# Chester Borough

## Amended
## Housing Plan Element
## and
## Fair Share Plan
## For
## Round Four (2025-2035)

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Chester Borough, Morris County, NJ

*June 2025*
Public Hearing: June 27, 2025
*Adopted:* June 27, 2025
*Endorsed:* June 27, 2025


***Prepared by***
***Chester Borough Planning Board***

in consultation with Banisch Associates, Inc.
111 Main Street, Flemington, NJ 08822


The original of this report was signed and sealed
in accordance with N.J.A.C. 13:41-1.3

June 27, 2025

David J. Banisch, PP/AICP Lic. #5565

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**RESOLUTION OF THE LAND USE BOARD OF THE BOROUGH OF CHESTER ADOPTING A FOURTH ROUND HOUSING ELEMENT AND FAIR SHARE PLAN**

**WHEREAS**, the Borough of Chester (hereinafter the "Borough" or "Chester") has a demonstrated history of voluntary compliance as evidenced by its Third Round record; and

**WHEREAS**, pursuant to In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1 (2015) (Mount Laurel IV), on July 2, 2015, the Borough of Chester filed a Declaratory Judgment Complaint in Superior Court, Law Division seeking, among other things, a judicial declaration that its Third Round Housing Element and Fair Share Plan, to be amended as necessary, satisfied its "fair share" of the regional need for low and moderate income housing pursuant to the "Mount Laurel doctrine;" and

**WHEREAS**, that culminated in a Court-approved Third Round Housing Element and Fair Share Plan and a Judgment of Compliance and Repose, which precludes all Mount Laurel lawsuits, including builder's remedy lawsuits, until July 1, 2025; and

**WHEREAS**, the Borough continues to actively implement its Court-approved Third Round Housing Element and Fair Share Plan; and

**WHEREAS**, on March 20, 2024, Governor Murphy signed into law P.L. 2024, c.2, which amended the 1985 New Jersey Fair Housing Act (hereinafter the "Amended FHA"); and

**WHEREAS**, the Borough adopted a resolution on January 28, 2025 committing to a present need of 10 and Round 4 prospective need of 72; and

**WHEREAS,** in accordance with the Amended FHA and the Administrative Office of the Court's Directive No. 14-24, the Borough filed a timely Fourth Round Declaratory Judgment complaint ("DJ Complaint") with the Affordable Housing Dispute Resolution Program ("the Program"), along with its binding resolution, on January 29, 2025; and

**WHEREAS**, the filing of the DJ Complaint gave the Borough automatic, continued immunity from all exclusionary zoning lawsuits, including builder's remedy lawsuits, which is still in full force and effect; and

**WHEREAS**, the Borough did not receive any objections to its Present and Prospective Need numbers by February 28, 2025, resulting in the statutory automatic acceptance of the Borough 's Fourth Round obligations on March 1, 2025; and

**WHEREAS,** Borough of Chester ultimately secured a determination that its present need obligation is 10 and its Round 4 prospective need obligation is 72; and

**WHEREAS,** now that the Borough has its Fourth Round Obligations, the Amended FHA requires the municipality to adopt and endorse a Fourth Round Housing Element and Fair Share Plan by June 30, 2025; and

**WHEREAS**, in accordance with the Amended FHA, the Borough's affordable housing planner drafted a Fourth Round Housing Element and Fair Share Plan; and

**WHEREAS**, upon notice duly provided pursuant to N.J.S.A. 40:55D-13, the Land Use Board held a public hearing on the Fourth Round Housing Element and Fair Share Plan on June _____, 2025; and

**WHEREAS**, the Land Use Board determined that the attached Fourth Round Housing Element and Fair Share Plan is consistent with the goals and objectives of the Borough 's current Master Plan, and that adoption and implementation of the Fourth Round Housing Element and Fair Share Plan is in the public interest and protects public health and safety and promotes the general welfare.

**NOW, THEREFORE, BE IT RESOLVED** by the Land Use Board of the Borough of Chester, County of Morris, State of New Jersey, that the Land Use Board hereby adopts the Fourth Round Housing Element and Fair Share Plan attached hereto as **Exhibit A**.

