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INTERIM HOUSING ELEMENT AND FAIR SHARE PLAN



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Morristown, New Jersey

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*Interim Housing Element & Fair Share Plan
Town of Morristown*

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1. Introduction

This Interim Housing Element represents a significant policy milestone for the Town of Morristown – it’s first formal commitment to fulfill its affordable housing obligations under the New Jersey State Constitution. Upon adoption by the Planning Board and endorsement by the Governing Body, this Plan will be submitted to the New Jersey Department of Community Affairs (“DCA”) for its review. As of August 29, 2011, the DCA will assume administration of affordable housing in New Jersey pursuant to Reorganization Plan No. 001-2011 which also abolished the Council on Affordable Housing (“COAH”). Implementation of the policies and strategies contained herein will commence upon receipt the required approvals from the DCA.

The purpose of this Interim document is very specific: to confirm and address only Morristown’s “present” affordable housing requirements. At the time of this writing, there is a high level of uncertainty regarding the future of affordable housing policy in New Jersey caused both by judicial invalidation of COAH rules and by legislative reform failures. Due to the uncertain outcome of its pending appeal to the New Jersey Supreme Court, only “present need” plan components will be reviewed and the DCA will refrain from review of the forward-looking “growth share” components of any municipal housing plans. This Interim Housing Element puts forth a proactive strategy for the future production of additional housing units in Morristown.

Over the past 30 years the Town of Morristown has demonstrated its commitment to provide housing for its low-income families. As of June 2011, there exist 537 affordable housing units in Morristown – including 470 units of public housing developed and managed by the Morristown Housing Authority. Approvals are in place, or are pending, for an additional 31 affordable units to be constructed as inclusionary set-asides; 26 of which are planned for the Speedwell Redevelopment project. In addition, 33 low and moderate-income homes were rehabilitated in Morristown since 1999 under the auspices of the Morris County Division of Community Development.

This Plan follows the requirements of only those portions of NJSA 52:27D-310 and NJSA 5:94-2.3 that were not invalidated by the courts. Following this introduction is a brief history of New Jersey housing policy and describes the current state of affairs. In accordance with COAH requirements, this Plan also includes a Demographic Analysis, Housing Inventory, Employment Analysis, review of land uses and policies, as well as a discussion of Morristown’s “Rehabilitation Share” and “Prior Round Obligation.” The Plan will also apply credits for rehabilitation activity and completed construction of new affordable units to determine the Town’s present need pursuant to COAH regulations. Finally, a Spending Plan is included, as required by COAH, which outlines how the Town intends to spend revenues from the Affordable Housing Trust Fund.

1.1 New Jersey Affordable Housing Policy: A Brief History

1975 – 1985 - Mount Laurel Doctrine & the Fair Housing Act

In 1975, the New Jersey Supreme Court decided the case of Southern Burlington County NAACP v. the Township of Mount Laurel (“Mount Laurel 1”) in reaction to the practice of “exclusionary zoning” where municipalities enacted regulations that inherently increased the cost of housing by requiring large lots and prohibiting multi-family dwellings. In Mount Laurel 1 the New Jersey Supreme Court

established the Mount Laurel Doctrine that interpreted the New Jersey Constitution to create an affirmative obligation for municipalities to provide a “realistic opportunity for the construction of low and moderate income housing in their communities.” In 1983, the New Jersey Supreme Court affirmed the Mount Laurel Doctrine in “Mount Laurel 2” and devised several enforcement mechanisms and held it to the Doctrine to apply to every municipality in the State. The “builder’s remedy” was the best known and most effective of these enforcement mechanisms and allowed successful plaintiffs to build projects containing affordable housing components at higher densities than would have otherwise been permitted.

The 1985 New Jersey Fair Housing Act (“FHA”) was the legislative response to Mount Laurel 2. The Fair Housing Act established, among other things, the Council on Affordable Housing (“COAH”) as an administrative alternative to the judicial intervention. COAH was charged with establishing various housing regions in the state, determining regional and municipal fair share affordable housing obligations, and adopting regulations establishing the guidelines and approaches that municipalities may use in addressing their affordable housing need. The FHA also linked municipal planning and zoning to the provision of affordable housing. Under the Act, a municipal zoning ordinance is presumptively invalid if a municipality fails to adopt a housing element as part of its master plan or enacts zoning regulations that are inconsistent with their housing plan.

1987 - 2004 - Establishment of COAH Rules

Subsequent to the adoption of the Fair Housing Act, COAH adopted procedural and substantive rules to effectuate the FHA’s legislative intent. The rules determined the local and regional need for affordable housing units, and allocated a “fair share” of the regional need to each municipality in the region for the period of 1987 to 1993. Under COAH’s regulations, low income households are defined as those with incomes no greater than 50 percent of the area median income (AMI), adjusted for household size, and moderate-income households are those with incomes no greater than 80 percent and no less than 50 percent of the median household income. AMI were calculated based upon housing regions as established by COAH and Morristown is located within Region2, comprised of Morris, Essex, Union and Warren Counties.

In December 2004, COAH promulgated its third round “Growth Share” methodology, which adjusted prior round obligations and devised a new system for projecting future municipal housing obligations. Growth Share obligations were based upon municipal growth, between January 1, 2004 and December 31, 2013. The initial Growth Share methodology required municipalities to provide one affordable housing unit for every eight market rate units and one affordable unit for every 25 jobs created.

2004-2010 - Third Round Litigation & Revisions

In January 2007, the Appellate Division invalidated the Growth Share Methodology and required COAH to revise its rules, which were adopted in May 2008. The amended rules increased municipal



housing obligations to one unit for every 5 market-rate units (20%) and one unit for every 16 jobs. The May 2008 amendments also provided:

- Bonus credits for supportive and special needs housing, new credit for affordable housing in redevelopment areas, and optional plan phasing based on economic feasibility.
- Density bonuses for developers of residential projects where development provides for either on-site affordable housing or payment-in-lieu contributions.
- Compensatory benefits (i.e. increased F.A.R., height, taxes, etc.) for developers of non-residential projects where development provides for either onsite affordable housing or payment-in-lieu contributions.
- Payment in lieu standards (cost of constructing an affordable unit) averaging \$161,000 per affordable unit (\$148,000 for Morris County region).
- Increased development fees to 1.5% EAV for residential projects and 3% EAV for non-residential.
- The third-round rules were further amended in September 2008 to include:
 - Various changes to comport with NJDEP rules and policies including Water Quality Management, Stream Encroachment, and Highland Regional Plan programs.
 - One-third bonus for units within redevelopment areas and those constructed in proximity to mass transit nodes.
 - Established presumptive densities and affordable housing set-asides for inclusionary developments based on the State Development and Redevelopment Plan.

In July 2008, COAH rules were again amended by A500. This round of amendments included, among other things, the elimination of Regional Contribution Agreements (RCA's) as well as a reduction of non-residential development fees to 2.5%. Executive Order #114, signed in September 2008, amended the COAH rules to ensure consistency with the Highlands Regional Master Plan.

2010 - Present - Continued Reform & Uncertainty

At the time of this draft, all three branches of New Jersey State government are actively involved in reforming New Jersey's affordable housing policies. First, in December 2010 both houses of the

legislature passed S1/A3447, but Governor Christie conditionally vetoed the legislation in January 2011. The respective sponsors of S1/A3447 subsequently withdrew both bills and there is no indication that an amended proposal will be introduced.

Governor Christie, upon taking office, convened the Housing Opportunity Task Force, which released its report in March 2010. The Task Force framed its recommendations by characterizing the track record of housing production under COAH as a “poor return” on investment. In addition, the Task Force cited an evolution of New Jersey’s socioeconomic landscape, transportation infrastructure development, and changes in settlement patterns that occurred since development of the Mount Laurel doctrine that were not considered in the formulation and promulgation of COAH rules and methodologies. The Task Force recommended, among other things, a “new model” with the following components:

- Present Need: The amount of substandard housing units in a municipality, at the present time, which are in need of rehabilitation and are occupied by a household of low and moderate income.
- Prospective Need: Future obligations should be based on a benchmark of 10% of the growth predicted by the State Planning Commission. Municipalities would have the option to challenge SPC projects based upon a different authoritative source or a municipally commissioned vacant land analysis to demonstrate future growth.
- Urban Areas & Redevelopment Zones: Urban municipalities would have only present need and areas slated for redevelopment (brownfields and blighted areas) would be exempted from the 10% set-aside because the cost of remediation is financially burdensome for developers and blighted areas need high quality ratables to keep or make their municipalities economically vital and sustainable.
- Affordable Housing Element: Municipalities would still be required to include a Housing Element that describes how housing would be met through a wide variety of development options.
- The County Planning Board: The County Planning Board would be charged with conducting a hearing on the plan to determine compliance, establish a record and render a decision by resolution. If a municipality chooses to deviate from the presumptive numbers established by the SPC, the municipality would bear the burden of proof.
- Safe Harbor: The State Planning Commission would issue a Certificate of Compliance, based on the County’s compliance determination. The Attorney General would defend municipalities against challenges to certified plans for a period of 10 years.
- Procedural Mechanisms: The Home Mortgage Finance Agency (HMFA), instead of COAH, would administer procedural aspects of municipal plans such as deed restriction, income qualification and other procedural mechanisms.



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- Funding: The Task Force provided no answers on how affordable housing would be funded on a permanent basis, but temporarily supported a residential impact fee.

In October 2010, the Appellate Division invalidated a substantial portion of COAH's rules when it heard 22 consolidated appeals. Most notably, the court invalidated the third round Growth Share methodology and ordered COAH to revise its rules in accordance with the decision. In addition, the court prohibited certification of housing plans that rely upon municipally sponsored affordable housing projects without specified funding and required COAH to create a developer incentive structure for inclusionary developments. Several provisions within COAH's rules that provided "bonuses" were also invalidated, including rental bonuses for prior round obligations and "compliance bonuses." However, the court upheld the "Smart Growth" and "Redevelopment" bonuses. In addition, the Appellate Division also upheld the methodologies used to determine municipalities' "rehabilitation share" and "prior round obligation" components of their overall present need.

The New Jersey Supreme Court granted certification in March 2011 to hear the appeal of the Appellate Division's decision that invalidated much of COAH's existing rules. No oral arguments have been scheduled at this time. During the pendency of the Supreme Court's hearings, COAH announced that it would, at its discretion, continue to review portions of housing plans addressing present need (rehabilitation share) and prior round obligations.

On June 29, 2011 Governor Chris Christie issued Reorganization Plan No. 001-2011 which transferred the administration of the State's affordable housing program from COAH to the New Jersey Department of Community Affairs. The Reorganization Plan will take effect on August 29, 2011.

1.2 Housing Plan Requirements

Municipal Land Use Law & Fair Housing Act

The Municipal Land Use Law (MLUL), through incorporation of the New Jersey Fair Housing Act (FHA), requires municipalities to include a housing element in their master plans as a prerequisite to the zoning power. The principle purpose of the housing element is to enumerate and provide the data, policies, methods by which municipalities will meet present and prospective housing needs, with particular attention to low and moderate income households. Under the FHA, as amended, the required contents of the housing element are:

- 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 upcoming ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;

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- 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 for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing; and
 - F. A consideration of the lands that are most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing.

1.3 Applicable Methodologies

Due to the unique moment in time in which this housing element was prepared, the Growth Share methodology will not be integrated due to its unpredictable legal status. Rather, this housing element will address Morristown's present housing need – as calculated under previous two rounds ("prior round obligation") as well as the rehabilitation obligation:

- **Prior Round Obligation:** The prior round obligation is the amount of the municipality's "new construction" obligation as calculated by COAH in June 1994 when its Round Two regulations were adopted. This Housing Element will address, in detail, Morristown's prior round obligations and the strategies it will undertake to satisfy the obligation.
- **Rehabilitation Obligation:** The rehabilitation obligation is the amount of substandard units existing within the municipality as determined by Census data, but also provides municipalities the opportunity to propose adjustments to the rehabilitation obligation based on existing conditions.

A calculation of Morristown's Growth Share Obligation, will be temporarily postponed until a predictable methodology and framework emerges from the legislature on the judiciary.



2. Municipal Summary

The Town of Morristown is 3 square miles in size and the county seat for Morris County. Morristown is essentially a fully developed Town with an active central business district, and a diverse range of residential housing including multi-family housing and small lot single-family housing. Open space, recreation and other community facilities are scattered throughout the Town. The Town is surrounded by Morris Township. The Morristown Train Station is a regional stop on the Morristown Line.

