	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
14	9	15C	3 WATER ST	BOROUGH OF NETCONG	R-2	1.190	1.190	0.000	99	0.000	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Joeseeph Direnzo Memorial Park, as designated on the NJDEP ROSI; entire lot falls within open water protection area; steep slopes present
14	12	1	9 DELL AVE	WHEELER, LYNNE TRUSTEE	R-2	0.105	0.105	0.000	100	0.000	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
14	14.01	1	3 DELL AVE	STEPHENS, DONALD & YULI	R-2	0.040	0.040	0.000	100	0.000	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
14	15	15C	LAKE MUSCONETCONG	STATE OF NEW JERSEY	R-2	16.791	16.791	0.000	8	0.000	0.000	NO	(402) PRESERVED (607) TOTALLY CONSTRAINED	Preserved State Open Spacee (Lake Musconectcong Park) per Highlands Region Environmental Resource Inventory; almost entirely within open water and entirely within open water protection area
14	19	1	WATER ST	UNKNOWN OWNER	B-C	0.018	0.018	0.000	100	0.000	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
15	25	15C	23 MAPLE AVE	BOROUGH OF NETCONG	B-C	0.713	0.106	0.608	100	0.000	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
15	29	1	48 MAIN ST	RSB NETCONG LLC	B-C	0.210	0.000	0.210	100	0.210	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres; lot partially developed with parking lot
15	39	1	10 MAIN ST	PIETZ, RICHARD/VON HAGEN, LEIGH ANN	B-C	0.166	0.000	0.166	100	0.000	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
15	42	1	MAPLE AVE REAR	UNKNOWN OWNER	B-C	0.016	0.000	0.016	100	0.000	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
16	17	15F	BANK ST	VETERANS OF FOREIGN WARS	B-C	0.082	0.000	0.082	100	0.082	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
16	22	1	JENNY LIND ST	REPP, BARBARA MC ELROY/MC ELROY ROB	B-C	0.147	0.019	0.127	100	0.000	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
16	23.01	1	22 JENNY LIND ST	SEMPER DEVELOPMENT GROUP, LLC.	B-C	0.230	0.024	0.206	100	0.000	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
16	24	1	MAIN ST REAR	UNKNOWN OWNER	B-C	0.024	0.000	0.024	100	0.024	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
16.01	5	1	FURNACE POND SHORE	UNKNOWN OWNER	I-1	1.615	1.615	0.000	16	0.000	0.000	NO	(401) OPEN WATER (607) TOTALLY CONSTRAINED	Entirely within open water and the open water protection area; remaining developable acreage < 0.83 acres