Donald Stevens
Chairman of the Land Use Board

**CERTIFICATION**

I certify that the foregoing Resolution was duly adopted by the Land Use Board of Borough of Chester at a regular meeting held on the 6/27/25

Sarah Jane Gall
Land Use Board Secretary

BOROUGH OF Chester

Resolution #R2025-96

**RESOLUTION OF THE COUNCIL OF THE BOROUGH OF CHESTER ENDORSING THE HOUSING ELEMENT AND FAIR SHARE PLAN ADOPTED BY THE CHESTER LAND USE BOARD**

**WHEREAS**, on March 20, 2024, Governor Murphy signed into law P.L. 2024, c.2, which amended the 1985 New Jersey Fair Housing Act (hereinafter "FHA II"); and

**WHEREAS**, FHA II established a procedure by which municipalities can secure approval of a Housing Element and Fair Share Plan ("HEFSP"); and

**WHEREAS**, that procedure contemplated that municipalities would adopt a resolution by January 31, 2025 committing to a fair share number and filing a declaratory relief action within 48 hours from adoption of the resolution and then filing a HEFSP by June 30, 2025 and filing that plan within 48 hours with the Affordable Housing Dispute Resolution Program (the "Program"); and

**WHEREAS**, in accordance with this statutory procedure, the Borough adopted a binding resolution on January 28, 2025, committing to a Fourth Round Present Need of 10 and Round 4 Prospective Need obligation of 72, subject to applicable adjustments; and

**WHEREAS**, in accordance with this statutory procedure, the Borough filed a declaratory relief action within 48 hours from adoption of the binding resolution; and

**WHEREAS**, the filing of the DJ Complaint gave the Borough automatic, continued immunity from all exclusionary zoning lawsuits, including builder's remedy lawsuits, which is still in full force and effect; and

**WHEREAS,** the Court issued an Order on May 15, 2025, setting the Round 4 Present Need obligation of 10 and a Round 4 Prospective Need obligation of 72; and

**WHEREAS**, the Borough's affordable housing planning consultant, David Banisch, PP has prepared a HEFSP to address the Borough's affordable housing obligations under FHA II; and

**WHEREAS**, the Chester Borough Land Use Board adopted a HEFSP prepared by Mr. Banisch on June 27, 2025, which is attached hereto as Exhibit A; and

**WHEREAS**, in accordance with the procedure established by FHA II, the Borough's affordable housing counsel shall file the duly adopted HEFSP with the Program created by FHA II within 48 hours from adoption; and

**WHEREAS**, the Borough Council now wishes to endorse the Housing Element and Fair Share Plan adopted by the Chester Land Use Board and seek approval of the HEFSP by the Program and Court.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the Borough of Chester, County of Morris, State of New Jersey, as follows:

1. The Borough Council hereby endorses the Fourth Round HEFSP previously adopted by the Chester Land Use Board and attached hereto.

2. The Borough Council hereby directs the Borough's Affordable Housing Counsel to (a) file this resolution with the Program, along with any additional documents the professionals deem necessary or desirable; and (b) seek a Compliance Certification from the Program or Vicinage area judge as may be appropriate formally approving the Plan.

3. The Borough reserves the right to further amend the HEFSP attached hereto, should that be necessary.

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**CERTIFICATION**

I certify that the foregoing Resolution was duly adopted by the Council of Chester Borough at a special joint meeting held on the 27th day of June 2025.

Dena Dziergoski, Acting Clerk

| Name | Aye | Nay | Absent | Abstain |
|---|---|---|---|---|
| Dominianni | X | | | |
| Ferrone | X | | | |
| Goodwin | X | | | |
| Heil | X | | | |
| Holman | X | | | |
| Marshuetz | X | | | |

## EXECUTIVE SUMMARY

This amended Housing Plan Element and Fair Share Plan ("HEFSP" or "Housing Plan") has been prepared to address Chester Borough's Round Four (2025-2035) affordable housing obligations. This Housing Plan sets forth the manner in which Chester Borough will address its Round Four affordable housing obligations. This Housing Plan has been prepared in accordance with the Municipal Land Use Law ("M.L.U.L.") and the NJ Fair Housing Act, as amended in 2024 ("2024 FHA Amendments"), and applicable rules including N.J.A.C. 5:93-1 et seq. and N.J.A.C. 5:80-26.1 et seq., as amended through December 2024.