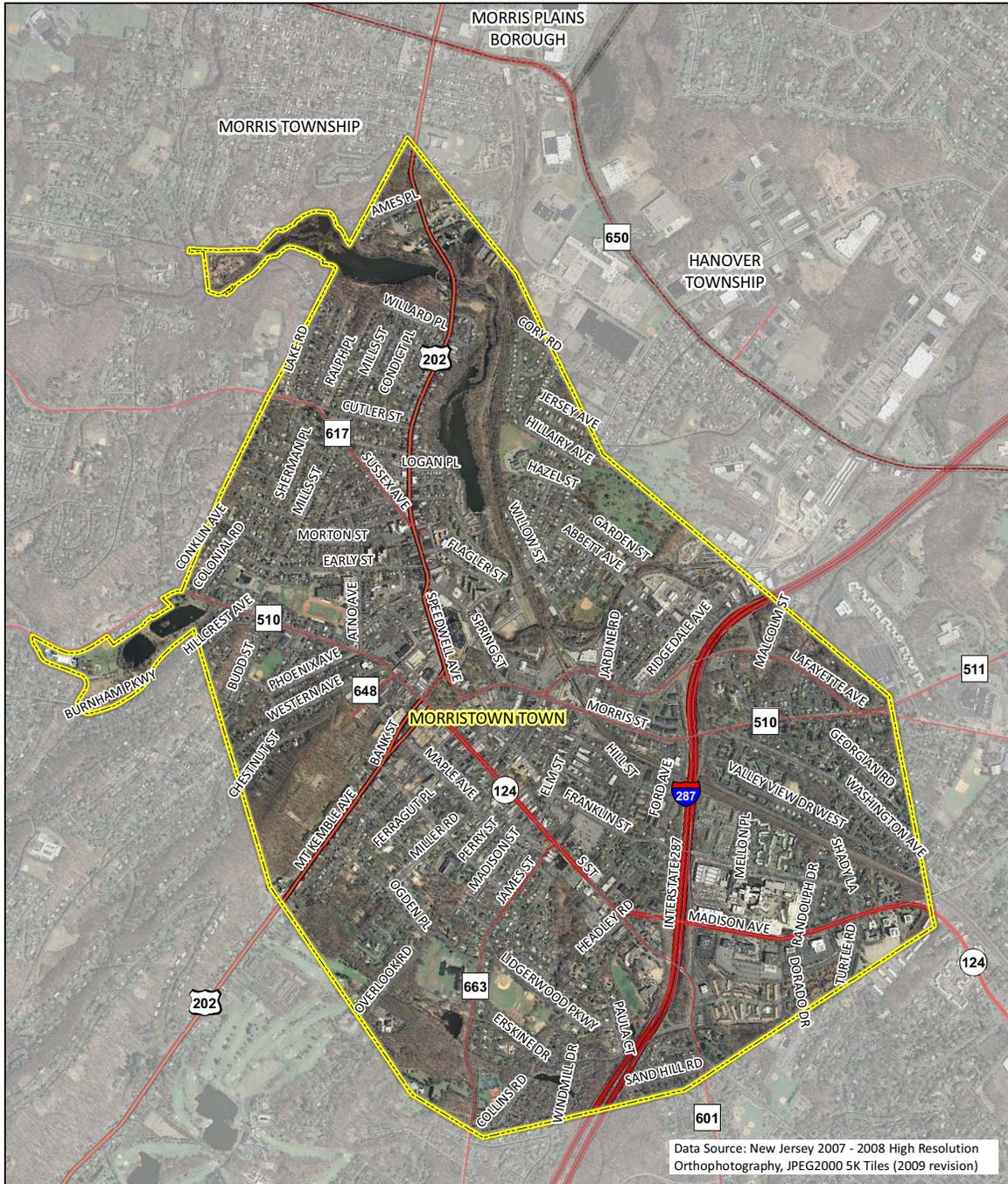
The population of Morristown decreased by 133 (-.7%) people from 2000 to 2010. The 2000 median age in Morristown was 35 years, which dropped slightly to 34.8 years in 2010. The median household size is also shrinking slightly in Morristown, from 2.43 persons in 2000 to 2.4 in 2010.

Approximately one quarter of the Town's housing stock is single-family detached dwelling units and an additional one-quarter of the housing stock is multi-family dwellings with 20 or more units in a building. Fifty eight percent of the housing stock was built prior to 1960. According to the guidelines established by COAH, Morristown is located in Housing Region 2, a region that consists of Essex, Morris, Union and Warren counties.

As determined by the Council on Affordable Housing combined with permissible adjustments, Morristown has a net rehabilitation obligation of 9 units and a Prior Round (1987-1999) Obligation of 138 units.

This report constitutes the Housing Element/Fair Share Plan of Morristown Town. It consists of six parts, as follows:

- PART I. DEMOGRAPHIC CHARACTERISTICS
- PART II. EXISTING HOUSING CHARACTERISTICS
- PART III. EMPLOYMENT DATA
- PART IV. LAND USE ANALYSIS
- PART V. DETERMINING THE FAIR SHARE OBLIGATION
- PART VI. THIRD ROUND FAIR SHARE PLAN



Aerial Photo
Town of Morristown, Morris County

N
0 0.25 0.5 Miles
1 in = 0.33 miles November 2009



Heyer, Gruel & Associates

2.1 A Note on the Data

The following statistics and demographic data is derived from one of three sources available at the time of this writing:

- 2000 Census: A nationwide census taken in 1999 represents the most robust demographic dataset available for Morristown. However, the data was obtained nearly 12 years ago and may not accurately reflect current conditions. 2000 Census data will be provided as a comparison against the American Community survey and 2010 Census.
- 2005-2009 American Community Survey: The American Community Survey (ACS) estimates are generated between the decennial censuses. ACS figures are based on data collected over a 5-year time period. The estimates represent the average characteristics of population and housing between January 2005 and December 2009 and DO NOT represent a single point in time. The ACS is now an ongoing survey of American communities to measure certain elements of the decennial census on an ongoing basis.
- 2010 Census: The 2010 Census is the most recent decennial census, but at this time the Census Bureau has released only certain data points relevant to this Housing Element. The 2005/09 ACS dataset will be used, on an interim basis, when 2010 Census is unavailable.

Data will be presented, wherever possible, to put Morristown in context with the state and county. Similarly, change over time will be presented between 2000 and 2010.

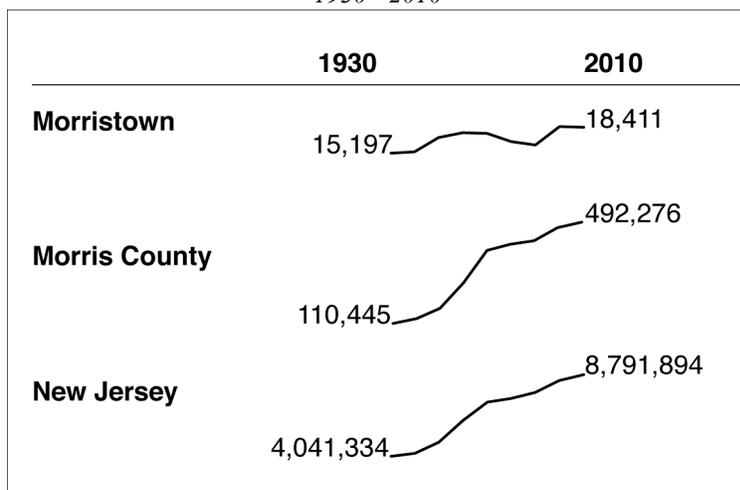
2.2 Demographic Characteristics

Population

The 2010 population of Morristown Town was 18,411, which was a decrease of 133 people (-.7%) from the 2000 population. The population trends experienced in Morristown Town, Morris County and the State of New Jersey from 1930 through 2010 are shown below. Morristown experienced growth from 1930 to 1960 but then lost population in the 1970's, 1980's and 1990's. Morris County experienced a similar growth pattern while the State has continued to grow with larger swells between 1950 and 1970. The recent 2010 Census data indicates a slight drop in population over the last ten years.



*Population in Morristown, Morris County, and the State of New Jersey
1930 - 2010*

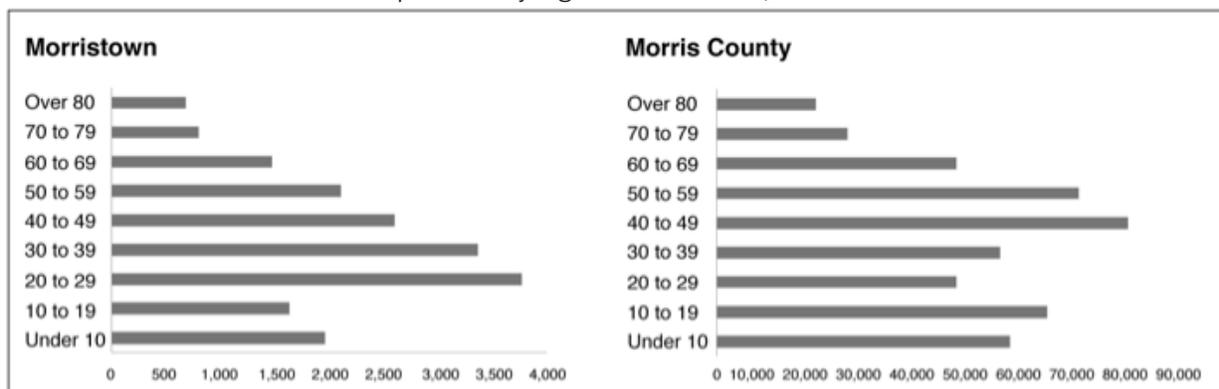


Source: U.S. Census Bureau

Population Composition by Age

The median age of the population of Morristown in 2000 was 35 years, compared with 37.8 years for Morris County. In 2010 the median age in Morristown dropped slightly to 34.8, seeing a 4.8% increase in pre-school children in the 0-4 year old age group. While the population of Morristown continues to grow increasingly 'younger' than that of Morris County, Morristown also continues to have proportionately fewer school age children in the 5-19 age group. At the same time, Morristown is trending toward proportionally more pre-school age children and senior seniors as compared to the County as a whole.

Population by Age in Morristown, NJ 2010



Source: U.S. Census Bureau

Households

According to the classification system used by the Census Bureau, people either live in a household, in a housing unit, or in a “group quarters.” Two types of “households” exist: family and non-family. A “household” is one or more persons living and eating together separately from other persons who may be in the same building. A “family” is a household with two or more related persons living together. While most Morristown residents live in houses, townhouses, and apartments, 3.4% (down from 5% in 2000) of residents live in what the Census Bureau calls “group quarters,” such as the county jail, boarding homes, nursing homes, and group homes. Average household size is smaller than average family size, due to one-person households persons living alone; 38.8% of Morristown households in 2010 consisted of one person living alone. Morristown is showing a slight trend toward non-family households; the number of families as a percentage of households decreased by 3.5%. This is consist with national trends; the 2010 census marked the first time in American history where married couples represented less than half of the total households.

Morristown Population by Household Type, 2000 - 2010

	Morristown				Morris County			
	2000	2010	Change		2000	2010	Change	
			Number	Percent			Number	Percent
Total Population	18,544	18,411	-133	-0.7%	470,212	492,276	22,064.00	4.7%
Population in Households	95%	96.6%	0.02	1.7%	98.0%	98.2%	0.00	0.2%
Population in Group Quarters	5%	3.4%	-0.02	-32.0%	2.0%	1.8%	0.00	-10.0%
Total Households	7,252	7,417	165	2.3%	169,711	180,534	10,823.00	6.4%
Total Families	3,700	3,652	-48	-1.3%	124,907	129,242	4,335.00	3.5%
Average Household Size	2.43	2.4	-0.03	-1.2%	2.72	2.68	-0.04	-1.5%
Average Family Size	3.19	3.13	-0.06	-1.9%	3.18	3.19	0.01	0.3%
Families as a % of Household	51%	49.2%	-0.02	-3.5%	73.6%	71.6%	-0.02	-2.7%
Householders Living Alone	38.70%	38.8%	0	0.3%		23.5%	0.02	9.3%
Source: US Census 2010								

Income

While actual incomes in Morristown, the county and the state rose between 1999 and 2009, the purchasing power of individuals and households in Morristown was significantly reduced when adjusted for inflation - the negative percentage change for individuals and households was 3.72 and 16.88, respectively. According to this data, the purchasing power of Morristown individual and household incomes decreased disproportionately against county and statewide averages.



Per Capita & Household Income 1999 - 2009, Morristown, Morris County, and NJ

Per Capita

	1999	1999 (Inflation Adjusted)	2005-09	Change	% Change	% Change, Inflation Adjusted
Morristown	\$30,086	\$38,742.86	\$37,300	\$7,214	23.98%	-3.72%
Morris County	\$36,964	\$47,599.91	\$46,764	\$9,800	26.51%	-1.76%
NJ	\$27,006	\$34,776.63	\$34,566	\$7,560	27.99%	-0.61%

Household

	1999	1999 (Inflation Adjusted)	2005-09	Change	% Change	% Change, Inflation Adjusted
Morristown	\$57,563	\$74,126.01	\$61,612	\$4,049	7.03%	-16.88%
Morris County	\$77,340	\$99,593.59	\$96,316	\$18,976	24.54%	-3.29%
NJ	\$55,146	\$71,013.55	\$68,981	\$13,835	25.09%	-2.86%

Source: Census, Bureau of Labor Statistics

Poverty Status

Of the 18,021 persons in Morristown counted in the 2005-09 Survey, 1,350 or 7.49 percent lived in poverty. Of this 11.2 percent, a majority was in the age range of 18 to 65. Recent years have shown a decline of persons in Morristown living in poverty. In the past decade, the number of elderly (over 65) was cut nearly in half with a current figure of 148 persons living under poverty. Only 290 persons or 14 percent of those living in poverty in Morristown are considered elderly (over 65).