17	6	15C	23 FLANDERS RD	BOROUGH OF NETCONG	I-1	1.860	1.860	0.000	100	1.860	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Entirely within open water protection area; wetlands and steep slopes present; remaining developable acreage < 0.83 acres
17	7	1	LOVE LN	NJ FORGEIN TRADE ZONE VENTURE	I-2	1.232	0.534	0.698	100	1.232	0.000	NO	(607) TOTALLY CONSTRAINED	Partially within open water protection area; steep slopes present; remaining developable acreage < 0.83 acres
17	10	1	WATERLOO RD	STORE MASTER FUNDING XXXIII LLC	I-1	3.161	3.006	0.155	100	0.000	0.000	NO	(607) TOTALLY CONSTRAINED	Almost entirely within open water protection area; steep slopes and wetlands present; remaining developable acreage > 0.83 acres
18	1	1	FLANDERS RD	NJ FOREIGN TRADE ZONE VENTURE	R-3	0.129	0.129	0.000	100	0.129	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
18	15	15C	MAIN ST	N J STATE OF	B	0.084	0.084	0.000	100	0.084	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
19	14	1	2 FLANDERS RD	CROWN WALK URBAN RENEWAL LLC % TOP	B	2.372	2.087	0.286	100	2.372	0.000	NO	(607) TOTALLY CONSTRAINED	Almost entirely within open water protection area; steep slopes present; remaining developable acreage > 0.83 acres
19	16	1	16 FLANDERS RD	14 FLANDERS LLC	B	0.467	0.304	0.163	100	0.467	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
19	28.01	1	BANK ST	ROSEWOOD NETCONG HOLDINGS LLC	B-C	0.501	0.000	0.501	100	0.501	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
19	29	1	FLANDERS RD	ROSEWOOD NETCONG HOLDINGS, LLC	B-C	1.078	0.064	1.014	100	1.078	1.014	YES	n/a; lot is developable	Sleep slopes present; remaining developable acreage > 0.83 acres.
20	6	1	BUDD LAKE RD	AIG BAKER MT. OLIVE L.L.C.	B	1.270	1.270	0.000	100	1.270	0.000	NO	(607) TOTALLY CONSTRAINED	Entirely within open water protection area; steep slopes and wetlands present; remaining developable acreage < 0.83 acres
21	1	15C	FLANDERS RD	STATE OF N J	B	3.315	3.315	0.000	100	3.315	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Entirely within open water protection area; steep slopes present; remaining developable acreage > 0.83 acres
22	4	1	TERRACE ST	ST MICHAELS ROMAN CATHOLIC CHURCH	R-3A	13.710	12.534	1.176	99	3.340	1.176	YES	n/a; lot is developable	Steep slopes, wetlands, & waterbody present; developable acreage > 0.83 acres.
22	5	15C	CENTER ST	BOROUGH OF NETCONG	LOR	0.342	0.342	0.000	91	0.000	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
22	6	15C	CENTER ST	BOROUGH OF NETCONG	LOR	21.900	19.012	2.887	100	2.329	0.000	NO	(402) PRESERVED	Lot preserved per NJ Highlands Water Protection and Planning Council Highlands Region Environmental Resource Inventory: Scenic Vista Acquisition
22	14	1	CENTER ST	PUGLIESE, CARL/MIRELL A	R-3A	0.334	0.231	0.103	100	0.334	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
22	18	1	CHURCH ST	UNKNOWN OWNER	R-3	0.003	0.000	0.003	100	0.003	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
23	5	1	37-2 CENTER ST	MONTELLA, FELICE/ANNA C	R-3A	1.078	0.188	0.890	100	1.078	0.890	YES	n/a; lot is developable	Sleep slopes present; remaining developable acreage > 0.83 acres.
26	6	1	CHURCH ST	ST. MICHAEL'S ROMAN CATHOLIC CHURCH	R-3	10.208	5.144	5.064	100	8.621	0.000	NO	Lot is a part of an approved development application and is therefore undevelopable.	Approved development application for inclusionary affordable housing project.
26	6.01	1	1 FLANDERS RD	JUNTOS HOLDINGS LLC	R-1	0.193	0.186	0.007	100	0.193	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
26	11	15C	FLANDERS RD	STATE OF NJ, DOT	B	6.844	3.376	3.467	100	6.844	0.000	NO	Lot is land locked by environmental constraints and major roadway interchanges.	This parcel is owned by NJDOT and is developed with a US Highway 46 and a I-80 interchange. The only access onto the parcel is from the exit lanes for each major roadway and there are environmental constraints around the parameter of the site.
26	15.01	1	43 TERRACE	14 NAVAJO LLC	R-3	0.375	0.134	#VALUE!	100	0.000	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV	Lot is partially developed with residential development; lot is entirely within the LUCZ Lake Community Zone and per Highlands standards is not developable
26	15.02	1	CENTER ST	14 NAVAJO LLC	R-3A	0.443	0.281	#VALUE!	100	0.000	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV	Lot is partially developed with residential development; lot is entirely within the LUCZ Lake Community Zone and per Highlands standards is not developable
26	22	15C	MAIN ST	BOROUGH OF NETCONG	R-1	0.155	0.155	0.000	100	0.155	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
26	23	15C	MAIN ST	BOROUGH OF NETCONG	R-1	0.321	0.280	0.041	100	0.321	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres

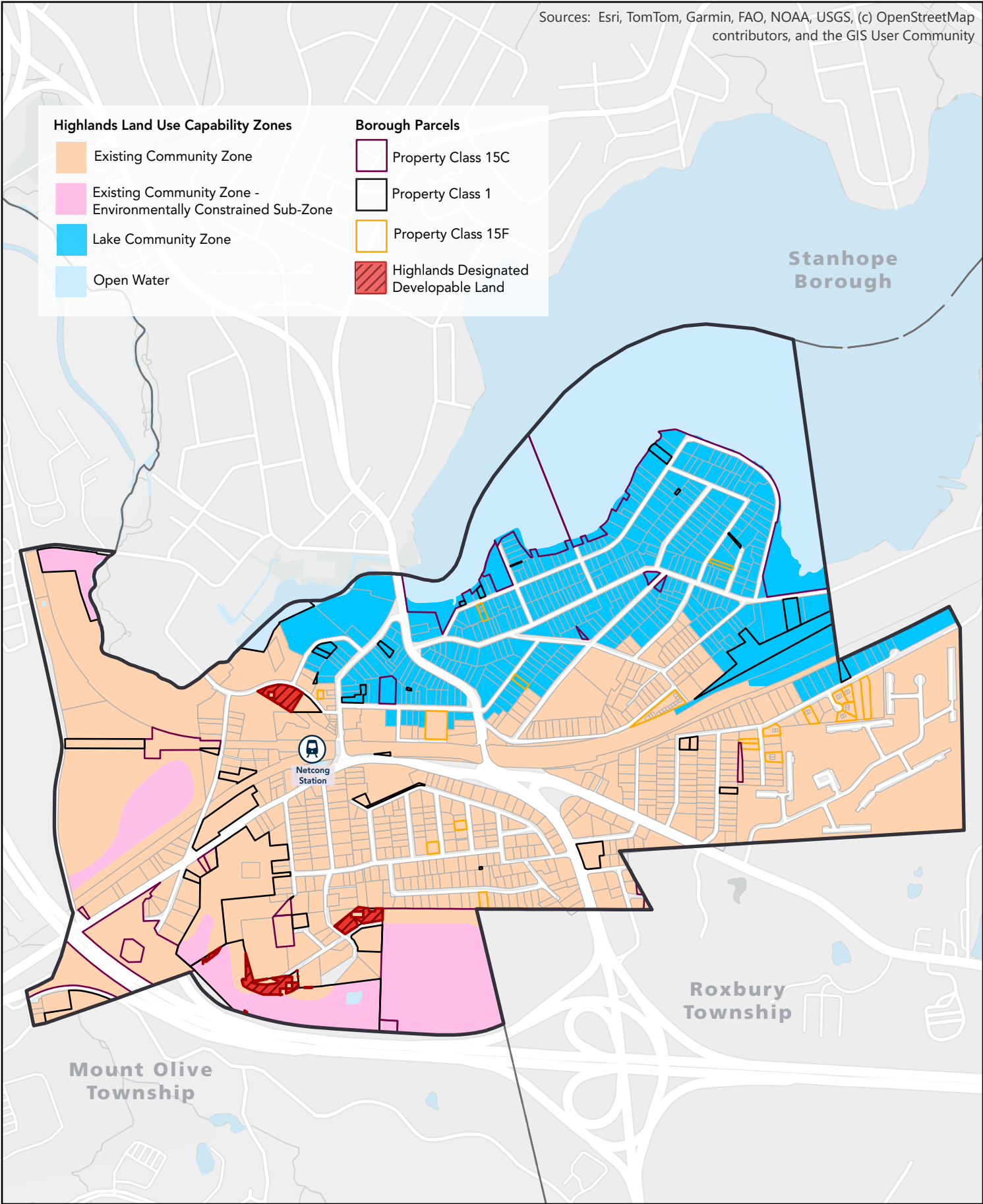
27	12	15F	40 MAPLE AVE	BOROUGH OF NETCONG	B-C	0.993	0.088	0.905	100	0.993	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV	Lot developed with Borough Fire House and other community facilities, as designated on the Borough Official Map; Steep slopes present; lot falls within the LUCZ Lake Community Zone and per Highlands standards, is not developable
27	20	1	US 46	UNKNOWN OWNER	B-C	0.048	0.048	0.000	100	0.048	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
28	16.01	1	1070 ROUTE 46 REAR	NETCONG 201 URBAN RENEWAL LLC	B-C	0.193	0.024	0.169	100	0.193	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
28	17	1	DOWN ST	NETCONG 201 LLC	R-2	0.196	0.000	0.196	100	0.196	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
31	6	15F	96 WILTOP RD	LUCATELLI, LEON	R-2	0.230	0.000	0.230	100	0.230	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
32	2	15F	5 DOGWOOD RD	FERRARA, SAMUEL J & ELLEN JEAN	R-2	0.172	0.000	0.172	100	0.172	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
36	34	1	US 46 REAR	UNKNOWN OWNER	R-1	0.011	0.000	0.011	100	0.011	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
36.01	21	15F	25 AMENDOLA DR	JIMENEZ, LUIS A/MARYLOU	R-1	0.222	0.222	0.000	100	0.222	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
38	2	15C	THOMAS ST	BOROUGH OF NETCONG	R-2	0.087	0.087	0.000	100	0.087	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
39	1	15C	THOMAS ST	BOROUGH OF NETCONG	R-2	0.069	0.069	0.000	100	0.069	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
40	4	1	RT 183	LOTUS ENTERPRISES	B	0.889	0.115	0.774	100	0.889	0.000	NO	(607) TOTALLY CONSTRAINED	Steep slopes present; lot falls within the LUCZ Lake Community Zone and per Highlands standards, is not developable
44	23.01	1	RAILROAD AVE	KANG KUNG, YAO HUA KUNG, ETALS.	R-2	0.192	0.000	0.192	100	0.192	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
44	23.02	1	RAILROAD AVE	KANG KUNG, YAO HUA KUNG, ETALS	R-2	0.165	0.000	0.165	100	0.165	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
45	4	15F	54 RAILROAD AVE	DUDA, EDWARD S JR	R-4	0.555	0.555	0.000	100	0.555	0.000	NO	(408) PUBLIC DEVELOPED BLD COV (409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
45	5.03	15F	RAILROAD AVE	COMMON ELEMENT	R-4	0.266	0.266	0.000	100	0.266	0.000	NO	(408) PUBLIC DEVELOPED BLD COV (409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
45	5.06	15F	RAILROAD AVE	COMMON ELEMENT	R-4	0.233	0.233	0.000	100	0.233	0.000	NO	(408) PUBLIC DEVELOPED BLD COV (409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
45	5.07	15F	RAILROAD AVE	COMMON ELEMENT	R-4	0.229	0.229	0.000	100	0.229	0.000	NO	(408) PUBLIC DEVELOPED BLD COV (409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
45	5.08	15F	MARC CT	COMMON ELEMENT	R-4	0.230	0.199	0.032	100	0.230	0.000	NO	(408) PUBLIC DEVELOPED BLD COV (409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
45	5.09	15F	MARC CT	COMMON ELEMENT	R-4	0.239	0.008	0.231	100	0.239	0.000	NO	(408) PUBLIC DEVELOPED BLD COV (409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
45	6	15F	RAILROAD AVE	COMMON ELEMENT	R-4	0.265	0.265	0.000	100	0.265	0.000	NO	(408) PUBLIC DEVELOPED BLD COV (409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
45	6.03	15F	UNION ST	COMMON ELEMENT	R-4	0.268	0.000	0.268	100	0.268	0.000	NO	(408) PUBLIC DEVELOPED BLD COV (409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
45	12	15C	UNION ST	BOROUGH OF NETCONG	R-2	0.256	0.192	0.064	100	0.256	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
45	15	15F	6 UNION ST	DE FEO, DOMINICK V	R-2	0.172	0.121	0.051	100	0.172	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
45	16	15F	4 UNION ST	ESPOSITO, ALBERT & MABEL	R-2	0.136	0.112	0.025	100	0.136	0.000	NO	(409) PUBLIC DEVELOPED LOT/IS COV (607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
45	26	1	20 BARONE ST	GALLO BROS, INC	R-2	0.172	0.150	0.022	100	0.172	0.000	NO	(607) TOTALLY CONSTRAINED	Lot too small; lot acreage < 0.83 acres
					Total Lot Acreage	Total Environmentally Constrained Acreage	Total Highlands LUCZ Constrained Acreage	Final Total Developable Acreage						
TOTALS					170.745	147.591	20.074	3.080						