Chester Borough's Round Four affordable housing obligations are identified, as follows:

1. Round Four Present Need: 10 units.
2. Round Four Prospective Share: 72 units[1]

Chester Borough received a Round Three Judgment of Compliance and Repose (JOC&R) on March 16, 2020 from the Hon. Michael C. Gaus, J.S.C. for the Prior Round (1987-1999) and Round Three (2000-2025), pursuant to Chester Borough's Round Three Housing Plan, a November 2018 Settlement Agreement with the Fair Share Housing Center [2] (FSHC Agreement) and an October 4, 2018 intervenor's Settlement[3] with Larison's Corner, LLC and Turkey Farms Acquisitions, LLC ("TF Agreement"). Prior to entering the Court process in 2015, Chester Borough made three attempts to secure Council on Affordable Housing (COAH) Third-Round substantive certification. COAH did not act on any of the Borough's petitions for substantive certification during the period marked by COAH's three attempts at Third-Round rule-making and attendant Court challenges that ultimately sidelined COAH and moved affordable housing compliance to the Courts, from which Chester received the March 16, 2020, JOC&R.

Chester Borough has a lack of water and sewer capacity for new development. The Borough's public water system is operated by NJ American. The water service area is limited in scope with many individual homes and business dependent upon individual potable wells for water supply. The Borough's public sewer system serves only a portion of the Borough; it is at capacity that limits any new connections or expansion of buildings with existing sewer connections due to the treatment capacity constraint. Due to the sewer capacity constraint, Chester Borough is entitled to a durational adjustment for Round Four.

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[1] The municipal determination of Chester Borough's Round Four affordable housing obligations was by municipal resolution, that was adopted on January 28, 2025 and filed with the Superior Court 1/29/2025 with Chester Borough's Complaint for declaratory judgment relief for its Round Four affordable housing obligations (MRS-L-000252-25 in re "The Matter of Chester Borough).

[2] The November 6, 2018 FSHC Settlement Agreement stipulates to the Borough's Prior Round and Round Three obligations and Chester Borough's Round Three Housing Plan to address the obligations, it is referenced in the March 16, 2020 final JOC&R.

[3] The agreement called for 20 townhouses on Block 101, Lots 12.07 & 12.08 (Mill Ridge Lane); and 36 affordable family rental units, a 20,000 sq. ft. medical office building, a 5,000 sq. ft. office building, and 12,500 sq. ft. pharmacy and a 7,500 sq. ft. restaurant on the Turkey Farm site (Block 101, Lots 113, 14, 15 & 16).

The Highlands Plan Conformance Process was needed to enable the Highlands Council and the Borough to endorse an application for an on-site package treatment plant with a groundwater discharge system to be developed to support the TF Agreement. Following Plan Conformance, both the Highlands Council and Chester Borough endorsed an application by Turkey Farms Acquisitions, LLC (TF) to the NJDEP for a Water Quality Management Plan amendment for an the TF on-site treatment plant and groundwater discharge system to support the development of the 36-affordable family rental apartments on the TF site along with the other components in the TF Agreement. That amendment was received, but the project stalled due to the loss of the major tenant planned for the site (the pharmacy) and the 36 Round Three affordable family rental units were not built.

Highlands Plan Conformance has served Chester Borough in another way. Chester Borough has worked toward remedying the sewer constraint issue through the Highlands Plan Conformance process. Chester Borough undertook extensive planning and engineering investigations over the past several years to make an application to the NJDEP for an amended Water Quality Management Plan approval for a new sewage treatment plant that will be permitted to discharge to surface water – the existing plant discharges to groundwater. The approval was granted by NJDEP in May 2025. However, planning, design and construction of the replacement sewage treatment plant will be a time-consuming process to complete before any construction on the new plant and installation of new sewer collection lines.