Poverty Status 1999 – 2009

Morristown					
	1999	Percent	2005-09	Percent	Change
Total Persons	18544		18,021		-2.82%
Total below poverty	2069	11.16%	1,350	7.49%	-34.75%
Under 18	413	2.23%	345	1.91%	-16.46%
18 - 65	1366	7.37%	857	4.76%	-37.26%
65 +	290	1.56%	148	0.82%	-48.97%
Morris County					
	1999	Percent	2005-09	Percent	Change
Total Persons	470,212		478,040		1.66%
Total below poverty	17,872	3.80%	16,675	3.49%	-6.70%
Under 18	4,464	0.95%	4215	0.88%	-5.58%
18 - 65	10,675	2.27%	9437	1.97%	-11.60%
65 +	2,733	0.58%	3023	0.63%	10.61%

Household Costs

The tables below show the expenditures for housing for those who own and rent in Morristown Town. Approximately 49% of renters spend more than 30 percent of their household income on housing and about 48% (up from 26% in 2000) of owners spend more than 30 percent of their household income on housing cost. The general affordability standard used is that no more than 30 percent of gross income should be allocated for housing costs.

Selected Monthly Owner Costs as a Percentage of Household Income in Morristown, 2005 - 2009		
	2005-09	Percent
Total owner-occupied housing units	3525	
Less than 15 percent	673	19.1%
15 to 19 percent	346	9.8%
20 to 24 percent	383	10.9%
25 to 29 percent	422	12.0%
30 to 34 percent	474	13.4%
35 percent or more	1214	34.4%
Not computed	13	0.4%
Total over 30 percent	1688	47.9%
Source: 2009 American Community Survey		

Gross Rent as a Percentage of Household Income in Morristown, 2005 - 2009		
	2005-09	Percent
Total renter-occupied units	4497	
Less than 15 percent	615	13.7%
15 to 19 percent	538	12.0%
20 to 24 percent	611	13.6%
25 to 29 percent	260	5.8%
30 to 34 percent	443	9.9%
35 percent or more	1771	39.4%
Not computed	259	5.8%
Total over 30 percent	2214	49.2%
Source: 2009 American Community Survey		



2.3 Existing Housing Conditions

Housing Unit Data

According to the 2010 Census, Morristown had a total of 8172 housing units, an increase of 7.31% over 2000. Of the housing units, 2863 or 35 percent were owner occupied while 4554 or 55.7 percent were renter occupied. The highest percentages of structures (34.1%) were built prior to 1940 with another large surge between 1950 and 1969.

Housing Tenure and Occupancy in Morristown, 2000 - 2010					
Housing Units	2000	Percent	2010	Percent	Percent change
Total	7615	100.0%	8172	100.0%	7.31%
Tenure					
Owner occupied	2865	37.6%	2863	35.0%	-0.07%
Renter occupied	4387	57.6%	4554	55.7%	3.81%
Vacant units	363	4.8%	755	9.2%	107.99%

Source: 2000, 2010 U.S. Census

Year Structure Built in Morristown		
	Units	Percent
Total:	8,748	
Built 2005 or later	35	0.40%
Built 2000 to 2004	212	2.42%
Built 1990 to 1999	745	8.52%
Built 1980 to 1989	931	10.64%
Built 1970 to 1979	732	8.37%
Built 1960 to 1969	1,036	11.84%
Built 1950 to 1959	1,205	13.77%
Built 1940 to 1949	869	9.93%
Built 1939 or earlier	2,983	34.10%

Source: U.S. Census Bureau 2005-2009 American Community Survey

Housing Type and Size in Morristown, 2000 - 2009

Units in Structure	2000	Percent	2005-09	Percent	Percent Change
Total:	7615		8,748		14.88%
1, detached	2115	27.8%	2,448	28.0%	15.74%
1, attached	662	8.7%	698	8.0%	5.44%
2	872	11.5%	1,031	11.8%	18.23%
3 or 4	938	12.3%	1,010	11.5%	7.68%
5 to 9	514	6.7%	613	7.0%	19.26%
10 to 19	537	7.1%	1,025	11.7%	90.88%
20 or more	1968	25.8%	1923	22.0%	-2.29%
Other	9	0.1%	0	0.0%	-100.00%

Source: 2000 U.S. Census, 2009 American Community Survey

Rooms	2005-09	Percent
Total:	8,748	100.0%
1 room	394	4.5%
2 rooms	394	4.5%
3 rooms	1,633	18.7%
4 rooms	1,839	21.0%
5 rooms	1,273	14.6%
6 rooms	1,216	13.9%
7 rooms	842	9.6%
8 rooms	447	5.1%
9 or more rooms	710	8.1%
Median number of rooms	4.6	
Source: 2009 American Community Survey		



Housing Values and Gross Rents

Housing values for owner-occupied housing units in 2005-2009 are listed in the table below. The largest percentages of homes (53%) are valued between \$300,000 and \$399,999. The median value in Morristown Town was \$373,416 (up from \$214,400 in 2000) and, of the owner-occupied units, 868 or 24.6 percent have no mortgage.

Value for All Owner - Occupied Housing Units and Mortgage Status, Morristown, 2000 - 2009					
	2000	Percent	2005 - 09	Percent	
Total	2114	100.0%	3525	100.0%	
Less than \$50,000	18	0.9%	15	0.4%	
\$50,000 to \$99,999	32	1.5%	34	1.0%	
\$100,000 to \$149,999	206	9.7%	42	1.2%	
\$150,000 to \$199,999	518	24.5%	69	2.0%	
\$200,000 to \$299,999	858	40.6%	693	19.7%	
\$300,000 to \$499,999	403	19.1%	1865	52.9%	
\$500,000 +	79	3.7%	807	22.9%	
Mortgage Status	2000	Percent	2005 - 09	Percent	Percent Change
Total:	2114	100.0%	3525	100.0%	66.7%
Housing units with a mortgage, contract to purchase, or similar debt:	1602	75.8%	2657	75.4%	65.9%
With either a second mortgage or home equity loan, but not both:	422	20.0%	728	20.7%	72.5%
Second mortgage only	126	6.0%	103	2.9%	-18.3%
Home equity loan only	296	14.0%	625	17.7%	111.1%
Both second mortgage and home equity loan	0	0.0%	20	0.6%	
No second mortgage and no home equity loan	1180	55.8%	1909	54.2%	61.8%
Housing units without a mortgage	512	24.2%	868	24.6%	69.5%
Source: 2009 American Community Survey					

Housing Conditions

The table below details the condition of housing within Morristown Town based on heating fuel, plumbing facilities, kitchen facilities, telephone service and overcrowding. These factors are utilized in determining housing deficiency. According to the 2010 ACS, Morristown Town had 83 units lacking in complete kitchen facilities and 42 units lacking complete plumbing facilities. There is a reported drop in overcrowding as measured by occupants per room.

Housing Conditions in Morristown 2000 - 2009					
House Heating Fuel in Occupied housing units					
	2000	Percent	2005 - 09	Percent	Percent Change
Total	7,252	100.0%	8,022	100.0%	10.62%
Utility gas	5,185	71.5%	5,529	68.9%	6.63%
Bottled, tank, or LP gas	186	2.6%	54	0.7%	-70.97%
Electricity	908	12.5%	1,435	17.9%	58.04%
Fuel oil, kerosene, etc.	896	12.4%	842	10.5%	-6.03%
Coal or coke	0	0.0%	26	0.3%	
Wood	0	0.0%	28	0.3%	
Solar energy	0	0.0%	0	0.0%	
Other fuel	71	1.0%	35	0.4%	-50.70%
No fuel used	6	0.1%	73	0.9%	1116.67%
Occupants per Room in Occupied housing units					
	2000	Percent	2005-09	Percent	Percent Change
1.00 or less	6,682	92.1%	7,613	94.90%	13.9%
1.01 to 1.50	359	5.0%	409	5.10%	13.9%
1.51 or more	211	2.9%	0	0.00%	-100.0%
Facilities - Total units					
	2000	Percent	2005 - 09	Percent	Percent Change
Total	7,615		8,748		
Lacking complete plumbing facilities	61	0.8%	42	0.5%	-31.1%
Lacking complete kitchen facilities	23	0.3%	83	0.9%	260.9%

Source: 2000 U.S. Census, 2009 American Community Survey

2.4 Employment Data

Employment Trends

The following tables detail changes in employment from 2000 - 2010 for Morristown Town, Morris County and New Jersey. As to be expected, unemployment rates rose significantly in 2009 and 2010. However, over the past ten years, including the recent rise in unemployment, Morristown has consistently had lower unemployment rates than the county and statewide averages. The rate was lowest in 2000 (2.6%). The same trend was seen in both the County and the State.



Employment and Labor Force in Morristown, 2000 - 2010				
	Resident Labor Force	Resident Employment	Unemployment	Unemployment Rate
2000	11,059	10,771	288	2.6
2001	11,057	10,701	356	3.2
2002	11,236	10,728	509	4.5
2003	11,310	10,800	511	4.5
2004	11,324	10,916	409	3.6
2005	11,343	10,967	375	3.3
2006	11,534	11,144	390	3.4
2007	11,544	11,203	340	2.9
2008	11,671	11,216	454	3.9
2009	11,600	10,804	796	6.9
2010	11,448	10,641	807	7.0

Source: New Jersey Department of Labor

Employment and Labor Force in Morris County, 2000 - 2010				
	Resident Labor Force	Resident Employment	Unemployment	Unemployment Rate
2000	261,226	254,319	6,907	2.6
2001	261,208	252,657	8,551	3.3
2002	265,499	253,291	12,208	4.6
2003	267,243	254,991	12,252	4.6
2004	267,537	257,733	9,804	3.7
2005	267,813	259,088	8,725	3.3
2006	272,237	263,196	9,041	3.3
2007	272,595	264,325	8,271	3.0
2008	275,145	264,154	10,991	4.0
2009	273,858	254,482	19,376	7.1
2010	270,282	250,640	19,642	7.3

Source: New Jersey Department of Labor

Employment and Labor Force in New Jersey, 2000 - 2010				
	Resident Labor Force	Resident Employment	Unemployment	Unemployment Rate
2000	4,287,800	4,130,300	157,500	3.7
2001	4,302,300	4,117,500	184,800	4.3
2002	4,370,800	4,117,300	253,500	5.8
2003	4,363,900	4,108,400	255,500	5.9
2004	4,358,900	4,144,200	214,700	4.9
2005	4,404,500	4,207,700	196,700	4.5
2006	4,465,100	4,257,900	207,200	4.6
2007	4,456,300	4,265,300	191,100	4.3
2008	4,501,600	4,256,300	245,400	5.5
2009	4,526,500	4,116,400	410,100	9.1
2010	4,502,400	4,076,700	425,700	9.5

Source: New Jersey Department of Labor

Class of Worker and Occupation

From the US Census American Community Survey, the majority of workers in 2005-2009 living in Morristown Town were a part of the private wage and salary worker group (85%). The second largest category was government workers (8 %) followed by those who were self -employed (6.9%). Self-employment in Morristown nearly doubled in the past 10 years; in 2000 only 3.7% of workers were self-employed, which is consistent with the national trend. Those that worked within the private wage field were concentrated heavily in management/professional positions, services and sales and office occupations. These three categories of worker equaled 82.8 percent of employed residents.

Class of Worker in Morristown 2000 - 2009					
	2000	Percent	2005 - 09	Percent	Percent Change
Total	10,384	100.0%	11,249	100.0%	8.3%
Private wage and salary worker	9,134	88.0%	9,555	84.9%	4.6%
Government worker	842	8.1%	901	8.0%	7.0%
Self-employed worker	387	3.7%	780	6.9%	101.6%
Unpaid family worker	21	0.2%	13	0.1%	-38.1%
Source: 2009 American Community Survey					

Occupation of Workers in Morristown 2000 - 2009					
	2000	Percent	2005 - 09	Percent	Percent Change
Total					
Civilian employed population 16 years and over	10,384	100.0%	11,249	100.00%	8.3%
Management, professional, and related occupations	4,303	41.4%	4,055	36.05%	-5.8%
Service occupations	2,226	21.4%	2,717	24.15%	22.1%
Sales and office occupations	2,144	20.6%	2,681	23.83%	25.0%
Farming, fishing, and forestry occupations	42	0.4%	0	0.00%	-100.0%
Construction, extraction, maintenance, and repair occupations	722	7.0%	965	8.58%	33.7%
Production, transportation, and material moving occupations	947	9.1%	831	7.39%	-12.2%
Source: 2009 American Community Survey					

Commuting to Work

According to the 2005-2009 American Community Survey, the largest commute group of Morristown workers was those that spent 10 to 14 minutes on their journey to work. Approximately 5.2% percent traveled more than an hour to get to work while approximately 75 percent had to travel less than 30 minutes. The largest proportion of workers commuted by automobile (75%) and of that percentage, an overwhelming 61 percent of them drove alone while only 14.3 percent carpoolled. Public transportation utilization was down from 6.3% in 2000 to 5.8% in 2005-09, however there was an increase in those who reportedly walked to work from 7.7% in 2000 to 11.2% in 2005/2009.