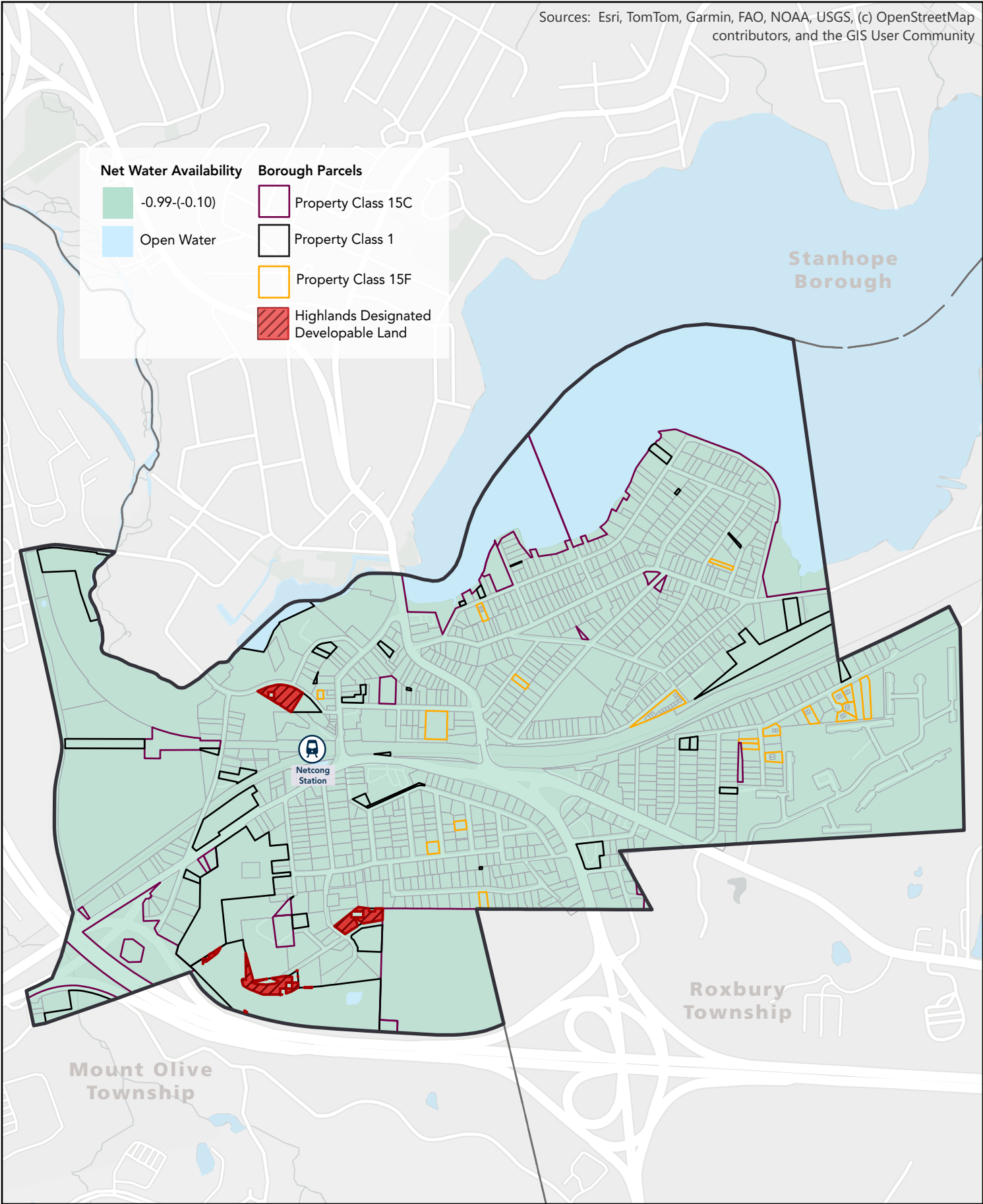
Appendix D.1: Vacant Land Adjustment Borough Parcels Inventoried