The lack of sewer capacity, in and of itself constitutes a durational adjustment to the Round Four affordable housing obligations assigned to and accepted by the Chester Borough for Round Four, pursuant to N.J.A.C. 5:93-4.3 (c), which states that:

> "The lack of adequate capacity, in and of itself, shall constitute a durational adjustment of the municipal housing obligation. The requirement to address the municipal housing obligation shall be deferred until adequate water and/or sewer are made available.

Technically, Chester Borough has been a durational adjustment municipality for more than 25 years due to the sewer capacity constraint, including during the Prior Round and Round Three. However, the Turkey Farm ("TF") site has sufficient land area to construct a package treatment plant

With respect to the Township's Fourth Round Prospective Need Obligation, N.J.S.A. 52:27D-310h and N.J.S.A. 13:20-23 require the Township's HEFSP to take into the Township's compliance with the Highlands Water Protection and Planning Act, N.J.S.A. 13:20-1 et seq., ("Highlands Act").

Under N.J.S.A. 52:27D-310h, Highlands municipalities are required to analyze compliance of the housing element with the Highlands Regional Master Plan including the most recent Highlands Municipal Build Out Report, and to consider opportunities for affordable housing, including redevelopment, that are consistent with the Highlands Regional

Master Plan. The most recent Highlands Build-out indicates a build-out of zero (0) new affordable units are possible under the sewer constraints that Chester Borough faces.

Highlands Build-out: Zero (0) Units.

The Township has no developable parcels that have sufficient lot area for multifamily development under the Highlands Regional Master Plan pursuant to the Highlands Guidance Documents and methodology.[4]

## STATUTORY AFFORDABLE HOUSING REQUIREMENTS

This Housing Plan has been prepared in accordance with the provisions of the Municipal Land Use Law (N.J.S.A. 40:55D-28b(3)) and the Fair Housing Act (FHA) as amended (N.J.S.A. 52:27D-310), to address Chester Borough's Round Four (2025-2035) affordable housing obligations.

The Municipal Land Use Law at N.J.S.A. 40:55D-28.b(3), identifies the following requirements for a Housing Plan Element:

> (3) A housing plan element pursuant to section 10 of P.L.1985, c.222 (C.52:27D-310), including, but not limited to, residential standards and proposals for the construction and improvement of housing;

The essential contents of a Housing Element are identified in the Fair Housing Act at N.J.S.A 52:27D-310 which provides that "a municipal 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 at least:

> 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, and in conducting this inventory the municipality shall have access, on a confidential basis for the sole purpose of conducting the inventory, to all necessary property tax assessment records and information in the assessor's office, including but not limited to the property record cards;
>
> - *This is addressed in Appendix A – Housing Element Plan.*

> 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;
>
> - *This is addressed in Appendix A – Housing Element Plan.*

[4] For example, a five unit building requires a minimum of 40 acres of lot area in Chester Borough under the Highlands 8-acres per unit density assigned to Chester Borough for build-out. There are no undeveloped parcels in Chester Borough that are large enough to meet this density standard.

c. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;

- *This is addressed in Appendix A – Housing Element Plan.*

d. An analysis of the existing and probable future employment characteristics of the municipality;

- *This is addressed in Appendix A – Housing Element Plan.*

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

- *This is addressed below in the section entitled "Determination of Present Need and Prospective Share."*

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."

- *This is addressed below in the section entitled "Site Suitability Analysis."*

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, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c.273 (C.52:27D-329.20);

- *See section "Relationship to the State Development and Redevelopment Plan."*

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

- *This is addressed below in the sections entitled "Determination of Present Need and Prospective Share" and Consideration of Lands for Affordable Housing Development.*

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 2024 FHA Amendments identify an additional requirement for the Round Four HE/FSP at C.52:27D-304.1 subsection 3. f. (2) (a), as follows:

> "… As part of its housing element and fair share plan, the municipality shall include an assessment of the degree to which the municipality has met its fair share obligation from the prior rounds … If a prior round obligation remains unfulfilled, … the municipality shall address such unfulfilled prior round obligation in its housing element and fair share plan."