Travel Time to Work and Means of Commute in Morristown, 2000 - 2009					
	2000	Percent	2005 - 09	Percent	Percent Change
Total	10,209	100.0%	10,623		4.1%
Workers who did not work at home	9,990	97.9%	10,212	96.1%	2.2%
Less than 10 minutes	1,396	13.7%	1,634	15.4%	17.0%
10 to 14 minutes	1,913	18.7%	2,173	20.5%	13.6%
15 to 19 minutes	1,976	19.4%	1,691	15.9%	-14.4%
20 to 24 minutes	1,196	11.7%	2,037	19.2%	70.3%
25 to 29 minutes	508	5.0%	369	3.5%	-27.4%
30 to 34 minutes	1,202	11.8%	1,116	10.5%	-7.2%
35 to 44 minutes	386	3.8%	529	5.0%	37.0%
45 to 59 minutes	546	5.3%	515	4.8%	-5.7%
60 to 89 minutes	537	5.3%	278	2.6%	-48.2%
90 or more minutes	330	3.2%	281	2.6%	-14.8%
Means of Commute	2000	Percent	2005 - 09	Percent	Percent Change
Workers 16 years and over	10,209	100.0%	11,034	100.0%	8.1%
Car, truck, or van	8,144	79.8%	8,312	75.3%	2.1%
Drove alone	6,624	64.9%	6,735	61.0%	1.7%
Carpooled	1,520	14.9%	1,577	14.3%	3.8%
Public Transportation	648	6.3%	639	5.8%	-1.4%
Walked	782	7.7%	1,237	11.2%	58.2%
Other means	411	4.0%	435	3.9%	5.8%
Worked at home	219	2.1%	411	3.7%	87.7%
Source: 2009 American Community Survey					

Covered Employment

The State Department of Labor collects information on covered employment, which is employment and wage data for employees covered by unemployment insurance. The tables below provide a snapshot of employees working within Morristown. The first table reflects the number of jobs covered by unemployment insurance from 2003 through 2006. The second table reflects the disbursement of jobs by industry in 2000 and 2003.

Private covered employment within Morristown has decreased since 2003. The 30,857 private jobs reported in Morristown in 2003 is probably inaccurate, as many of these jobs are most likely located in Morris Township and other surrounding municipalities that share the 07960 ZIP code with Morristown, which is used for geo-coding the location of jobs reported to the New Jersey Department of Labor and

Workforce Development. How many jobs are actually located in Morristown is not known. According to a 2005 analysis by the former Morristown Postmaster of confidential 1984 New Jersey Department of Labor data, performed as part of the Town’s fair share housing planning, about one-half of the largest employers listed as being in Morristown in 1984 were not actually located in Morristown. Consequently, at least 5,000 jobs were incorrectly allocated to Morristown. Given this documented discrepancy, the number of jobs actually in Morristown is more likely in the 20,000-25,000 jobs range, still a very significant number.

In any case, the service economy is clearly very important to Morristown, both for the jobs of its residents and for jobs in Morristown, accounting for an estimated 80% of the jobs in Morristown and about two-thirds of the jobs of its residents. In the future, the service sector will most likely continue to dominate the local economy.

<i>Morristown Jobs by Sector 2000 - 2009</i>	Jobs of Morristown Residents		Jobs in Morristown
	2000 Percent	2005 - 09 Percent	2003 Percent
Civilian employed population 16 years and over	10384	11249	
Agriculture, forestry, fishing and hunting, and mining	1.0%	0.5%	0.0%
Construction	5.8%	8.0%	1.6%
Manufacturing	12.8%	10.6%	4.0%
Wholesale trade	2.9%	1.6%	2.3%
Retail trade	8.6%	7.9%	8.1%
Transportation and warehousing, and utilities	3.0%	2.8%	2.7%
Information	6.0%	4.7%	5.5%
Finance and insurance, and real estate and rental and leasing	8.4%	9.1%	10.8%
Professional, scientific, and management, and administrative and waste management services	15.9%	14.6%	21.7%
Educational services, and health care and social assistance	18.5%	22.4%	22.3%
Arts, entertainment, and recreation, and accommodation and food services	9.8%	10.2%	5.0%
Other services, except public administration	4.7%	5.5%	2.3%
Public administration	2.7%	2.1%	11.8%

2.5 Land Use Analysis

A zoning analysis is utilized to help determine where growth is expected and where housing units are likely to be developed in the future. This analysis covers how existing and planned zoning regulations as well as capital infrastructure provide adequate capacity to accommodate residential and non-residential growth projections. The section includes the following:



-
- An analysis of the available existing and planned infrastructure.
 - The anticipated demand for types of uses permitted by zoning based on present and anticipated future demographic characteristics of the Town and anticipated land use patterns.
 - The Town's economic development policies and constraints on development with existing or planned measures to address constraints.

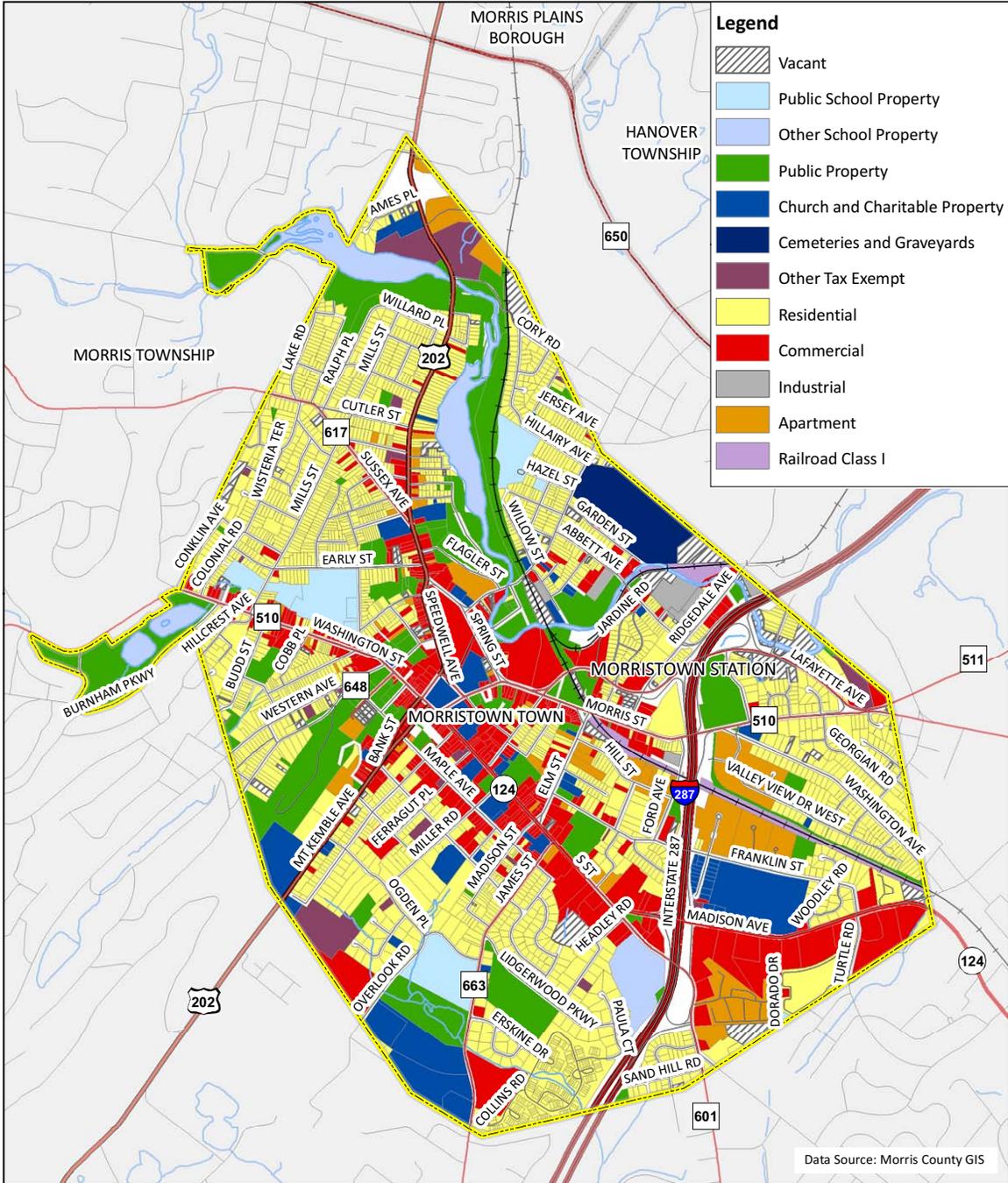
Infrastructure

Sewer

All of Morristown has sanitary sewers, except for about four properties with septic systems. The collection systems are primarily gravity driven except for several force mains in the southeastern part of Town. Any problem areas within the Town are the result of aging sewer pipes, however these areas are being addressed on an as needed basis and therefore do not present a development constraint for future development and redevelopment within the Town. The Town's sewage treatment plant is located in Hanover Township. Despite existing infiltration and inflow problems that are being addressed, additional capacity for new connections to the system remains.

Water

The Town's water is supplied through the Southeast Morris County Municipal Utilities Authority (SMCMUA), which operates a regional system that includes Morristown, as well as parts of Morris Plains, Morris Township, Hanover, Harding and Mendham Townships. Water is supplied through one reservoir and thirteen wells in the Central Passaic Buried Valley Aquifer. The SMCMUA also purchases water from other suppliers. The water system supplying Morristown has sufficient excess capacity to meet Morristown's need in the short-term.



Land Use
Town of Morristown, Morris County

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1 in = 0.33 miles November 2009

Heyer, Gruel & Associates



Land Use Patterns

Residential

As shown on the Land Use map, the largest proportion of Morristown's land use is comprised of residential development, which comprises approximately 80% of the total parcels in the Town. A wide range of housing exists in the residential category, including single-family homes in the northwestern, southwestern and eastern parts of the Town. Two, three and four family dwellings are predominately located in the transitional residential areas, which abut the commercial core, including along Washington Street and Western Avenue. Multi-family dwellings are concentrated near Lake Pocahontas, Morristown Memorial Hospital and along the Town's southeastern border.

Commercial

As the county seat for Morris County, the Town is both a governmental and commercial hub. Commercial uses comprise approximately 12% of the parcels in the Town. The major retail and service uses are located along South Street. Neighborhood-scale retail service uses are located throughout the community and are typically part of mixed-use commercial/residential uses. Office uses are concentrated along Morris Avenue and in the Headquarters Plaza office complex. Washington Street, particularly near the Court House and County Administration Complex, includes a number of office uses.

Industrial

Industrial uses comprise less than 1% of the total parcels in Morristown. Almost all industrial development in Morristown is categorized as light industrial. The majority of these uses are located within the Abbett Avenue and Ridgedale Avenue corridor.

Other

Public and quasi-public uses including government buildings, houses of worship, public and private schools, clubs, cemeteries, hospitals and other institutional type uses are, as expected, scattered throughout the Town. Such uses comprise approximately 6% of the Town's parcels and include the Town's four public schools, community parks, fire, public works, library and Town Hall. Morristown Memorial Hospital and the facilities of Morris County are also included in this category.



Economic Policies

The Town of Morristown has historically functioned as a regional employment center with more than 27,000 jobs. As described in the Town's 2003 Master Plan, the Town's primary economic development goal is "to retain and enhance Morristown's position as the financial, cultural, business and historical center of Morris County and as one of the premiere business environments within New Jersey." The Town's designation as one of the first five Transit Villages in New Jersey underlines the role of Morristown as a hub for the region. To advance the goal of the 2003 Master Plan, the Town has focused on:

1. Streetscape and aesthetic improvements;
2. Attracting technologically-oriented firms that will compete effectively in the twenty-first century;
3. Creating and maintaining infrastructure to keep and attract the mostly likely businesses for Morristown; and
4. Encouraging the adaptive reuse and development of underutilized properties and brownfields.

Since 2003 the Town has implemented a number of these objectives, primarily through redevelopment, including the creation of plans for Epstein's, Speedwell Avenue and Spring Street. All of these areas are located in close proximity to the Town Green and further focus the Town's economic development policies on capitalizing on Morristown's existing compact urban form and transit access.