Appendix D.2: Vacant Land Adjustment with Highlands Environmental Constraints



Appendix D.3: Vacant Land Adjustment with Highlands Land Use Land Capability Zones



Appendix D.4: Vacant Land Adjustment with Highlands Net Water Availability

Appendix E. Spending Plan

Affordable Housing Trust Fund Spending Plan

Borough of Netcong

June 2025

Amended January 2026

INTRODUCTION

The Borough of Netcong, Morris County has prepared a Housing Element and Fair Share plan that addresses its regional fair share of the affordable housing need 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 et seq.), and N.J.A.C. 5:99-1 et seq. A development fee ordinance creating a dedicated revenue source for affordable housing was formerly approved by COAH and the Superior Court and adopted by the municipality. The ordinance established the Netcong affordable housing trust fund for which this spending plan is prepared. The governing body is considering an amendment to the affordable housing ordinance concurrently with the adoption of this Spending Plan.

As of May 31, 2025, Netcong has collected \$61,507.12 and expended \$25,669.00, resulting in an affordable housing trust fund balance of \$35,838.12 as of that date. 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 TD Bank for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:99-1 et seq. , as described in the sections that follow.

The Borough reserves the right and authority to further amend or modify the within spending plan to address or take into account changes which may be warranted due to new rules or rule amendments or judicial determinations, which may change standards or establish new criteria for the Borough to address its affordable housing obligation.

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the Fourth Round (2025-2035), Netcong considered the following:

(a) Development fees in accordance with N.J.A.C. 5:99-3.1 through 3.4, including:

1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development.