Environmental Constraints

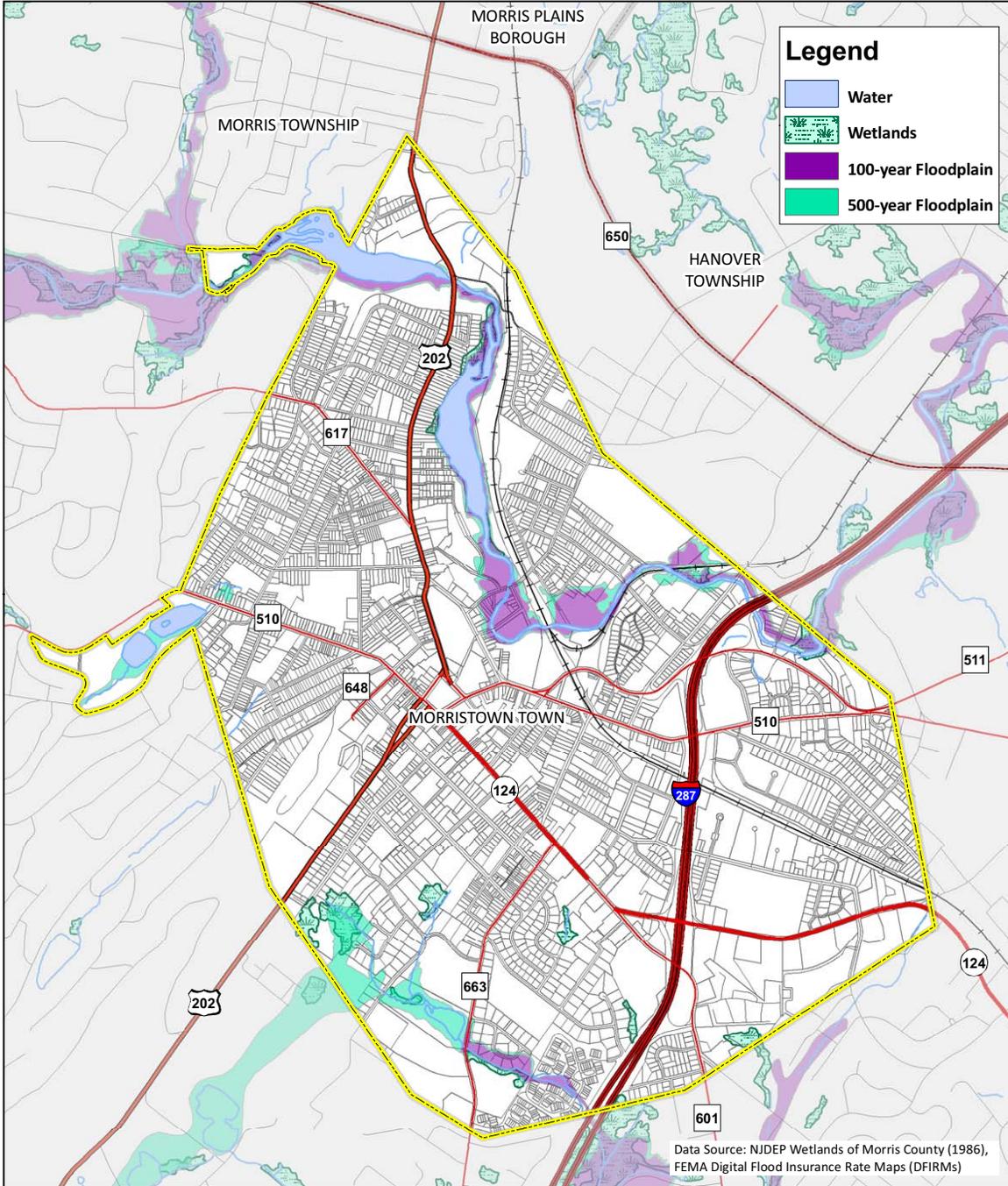
The following section summarizes the environmental constraints within the Town. The constraints are detailed on the attached Wetlands, Floodplains, Steep Slopes and Critical Habitat maps.

Wetlands

Morristown has wetlands scattered throughout the Town. Wetlands comprise approximately 1.6% of the Town's total land area. Those areas with wetlands are primarily located in the southern part of Town, particularly near Great Brook. Wetlands are an important aspect of the hydrologic and hydraulic characteristics and serve several purposes. They support wildlife and distinct species of plant life. They also act as a retention basin for floodwaters and control various types of water pollution. Wetlands and their required transition areas are the most significant regulatory constraints to development.

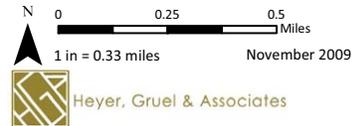
Floodplains

Floodplains are areas adjacent to streams, rivers, ponds and lakes. In order to avoid destruction of property and habitat, development within the floodplains is restricted. Approximately 5% of the Town's land area is within the 100-year floodplain and 3% is within the 500 year floodplain. Areas within floodplains are primarily adjacent to Speedwell Lake, Lake Pocahontas, Whippany River, and Great Brook.



Wetlands and Floodplains

Town of Morristown, Morris County





Steep Slopes

Morristown has two areas that are primarily affected by steep slopes. Those areas adjacent to Lake Pocahontas and in the western part of the Town and a large area with slopes in excess of 25% is located in near Western Avenue and Route 202. Much of this area is located within the Fort Nonsense National Park.

Critical Habitats

Surveys by the New Jersey Highlands break down critical habitats into five general areas based on the relationship between the quality of the area for habitat and the use of the area by various species. No areas within the Town are uses for federally listed endangered species. Areas along Great Brook in southern Morristown are listed as habitats of “priority concern” and for “state threatened” species. Speedwell Lake and Lake Pocahontas are listed habitats of “priority concern.”

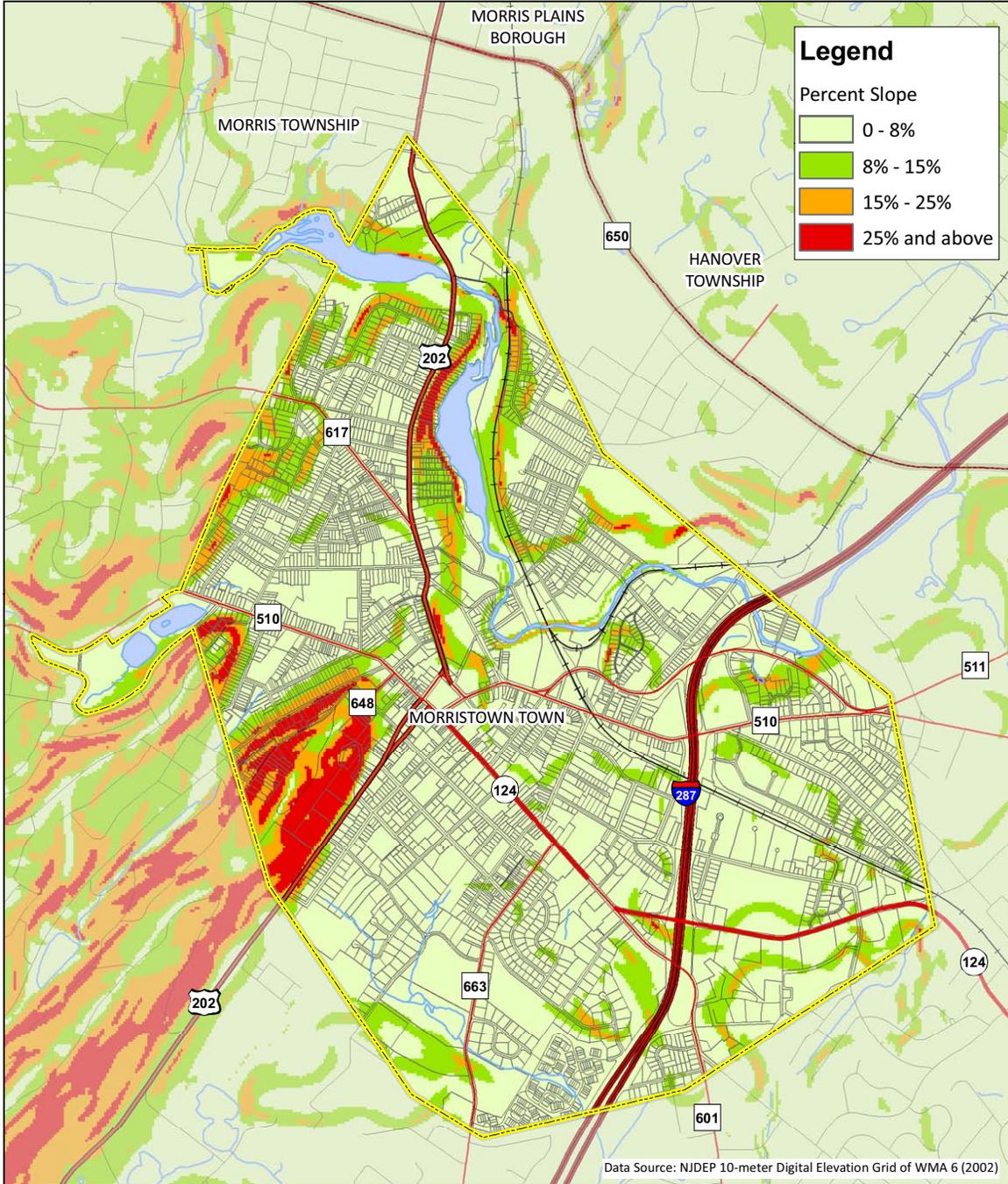
Known Contaminated Sites

Morristown Town has a total of 33 active known contaminated sites. An active status means they are assigned to a remedial program and measures such as preliminary assessment, remedial investigation or cleanup work are underway.

Morristown Public Housing

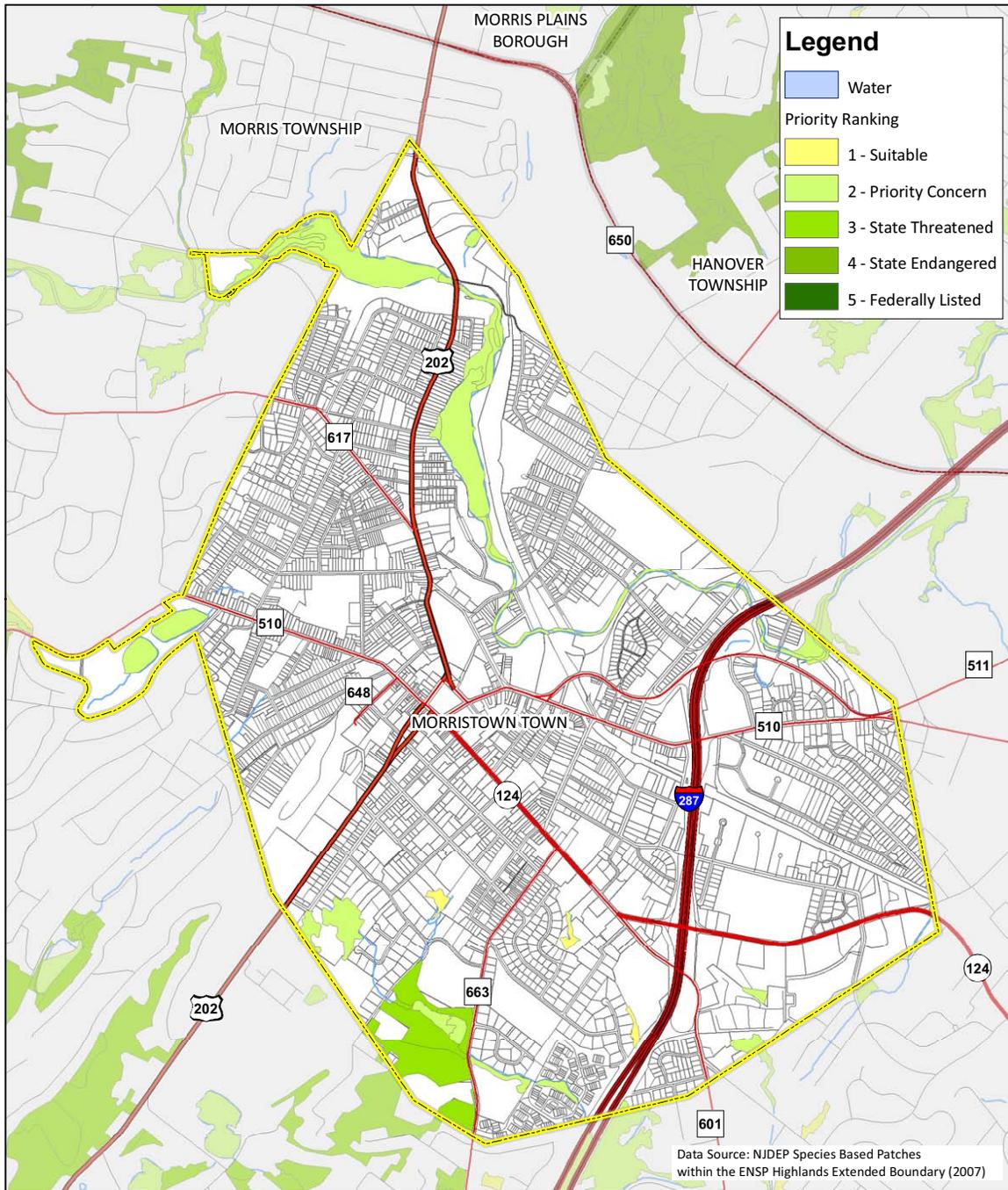
The Morristown Housing Authority owns and manages 470 rental units for primarily low-income households in four public housing developments, built and maintained with federal funding. These units constitute a significant 6.6% of Morristown’s housing stock. Tenant rents in these units are subsidized so that no tenant pays more than 30% of household income. The Authority’s four developments are:

- **Manahan Village**, 200 apartments for families in two story buildings on both sides of Clyde Potts Drive and Flagler Street, near the Whippany River, completed in three phases from 1952-1969
- **Petrone Towers**, 100 apartments for senior citizens in a high-rise tower at 29 Early Street, built in the early 1960’s
- **Wetmore Towers**, 100 apartments for senior citizens in a high-rise tower at 31 Early Street, built in the early 1970’s
- **Ann Street**, 70 apartments for senior citizens in a high-rise tower at 29 Ann Street, completed in 1986



Steep Slopes
Town of Morristown, Morris County

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 1 in = 0.33 miles November 2009
 Heyer, Gruel & Associates



Species Conservation
Town of Morristown, Morris County

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1 in = 0.33 miles November 2009

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Morristown Active Known Contaminated Sites		
Site Name	Address	Home Owner
104 & 110 Washington Street	104 110 Washington St	No
16 Hillairy Avenue	16 Hillairy Ave	Yes
23 Hazlett Street	23 Hazlett St	Yes
24 Colonial Road	24 Colonial Rd	Yes
30 Phoenix Avenue	30 Phoenix Ave	Yes
50 Ogden Place	50 Ogden Pl	Yes
52 1/2 Madison Street	52 Madison St	Yes
67 73 Spring Street	67 73 Spring St	No
Cumberland #121215	149 Washington St	No
Eggert Oil Company Inc	173 175 Morris St	No
Exxon R/S 30162	215 Madison Ave	No
Exxon R/S 30168	109 Morris St	No
Exxon R/S 30250	2 Mt Kimble Ave	No
Exxon R/S 32066	89 Whippany Rd	No
Frances Murray	73 Mendham Rd	No
Golderes Junk Yard	14 Coal Ave	No
Jcp&L Morristown Substation	Ridgedale Ave	No
Kings Shopping Center	191 South St	No
Lanterman Residence	188 Franklin St	No
Lukoil 57239	151 Washington St	No
Lynton Aviation @ Morristown Airport	1 Airport Rd	No
Mesler's Service Station	163 165 Morris St	No
Morristown Dpw Garage	Early St & Clinton Pl	No
Morristown Gas Works	Spring St & Water St	No
Morristown Gas Works (Former)	15 Coal Ave	No
Morristown Service Station	78 Market St	No
Morristown Tire Co Inc	105 Morris St	No
Mt Kemble Realty	8 12 Mt Kemble Ave	No
New Jersey Transit Parking Lot	20 Morris St	No
Plaza Cleaners	30 Lafayette Ave	No
Rabbinical College Of America	226 Sussex Ave	No
Reggies Auto Service	128 Washington St	No
Rehabilitation Morristown Memorial Hosp	95 Mt Kemble Ave	No
Rf Enderley & Sons	74 76 Abbett Ave	No
Shell Service Station	72 Elm St	No
Shell Svc Sta 100115	152 Morris St	No
St Mary Abbey/Delbarton School	270 Mendham Rd	No
Washington Service Inc	74 Washington St	No



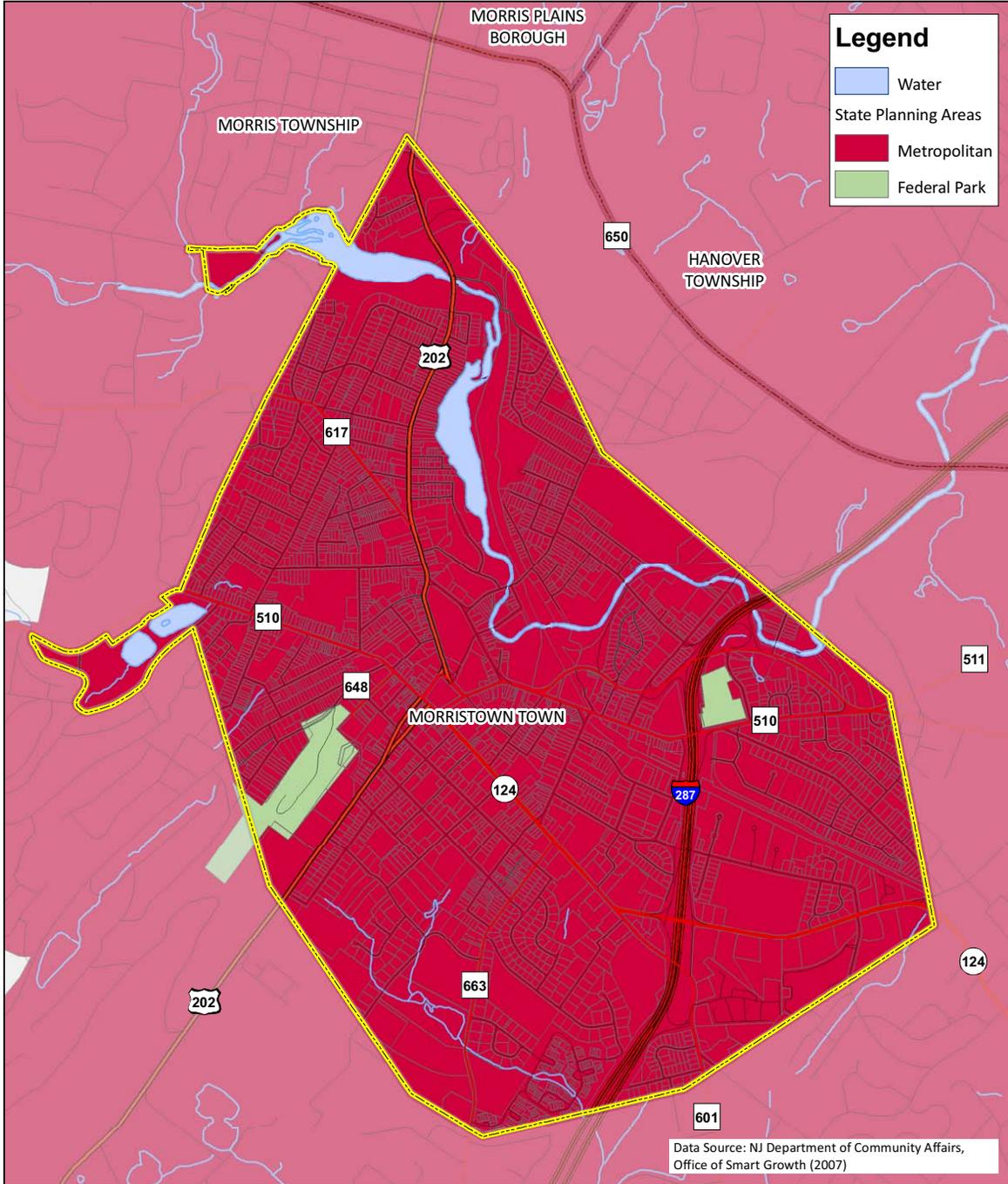
2.6 Town of Morristown Master Plan Reexamination Report of 2008

The Town adopted its most recent Master Plan Reexamination Report in 2008, in order to review and evaluate the Comprehensive Master Plan of 2003. This Reexamination Report reviewed and updated the primary goals and objectives of the Town. The primary vision of the Town is to maintain an environment in Morristown that is conducive to attracting and retaining a diverse population and a vibrant business community. To that end, the Reexamination Report reflects the changing concerns of the Town, in particular the focus on continuing the revitalization by the creation of a number of Redevelopment Areas within Morristown. However, concerns still remain regarding preservation of the Town's historic character and human scale, mitigation of traffic and congestion, and the expansion of Morristown Memorial Hospital. The Reexamination Report also notes the Town's need to address its second and third round affordable housing obligations, but the third round obligation has been invalidated by New Jersey's courts.

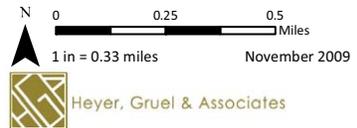
2.7 Regional Planning Regulations

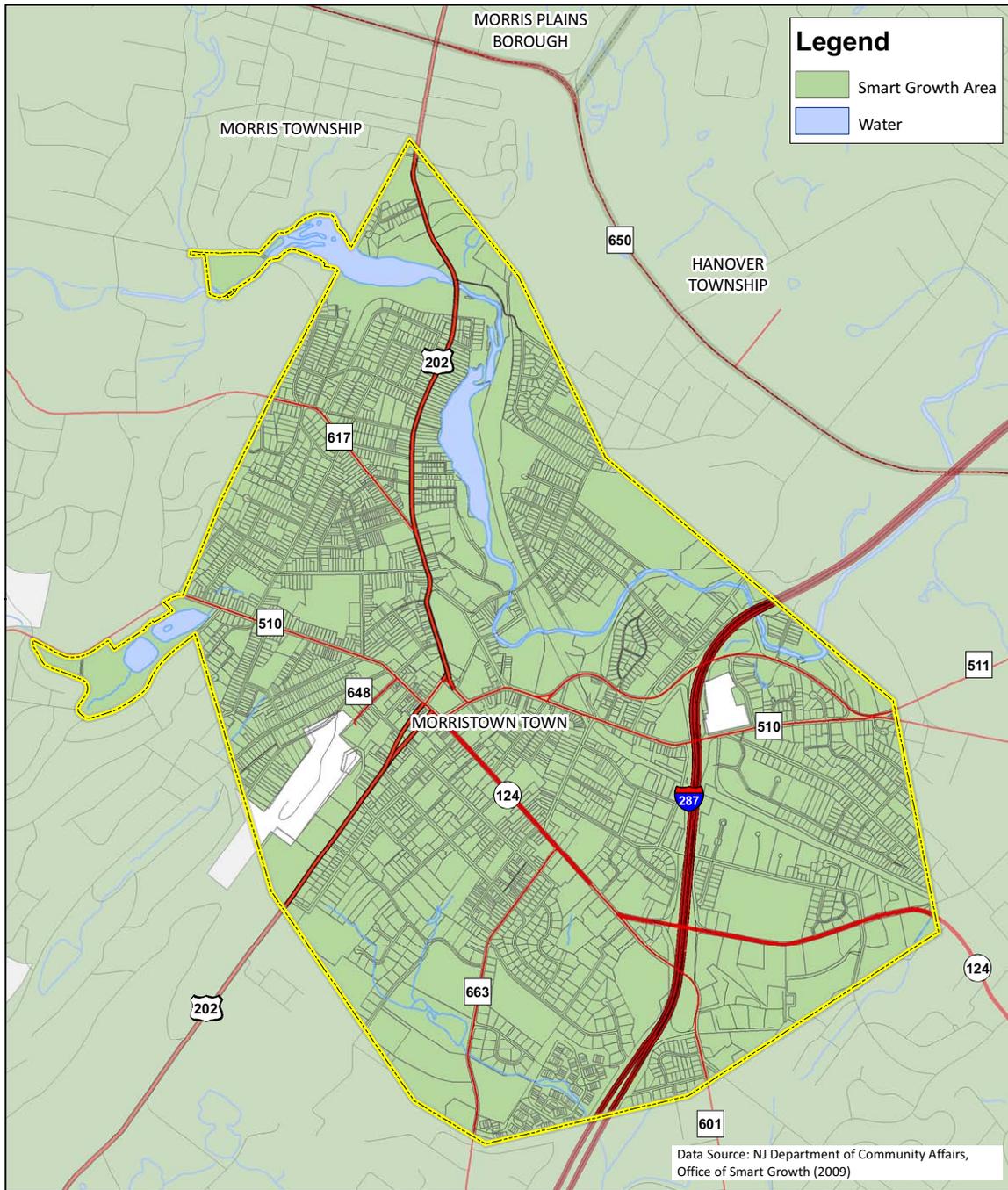
State Development and Redevelopment Plan

According to the State Development and Redevelopment Plan, the Town is almost entirely within the Metropolitan Planning Area (PA1). The intent of the PA1 Metropolitan Area is to create and maintain a high quality of life in the region through cooperative regional programs and processes that empower municipalities to act jointly. Communities in this Planning Area have mature settlement patterns with little vacant land for new development and recognize that redevelopment will be the predominant form of growth in the future. The Town of Morristown is the type of dynamic, diverse, compact and efficient "Community of Place" envisioned by the State Plan. The Town is a regional center.



State Planning Areas
Town of Morristown, Morris County





State Planning Areas - Smart Growth
Town of Morristown, Morris County

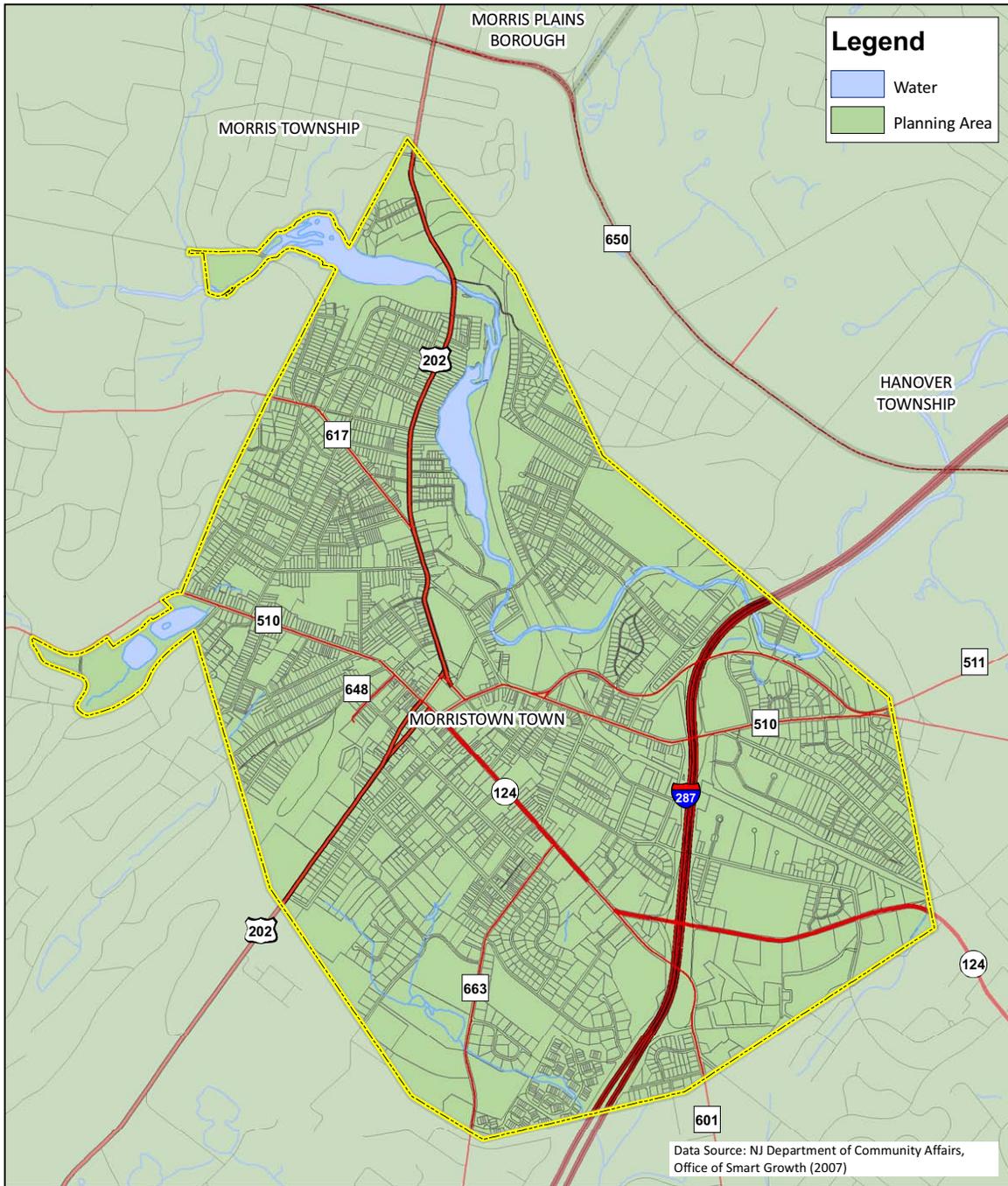
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Highlands

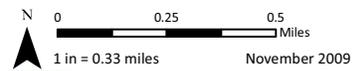
Morristown is also a part of the Highlands Region. The Highlands Water Protection and Planning Act, signed into law in August 2004, serves to protect, preserve and enhance water resources, open space and natural resources within the Highlands Region, limit development that is incompatible with such preservation, and encourage appropriate development consistent with the State Plan. There are two distinct designations for areas within the Highlands, Planning Area or Preservation Area. The Highlands Regional Master Plan was adopted July 17, 2008.

As currently mapped, the entire Town is included in the Highlands Planning Area which means compliance with the forthcoming Highlands Master Plan is voluntary and municipal ordinance, zoning and existing regulations continue to apply as currently proposed. Morristown remains undecided whether or not it will pursue Plan Conformance with the Highlands Regional Master Plan but in all likelihood will continue to pursue Plan Endorsement through the Department of Community Affairs.



Highlands Planning Designations

Town of Morristown, Morris County



3. Determining the Fair Share Obligation

Under COAH's rules, municipal housing need is divided into three components:

- Rehabilitation Share: the number of existing housing units as of April 1, 2000 that are both deficient and occupied of households of low or moderate income.
- Prior Round Obligation: the cumulative 1987-1999 fair share obligation.
- Growth Share: the obligation created through a municipality's actual market-rate residential and nonresidential growth from January 1, 2004 through December 31, 2018. Growth occurring during this fifteen year period is converted into a growth share obligation by applying a ratio of one affordable unit among five residential units and one affordable unit for every sixteen jobs. NOTE: this methodology was invalidated by the New Jersey Appellate Division in October 2010 and is under active review by the New Jersey Supreme Court. Because no acceptable methodology exists, this Interim Plan will not address the Growth Share obligation.

3.1 Rehabilitation Share

COAH's Appendix B calculations allocated Morristown a Rehabilitation Share of 169 units, which is COAH's estimate of the number substandard units occupied by low and moderate-income households in Morristown, based on the 2000 U.S. Census.

Completed Rehabilitation Credits

The Morris County Community Development program has continued its longstanding housing rehabilitation program for low and moderate-income households in Morristown. This program has completed the rehabilitation up to code standard of 33 homes in Morristown, at a total cost of \$259,280, for an average of \$7,857 per unit. However, only rehabilitation projects meeting specific standards are eligible for credits against the rehabilitation obligations under COAH rules, which are broken down into three distinct time-periods all with unique guidelines:

Rehabilitation Period 1: April 1, 2000 through December 20, 2004 - NJAC 5:97-4.5(b)

Requirements for Rehabilitation Period 1:

- Average expenditure of \$8000/unit;
- Six year affordability controls in form of recorded lien;

Period 1 - Eligible Rehabilitated Units: 12 Units @ \$8,361.92 / average per unit



Rehabilitation Period 2: December 20, 2004 through June 2, 2008 – NJAC 5:97-4.5(c)

Requirements for Rehabilitation Period 2:

- Average expenditure of \$8000/unit;
- 10 year affordability controls in form of recorded lien;

Period 2 - Total Eligible Rehabilitation Units: 6 units @ \$8714.83 / average per unit

Rehabilitation Period 3: June 2, 2008 to present – NJAC 5:97-4.5(d)

Requirements for Rehabilitation Period 3:

- Average expenditure of \$10,000/unit;
- 10 year affordability controls in form of recorded lien;

Period 3 - Total Eligible Rehabilitation Units: 1 unit @ \$11,907

Total Eligible Units for Rehabilitation Credit: 19 Units

Of the 33 units rehabilitated under the auspices of Morris County's program, four (4) units were ineligible because they pre-dated April 1, 2000 and an additional four (4) units were ineligible because they contained six-year deed restrictions where COAH requires 10-year deed restriction. Finally, five (5) additional units are not claimed for credit because they depressed average rehabilitation expenditures below required averages. Consequently, the Town is entitled to 19 credits against its Gross Rehabilitation Share. (See Appendix A for documentation)

Exterior Conditions Survey Adjustment

The Town respectfully disagrees with COAH's estimate of the number of substandard housing units within Morristown that are occupied by low or moderate income households actually existed in Morristown. The Town conducted an exterior conditions survey in May-November 2006 and updated in May 2008, in accordance with COAH rules, of all residential structures on all 203 streets in Morristown. The survey revealed only eight (8) properties, with 15 housing units, which are considered "deficient structures" under COAH criteria and may require rehabilitation. See Appendix A for the documentation of this survey.

This survey yields an estimate of the substandard units in Morristown in 2008. To estimate the number of these units occupied by low and moderate-income households, COAH relies on 2000 Census information from the Public Use Micro-Data Sample (PUMS) to determine the regional percentages used to calculate the municipal rehabilitation share. In its Third Round methodology, COAH determined that the "Low-Moderate Deterioration Share" for Morris County was 0.714. Applying this share of 0.714 to the 15 housing units identified as are "deficient structures" under COAH criteria yields 10.7, rounded up to 11 low or moderate income households living in substandard housing units in Morristown.

Accordingly, the Town requests a further reduction of 141 units against its Gross Rehabilitation Share, resulting in a net rehabilitation share of 9 units, based on the Town’s 2006 and 2008 surveys. Under COAH’s rules, Morristown shall fulfill its Rehabilitation Obligation by 2018. This Housing Plan proposes that Morristown enter into a inter-local agreement with Morris County Division of Community Development to administer its housing rehabilitation program.

Morristown Rehabilitation Share	
Gross Rehabilitation Share	169 Units
Rehabilitation Credits	<19 units>
Exterior Survey Adjustment	<141 units>
Adjusted Rehab Share	9 units

3.2 Prior Round Obligation

Calculating the Prior Round Obligation

COAH allocated to Morristown a Prior Round Obligation of 227 Housing Units for the period of 1987-1999, which was first determined in 1993 as part of Round Two. For Morristown, this calculation had been based entirely on an allocated First Round (1987-1993) Prospective Need of 227 housing units. COAH made this allocation of this component of housing need to Morristown based in part on the number of private sector jobs reported in Morristown in September 1984.

Under COAH’s Second Round (1993-1999) methodology, COAH assigned Morristown a rehabilitation obligation of 90 units based on the 1990 Census and a cumulative (1987-1999) new construction obligation of 227 units, for a total “pre-credited need” of 317 units.

Because Morristown shares its 07960 ZIP code with other municipalities, the Town suspected that many of the jobs reported to be located in Morristown were actually located in other municipalities (all or parts of Harding, Mendham, Morris Plains, Morris Township, and Parsippany). Under a 2001 confidentiality agreement with COAH, the Town examined the original September 1984 jobs location data from the New Jersey Department of Labor, i.e., the data used by COAH in its fair share allocation methodology, and consulted J.R. Tracey, who served as Postmaster for Morristown during 1960-1989. The Town provided COAH with a certification from the former postmaster that identified which major employers were actually located in Morristown in September 2004. At least one-third of the originally reported jobs were incorrectly identified as being located in Morristown.

COAH staff, and its fair share housing methodology consultants at Rutgers-Center for Urban Policy Research, Robert W. Burchell and William R. Dolphin, considered the former postmaster’s certification and, by letter of December 9, 2005 from Lucy Vandenberg, Executive Director of COAH to the Mayor of Morristown adjusted downward, by 39%, Morristown’s Prior Round Obligation from 227 to 138 units. Appendix B reproduces the COAH letter and the Burchell-Dolphin analysis. This 2005 COAH determination supersedes the Prior Round Obligation number for Morristown published by COAH in the New Jersey Register and the New Jersey Administrative Code in 2004 and in 2008. The COAH Third Round Rules expresses COAH’s willingness to honor the employment-based adjustment made



to Morristown's Prior Round Obligation. Accordingly, the Town's adjusted Prior Round Obligation is 138 units.

Methods to Meet the Prior Round Obligation

Prior Cycle Credits

COAH's Rules grant full credit for new affordable housing specifically developed for low and moderate income households, subject to long-term affordability controls, and created and occupied between April 1, 1980 and December 15, 1986, which COAH calls "prior-cycle credits".

Ann Street: The Morristown Housing Authority completed the 70-unit senior rental development at 29 Ann Street (Block 603, Lot 1), the most recent of its four federally funded and subsidized low income (less than 50% of median income) rental developments, in the third quarter of 1986. Funded by a long-term capital advance from the U.S. Department of Housing and Urban Development ("HUD") under its Section 202 program, the development meets all three COAH standards for prior-cycle credits. The Housing Authority's documentation of the completion date of this housing is reproduced in Appendix C. The Town is entitled to 70 credits for the Ann Street development.

Supportive and Special Needs Housing

COAH rules also offer credits for State-licensed group homes, boarding homes, rooming houses, and residential health care facilities, formerly called "alternative living arrangements" by COAH, and now called "supportive and special needs housing," that meet certain criteria if built between 1986 and 2004. Morristown hosts two facilities that meet these criteria.