(b) Payments in lieu (PIL):

Actual and committed payments in lieu (PIL) of construction from developers as follows: None

(c) Other funding sources: An affordable housing trust fund may also contain recaptured funds, proceeds from the sale of affordable units, rental income, repayments from affordable housing program loans, enforcement fines and application fees, and any other funds collected by the Borough in connection with its affordable housing programs. No other funds have been or are anticipated to be collected.

(d) Projected interest:

Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate of 1.1%.

No large development projects are anticipated in the coming years due to the limited availability of vacant and developable land in Netcong.

SOURCE OF FUNDS		PROJECTED REVENUE SCHEDULE JUNE 1, 2025-JUNE 30, 2035				
		2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
(a) Development fees:						
1. Approved Development		\$0	\$0	\$0	\$0	\$0
2. Development Pending Approval		\$0	\$0	\$0	\$0	\$0
3. Projected Development ¹		\$3,875.29	\$3,875.29	\$3,875.29	\$3,875.29	\$3,875.29
(b) Payments in Lieu of Construction		\$0	\$0	\$0	\$0	\$0
(c) Other Funds (Specify source(s))		\$0	\$0	\$0	\$0	\$0
(d) Interest		\$352.83	\$315.32	\$277.40	\$239.06	\$200.30
Total		\$4,228.12	\$4,190.61	\$4,152.69	\$4,114.35	\$4,075.59
	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	Total
(a) Dev. fees:						
1. Appr.	\$0	\$0	\$0	\$0	\$0	\$0
2. Pending	\$0	\$0	\$0	\$0	\$0	\$0
3. Projected	\$3,875.29	\$3,875.29	\$3,875.29	\$3,875.29	\$3,875.29	\$38,752.90
(b) P-i-L		\$0	\$0	\$0	\$0	\$0
(c) Other		\$0	\$0	\$0	\$0	\$0
(d) Interest		\$161.11	\$121.50	\$81.44	\$40.95	\$1,789.92
Total		\$4,036.40	\$3,996.79	\$3,956.73	\$3,916.24	\$40,542.82

¹ Between 11/12/2009 and 05/31/2025, the Borough of Netcong received development fees totaling \$60,067.00 from all qualifying residential and non-residential development activities within the Borough, or an annual average of \$3,875.29. Future development trends and resulting annual development fees are assumed to be consistent with current levels, resulting in total development fees of approximately \$38,752.90 through 2035.

Netcong projects a total of approximately \$40,542.82 in revenue to be collected between June 1, 2025 and June 30, 2035. All affordable housing trust fund monies and interest earned on the account shall accrue to the account to be used only for the purposes of eligible affordable housing activities as set forth at N.J.A.C. 5:99-2; as enumerated within this Spending Plan and approved by the Dispute Resolution Program pursuant to N.J.S.A. 52:27D-329.2.a(4); or as otherwise part of an emergent opportunity pursuant to N.J.A.C. 5:99-4 as authorized by the Division of Local Planning Services within the Department of Community Affairs.

2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

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

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with Netcong's development fee ordinance for both residential and non-residential developments in accordance with N.J.A.C. 5:99-3.1 et seq., and the monitoring of development fees shall be conducted in accordance with the requirements of N.J.A.C. 5:99-5.3 and 5:99-5.4.

(b) Distribution of development fee revenues:

The disbursement of monies in Netcong's affordable housing trust fund is coordinated by its Municipal Housing Liaison in conjunction with the Borough's Chief Financial Officer and the Borough Council. In some instances, funds will be provided to other entities, such as an entity responsible for administering a rehabilitation program, for eventual disbursement. Development fees shall be spent or committed to be expended within four years of the date of collection, in accordance with N.J.A.C. 5:99-5.5.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) Affordable Housing Activities (N.J.A.C. 5:99-2.3(a))

Netcong will dedicate \$50,000 to its rehabilitation program in order to meet its present need obligations.