77 West Valley View Drive: First, Morristown hosts one group home, at 77 West Valley View Drive (Block 1502, Lot 10), owned and operated by ARC Morris. This three-bedroom group home is licensed by the N.J. Department of Human Services, Division of Developmental Disabilities, was opened in December 1988, and all its residents are income eligible. ARC Morris operates the facility under annual contracts with the N.J. Department of Human Services. As this facility has been in existence since 1988, it meets the COAH standard of a minimum of ten years of affordability controls, which has already occurred during the Prior Rounds of 1987-1999. The Town is entitled to three (3) prior round credits for the ARC group home. See Appendix D for the documentation on this facility.

68 Madison Avenue: Morristown hosts a second five-bedroom group home at 68 Madison Avenue (Block 7202, Lot 17), owned and operated by Community Hope, Inc. This group home licensed, by the N.J. Department of Human Services, Division of Mental Health Services, received Community Development Block Grant funds. It opened in 1999 and has affordability controls through a deed restriction that expires in 2019. Consequently, this facility also complies with the COAH standard of a minimum of ten years of affordability controls. The Town is entitled to five (5) credits for the Community Hope, Inc. group home. See Appendix E for the documentation on this facility.

Post 1896 Credits

A municipality may receive one credit for each affordable housing unit within an inclusionary development, a municipally sponsored development or a 100 percent affordable development, subject to applicable affordability controls.

Hazel Street: In 1997 Morris County Affordable Housing Corporation, a nonprofit housing developer, developed, sold to low and moderate income households, and deed restricted for at least 30 years a duplex (side-by-side) condominium at 9 Hazel Street and 96 Hazel Street (Block 2402, Lots 6.01 and 6.02). Funds from the federal Community Development Block Grant program and the Housing Authority of the County of Morris contributed to the development of this affordable housing. The deed restrictions are reproduced in Appendix F. The Town is entitled to two (2) credits for the Hazel Street affordable housing.

Habitat for Humanity: The Town is entitled to thirteen (13) credits for the Morris Habitat for Humanity projects. See Appendix G for the documentation of these credits.

- *2004 Projects:* Morris Habitat for Humanity, Inc. completed and sold seven affordable housing units at two properties in Morristown in 2004 that comply with the applicable COAH Second Round Rules, including 30 year affordability controls: a four unit condominium at 77 Madison Street (Block 7801, Lot 13) and three units at 29, 31, and 33 Bellevue Terrace (Block 5702, Lots 34.01, 34.02, and 34.03).
- *6 George Street:* Morris Habitat for Humanity received dimensional variances from the Morristown Board of Adjustment in February 2007 to develop and sell two units in a new two-family structure to be built at 6 George Street, subject to a condition requiring 30-year affordability controls.
- *27 Hazel Street:* Additionally, Morris Habitat is finishing gut rehabilitation of a duplex at 27 Hazel Street in Morristown which will be subject to the requisite affordability controls.
- *37 Willow Street:* Morris County Habitat for Humanity is creating a development at 37 Willow Avenue in conjunction with the Morris County Housing Authority. The development will demolish an existing single family home and replace it with a new duplex. One of the units will be affordable for low-income households and the other for moderate-income households. Both units will have three bedrooms and comply with COAH affordable housing regulations. The Town has approved the project and construction has begun. The Town is entitled to thirteen (13) credits for the Morris Habitat for Humanity projects. See Appendix G for the documentation of these credits.

Church of God in Christ: The Church of God in Christ developed a two-family rental affordable housing duplex at 8 George Street (Block 2201, Lot 24) and completed this infill housing in 2006. The new duplex replaced a deteriorated single-family structure. The Town Board of Adjustment in 2004 granted dimensional variances needed for this project. One of the conditions of the Board's approval was a deed



restriction with 30 year affordability controls. The Town is entitled to two (2) credits for the Church of God in Christ housing at 8 George Street. See Appendix H for the documentation of these credits.

The Highlands: Rosewood/Lafayette Commons, L.L.C. constructed “The Highlands at Morristown Station,” an inclusionary development in Morristown’s Transit Village Core (TVC) zone established in 1999, on a surface parking lot adjacent to the Morristown railroad station. This mixed-use development, approved by the Town Planning Board in 2005, includes 214 market-rate housing units, four (4) rental units for low and moderate-income households. A condition of the Town Planning Board approval requires appropriate deed restrictions for the four affordable units, to “be effective for so long as the property is used for residential purposes, in whole or in part.” The units have been completed. The Town is entitled to four (4) credits for “The Highlands.” See Appendix I for the documentation of these credits.

The Metropolitan (Epstein’s Rehabilitation): In May 2004 the Town Council adopted a resolution designating the Epstein’s Rehabilitation Area. In July 2005 and updated in October 2005, the Town adopted a Rehabilitation Plan for the area. As detailed in the Redevelopment Agreement in Appendix J, Epstein’s LLC and the Morristown Parking Authority were designated redevelopers. In May 2006 the Planning Board approved development within the Area consisting of 246 residential units, 71,800 square feet of retail and 27,200 square feet of office space. The applicant proposed that 10 of the units within the development would be affordable rental units complying with COAH requirements. In August 2007, the Town entered into a Redevelopment Agreement with the redevelopers requiring the construction of the 10 affordable rental units plus the provision of \$75,000 per unit for the creation of 10 off-site units within the Town. The development is completed and the affordable units are either occupied or are being actively marketed to income eligible tenants.

Homeless Solutions: The Town is entitled to seventeen (17) credits for projects developed by local non-profit Homeless Solutions, Inc. See Appendix K for the documentation of these credits.

- 38-42 Abnett Avenue: Abnett Avenue Apartments is a 100% affordable family rental development with 12 units in a two building complex, at 38-42 Abnett Avenue, developed Homeless Solutions, Inc. The Morristown Board of Adjustment approved use and dimensional variances, as well as the site plan, for the project in 2006. The project received Federal Low Income Housing Tax Credits allocated by the New Jersey Housing and Mortgage Finance Agency in 2006. Groundbreaking took place on May 22, 2007 with construction completed in October 2008. The project has six moderate-income units, five low-income units, and one very low-income unit, as confirmed by the Resolution of the Board of Adjustment. The project has minimum 30-year affordability controls. The Town is entitled to 12 credits for the Abnett Avenue Apartments.
- 37 Harrison Street: 37 Harrison Street is a 100% affordable low income rental development with 4 1-bedroom units in a renovated multi-family home, developed by Homeless Solutions, Inc. This project was financing by the HMFA and was also funded with Morris County HOME funds, and other programs such as a commitment of State Rental Assistance Program vouchers (SRAP), as well as Federal Home Loan Bank funds. The site is deed restricted for 30 years. See Appendix L for the documentation of these credits.

- 34 Abbett Avenue: While completing the Abbett Avenue Apartments Homeless Solutions, Inc also gut rehabilitated a single-family home at 34 Abbett Avenue into a two family rental development. The project was completed in December 2008 and funded by HMFA special needs funding. The site is deed restricted for 30 years.

Franklin Village: AHS Hospital Corp. (Morristown Memorial Hospital) received site plan approval with variances from the Morristown Board of Adjustment in 2005 for a major expansion of the hospital, subject to the condition that 19 existing units owned by the Hospital in its adjacent complex at Franklin Village of 256 apartments redeveloped in 1997-1998 be deed restricted for low and moderate income households. The Town is applying 19 of these credits to its prior round obligation. See Appendix L for the documentation of these credits.

Bonus Credits: The projects listed above do not currently qualify for any “bonus” credits. In 2010, the Appellate Division invalidated the “rental bonus” that would have entitled Morristown to 17 unit bonus credits. In addition, Morristown is not eligible to claim the Smart Growth Credit or the Redevelopment Area Credit because none of inclusionary projects listed above contained the required 15% to 20% on-site affordable housing set-aside.

Morristown Obligation	
Adjusted Rehabilitation Share	9
Inter-local Agreement with Morris County (proposed)	9
Remaining Rehab Share	0
Prior Round Obligation	227
COAH downward adjustment	<83>
29 Ann Street	<70>
77 West Valley Drive	<3>
68 Madison Avenue	<5>
Habitat for Humanity	<13>
Church of God in Christ	<2>
The Highlands	<4>
Homeless Solutions, Inc.	<18>
Epstein's Rehabilitation	<10>
Franklin Village	<19>
Remaining Prior Round Obligation	0



3.3 Prospective Obligation Credits

Despite the uncertainty of statewide affordable housing regulations at this time, Morristown considers production of affordable housing a long-term policy objective. The following list contains many planned and completed projects that exceed the prior round obligation and may be utilized as a credit against a ‘third round’ obligation that will be determined through a methodology consistent with future requirements.

48 South Street: The Town of Morristown approved a development containing 1 affordable rental unit in a development on 48 South Street. Documentation can be found in Appendix M.

George Street Commons: George Street Commons, LLC obtained density and other variances in September 2007 from the Town Board of Adjustment to build 24 “condominium” units in three-unit structures at 7 George Street & 3 Martin Luther King Ave., Block 2202, Lots 1 & 2. As a condition of the resolution of approval, the developer is required, under the Affordable Housing Overlay (AHO) Zone Ordinance, to set-aside 12.5% or three (3) units for affordable housing. Morristown will claim one (1) of these credits to satisfy the remaining prior round obligation and will apply the remaining two (2) units toward its prospective obligation. See Appendix N for the documentation of these credits.

Speedwell Redevelopment Area: The Town Council declared the Speedwell Avenue area to be an area in need of redevelopment in February 2004 and adopted the Redevelopment Plan in November 2007. The Plan (see Appendix O) is currently being amended. Through negotiations with the designated redeveloper, Mill Creek Residential, the Amended Redevelopment Plan shall require 26 units of affordable housing within Phase 1 of the Amended Plan. These 26 will provide Morristown of a surplus over its current legal affordable housing obligation

100% Affordable Developments

Historically, 100% affordable developers seeking to create to small-scale affordable housing developments have been attracted to Morristown. The Town plans to capitalize on previous activates to address its affordable housing obligation. Morristown will utilize development fee and payment in lieu funds to partner with 100% affordable developers to create affordable housing developments of varying scales and targeting income levels throughout the Town.

Very Low Income Units

Based on the direction provided in COAH’s October 30, 2008 letter outlining how COAH rules would comply with the provisions of P.L. 2008, c. 46, the Town must provide 13% (5 units) of its growth share affordable units addressing the growth share obligation as very low-income units. The Town will use funds provided through development fees to provide affordability assistance to “buy-down” low and moderate-income units to very-low income levels of affordability.

Morristown Obligation	
Adjusted Rehabilitation Share	9
Inter-local Agreement with Morris County (proposed)	9
Remaining Rehab Share	0
Prior Round Obligation	227
COAH downward adjustment	<83>
29 Ann Street	<70>
77 West Valley Drive	<3>
68 Madison Avenue	<5>
Habitat for Humanity	<13>
Church of God in Christ	<2>
The Highlands	<4>
Homeless Solutions, Inc.	<18>
Epstein's Rehabilitation	<10>
Franklin Village	<19>
Remaining Prior Round Obligation	0
Prospective Obligation Credits	
Hazel Street	2
48 South Street	1
George Street Commons	3
Speedwell Avenue Redevelopment	26
Prospective Obligation Credits	32



4. Morristown Housing Policy

The proposed Morristown Housing Policy builds upon many regulations and structures already in place, such as the Affordable Housing Trust Fund Ordinance and Affordable Housing Overlay Zone. The Spending Plan and Action Plan will be added to Morristown's housing policy framework as a means to fulfill the Town's obligation to provide housing opportunities at all income levels.

Zoning Changes

Currently, there exists two provisions within the Morristown Land Development Ordinance that directly lead to the provision of affordable housing units; the Development Fee and the Affordable Housing Overlay Ordinances. At this time, no other zoning changes are contemplated as part of this plan.

Development Fee Ordinance

In March 2011, the Town adopted a Development Fee Ordinance and established an Affordable Housing Trust Fund in accordance with the most recent COAH regulations. Development Fees are 1.5% of the equalized assessed value for residential and 2.5% for non-residential. As of June 2011 there is a total of \$750,000 either deposited or committed to the Housing Trust Fund. A copy of the Development Fee Ordinance is included in Appendix Q.

Inclusionary Zoning Ordinance

The Town adopted an Affordable Housing Overlay Zone ("AHO") in 2005. That that requires a 12.5% set-aside for projects containing over 8 units, but that Ordinance provided the land use boards and Governing Body discretion to deviate the requirements set forth therein. The Town will continue to enforce the Overlay Zone provisions contained in Article VIIIA of the Land Development Ordinance, which requires a 12.5% set-aside. The AHO can be amended to comply with any judicial legal mandate and/or other state policies. A copy of the Development Fee Ordinance is included in Appendix R.

4.1 Spending Plan

Attached is a Spending Plan based on the COAH model. See Appendix S.