(b) Affordability Assistance (N.J.A.C. 5:99-2.3(12) and 5:99-2.5)

The projected affordability assistance requirement will be as follows:

AFFORDABILITY ASSISTANCE CALCULATION		
Actual development fees through 05/31/2025		\$60,067.00
Actual interest through 05/31/2025		\$1,440.12
Development fees projected 06/01/2025 through 06/30/2035	+	\$38,752.90
Interest projected 2025-2035	+	\$1,789.92
Less expenditures through 05/31/2025	-	\$25,669.00
Total	=	\$76,380.94
30 percent	x 0.30 =	\$22,914.28
PROJECTED Affordability Assistance Requirement 06/01/2025 through 06/30/2035	=	\$22,914.28
PROJECTED Very Low-Income Affordability Assistance Requirement 06/01/2025 through 06/30/2035	÷ 3 =	\$7,638.09

Pursuant to N.J.A.C. 5:99-2.5, the Borough shall set aside a portion of all development fees collected and interest earned for the purpose of providing affordability assistance to very-low-, low-, and moderate-income households in affordable units included in the Borough's fair share plan, pursuant to N.J.S.A. 52:27D-329.1. As such, the Borough will dedicate \$22,914.28 from the affordable housing trust fund to provide affordability assistance to very low-, low-, and moderate-income households, including specifically \$7,638.09 to very-low-income households. Affordability assistance activities include, but are not limited to, down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowner's association or condominium fees and special assessments, common maintenance expenses, and assistance with emergency repairs and rehabilitation to bring deed-restricted units up to code.

For very low-income households, affordability assistance may include offering a subsidy to developers of inclusionary or 100 percent affordable housing developments or buying down the cost of low- or moderate-income units in the Borough's fair share plan to make them affordable to very low-income households, including special needs and supportive housing opportunities.

(c) Administrative Expenses (N.J.A.C. 5:99-2.4)

Administrative expenses shall represent no more than 20 percent of all expenditures from the affordable housing trust fund.

ADMINISTRATIVE EXPENSE CALCULATION		
Actual development fees AND interest through 05/31/2025		\$61,507.12
Development fees AND interest projected 06/01/2025 through 06/30/2035	+	\$40,542.82
Payments-in-lieu of construction and other deposits through 07/17/2008	+	0
Less expenditures through 05/31/2025	-	\$25,669.00
Total for Administrative Calculation	=	\$76,380.94
Less Required Affordability Assistance	-	\$22,914.28
Less Rehabilitation Expenses	-	\$50,000
Available for Administrative Expenses 06/01/2025 through 06/30/2035		\$3,466.66

Netcong projects that approximately \$3,466.66 will be available from the affordable housing trust fund to be used for administrative purposes. While the Borough is permitted to utilize a maximum of 20 percent of its total projected expenditures (\$15,276.19) for administrative expenses, the Borough intends to set aside \$50,000 for rehabilitation of units and \$22,914.28 for the required affordability assistance, leaving only \$3,466.66 in remaining projected funds. Projected administrative expenditures, subject to the 20 percent cap, are as follows:

- Costs reasonably related to the determination of the fair share obligation and the development of a municipal housing element and fair share plan, including fees necessary to develop or implement affordable housing programs, an affirmative marketing program, and/or expenses that are reasonably necessary for compliance with the processes of the Program, including, but not limited to, the costs to the municipality of resolving a challenge pursuant to the Program;
- Costs associated with functions carried out in compliance with UHAC, including activities related to the marketing program and waitlist management, administering the placement of occupants in housing units, income qualification of households, monitoring the turnover of sale and rental units, preserving existing affordable housing, and compliance with the Division's monitoring requirements; and
- A proportion of a municipal employee's salary related to the MHL or RCA administrator functions and fees for required educational programs, which may be paid as an administrative expense from the municipal affordable housing trust fund.

(d) **Other Expenditures**

The Borough does not anticipate collecting or expending affordable housing trust funds in accordance with the optional activities listed at N.J.A.C. 5:99-2.8,

The full schedule of projected expenditures for the duration of the Fourth Round is shown within the following table.

4. EXPENDITURE SCHEDULE

Netcong intends to use affordable housing trust fund revenues as follows:

Program		PROJECTED EXPENDITURE SCHEDULE				
		JUNE 1, 2025-JUNE 30, 2035				
		2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Rehabilitation		\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
Affordability Assistance		\$2,291.43	\$2,291.43	\$2,291.43	\$2,291.43	\$2,291.43
Administration		\$346.67	\$346.67	\$346.67	\$346.67	\$346.67
Total		\$7,638.09	\$7,638.09	\$7,638.09	\$7,638.09	\$7,638.09
	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	Total
Rehab.	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$50,000
Aff. Asst.	\$2,291.43	\$2,291.43	\$2,291.43	\$2,291.43	\$2,291.43	\$22,914.28
Admin.	\$346.67	\$346.67	\$346.67	\$346.67	\$346.67	\$3,466.66
Total	\$7,638.09	\$7,638.09	\$7,638.09	\$7,638.09	\$7,638.09	\$76,380.94

5. EXCESS OR SHORTFALL OF FUNDS

In accordance with N.J.A.C. 5:99-5.6, in the event there is a shortfall in funding for a proposed affordable housing delivery technique, then the Division may require the governing body of Netcong to adopt a resolution appropriating funds from general revenue or a resolution of intent to bond.

In accordance with N.J.A.C. 5:99-4.1, in the event that excess funds are collected, the Borough may request authorization from the Division for the expenditure of excess affordable housing trust funds on emergent affordable housing opportunities not included in the Borough's Fair Share Plan. The request shall be made in the form of a resolution from the governing body of the Borough and shall include:

1. Documented proof that the excess funds are not accounted for in the municipality's spending plan approved by the Program or a court of competent jurisdiction;
2. A description of the affordable housing activity in accordance with N.J.A.C. 5:99-4.1(b) and 5:99-2.3;
3. Documentation demonstrating that the entire municipal trust fund balance will be spent and/or committed for expenditure within four years, as set forth at N.J.A.C. 5:99-5.5, shall be submitted to the Division with the request; and
4. A certification that the affordable housing opportunity is consistent with P.L. 2024, c. 2. and information describing the proposed affordable housing mechanism. The certification shall demonstrate that the proposal does not alter the spending plan approved by the Program or court of competent jurisdiction.

6. BARRIER FREE ESCROW

Any collection and distribution of barrier free funds shall be consistent with the Borough of Netcong's Affordable Housing Ordinance and in accordance with N.J.A.C. 5:99-2.6 **SUMMARY**

The Borough of Netcong intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:99-2.3 through 2.5 and consistent with the housing programs outlined in the Housing Element and Fair Share Plan (HEFSP). To the extent that programs described herein are not described in the HEFSP, the Borough of Netcong will submit an amendment to its HEFSP.

Netcong had a balance of \$35,838.12 as of May 31, 2025 and anticipates an additional \$38,752.90 in revenues and \$1,789.92 in interest from 2025 to 2035, for an overall total (including starting balance) of \$76,380.94. The municipality will dedicate \$50,000 toward rehabilitation, \$22,914.28 to render units more affordable, and \$3,466.66 to administrative costs. Any shortfall of funds will be offset by funds appropriated from general revenue, or the Borough will adopt a resolution of intent to bond. The municipality will dedicate any excess funds or remaining balance toward providing eligible affordable housing activities as part of emergent opportunities pursuant to N.J.A.C. 5:99-4.

SPENDING PLAN SUMMARY		
Balance as of May 31, 2025		\$35,838.12
PROJECTED REVENUE 2025-2035		
Development fees	+	\$38,752.90
Payments in lieu of construction	+	\$0
Other funds	+	\$0
Interest	+	\$1,789.92
TOTAL AVAILABLE FUNDS	=	\$76,380.94
PROJECTED EXPENDITURES		
Funds used for Rehabilitation	-	\$50,000
Affordability Assistance	-	\$22,914.28
Administration*	-	\$3,466.66
TOTAL PROJECTED EXPENDITURES	=	\$76,380.94
REMAINING BALANCE	=	\$0

* Administrative expenses are limited to 20 percent of what is actually collected.

Appendix F. Adopted Affordable Housing Ordinance Including Mandatory Set-Aside

To be provided under separate cover.

Appendix G. Adopted Development Fee Ordinance

To be provided under separate cover.

Appendix H. Resolution Appointing Municipal Housing Liaison

Resolution #2025-17

RESOLUTION


WHEREAS, the State of New Jersey requires the appointment of a Housing Liaison Officer and;

WHEREAS, the Borough Council wishes to appoint a Housing liaison Officer,

NOW, THEREFORE BE IT RESOLVED, by the Borough Council of the Borough of Netcong in the County of Morris and State of New Jersey that Ralph Blakeslee be and is hereby appointed as the Housing liaison Officer.

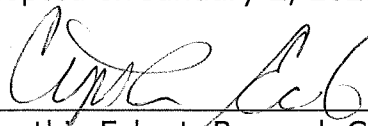
BE IT FURTHER RESOLVED, that this resolution shall take effect immediately.

BOROUGH OF NETCONG

By: 
Elmer M. Still, Mayor

CERTIFICATION

I, Cynthia Eckert, Clerk of the Borough of Netcong do hereby certify that the above is a true copy of a resolution adopted on January 2, 2025.


Cynthia Eckert, Borough Clerk