- *This is addressed below.*

## DETERMINATION OF PRESENT NEED AND PROSPECTIVE SHARE

This section addresses N.J.S.A 52:27D-310 e. identifying the Municipal determination of the Present Need and the Prospective Share.

Chester Borough accepted the NJ Department of Community Affairs (DCA) calculation of Round Four affordable housing obligations for Round Four (2025-2035) that was published by the DCA in the October 2024.

- Present Need: 10 units
- Prospective Share: 72-units.

Chester Borough will address the Present Need obligation through participation in the Morris County HOME Rehabilitation Program.

Chester Borough cannot create a realistic opportunity for its prospective need of 72 due to a lack of developable land and a lack of available sewer. Moreover, under the Highlands Build-out, the Borough has an affordable housing obligation of zero (0) units. Under any theory, the Borough is entitled to adjust its obligation to 0 and can only be required to address a deferred portion of what is unmet need:

> "The lack of adequate capacity, in and of itself, shall constitute a durational adjustment of the municipal housing obligation. The requirement to address the municipal housing obligation shall be deferred until adequate water and/or sewer are made available."

As indicated in the Executive Summary above, the durational adjustment conditions have existed in Chester Borough for at least 25 years and could have been recognized in past affordable housing cycles, instead, the Borough attempted to address the obligations with the resources available to it, despite the fact that the durational adjustment would have deferred Borough's obligation.

***Under the Borough's Highlands Build-out or any other form of adjustment,~~,~~ the Borough's Prospective Share is adjusted to a Round Four obligation of Zero.***

## ASSESSMENT OF PRIOR ROUNDS AFFORDABLE HOUSING COMPLIANCE

This section of the Housing Plan provides an assessment of the degree to which Chester Borough has met its fair share obligation from the prior rounds pursuant to C.52:27D-304.1 subsection 3. f. (2) (a). These obligations consist of the Prior Round (1987-1999) and Round Three (1999-2025).

PRIOR ROUND (1987-1999)ASSESSMENT:

According to the Borough's Round Three Housing Plan and FSHC Agreement, Chester Borough's Prior Round (1987-1999) obligation is 16. The Borough's 16-unit Prior Round obligation was fully satisfied with the existing affordable housing units that are existing and occupied.

| Project | Type | Status | Units or Bedrooms | Bonus | Total | Description |
|---|---|---|---|---|---|---|
| Project Hope | Supportive | Existing | 6 | 4 | 10 | 91 Oakdale Road, Block 110, Lot 13 |
| Trematore | Family Rental | Existing | 1 | - | 1 | 76 Main Street, LLC, Block 129, Lot 9 |
| CASH | Senior Rental | Existing | 4 | - | 4 | Chester Area Senior Housing, Corp. ("CASH") (245 Main Street, Block 110, Lot 48; 19-age-restricted apartments |
| Asdal Development, LLC | | Existing | 1 | - | 1 | 265 Main Street) Block 110, Lot 38; inclusionary apartment in 9-unit apartment - 8 market-rate units plus one (1) affordable unit. |
| Total | | | | | 16 | |

The Prior Round was fully satisfied with the existing affordable housing units identified in the table above.

ROUND THREE (1999-2025) ASSESSMENT:

Chester Borough's Agreement with FSHC identified the following projects to address the Round Three RDP that was identified under vacant land adjustment procedures. Chester Borough identified a Round Three Realistic Development Potential (RDP) of 66. The Round Three Plan to satisfy the 66-unit RDP with a 6 unit surplus, as follows:

| Project | Type | Status | Units or Bedrooms | Bonus | Total | Description |
|---|---|---|---|---|---|---|
| **CASH (Senior)** | Senior | Existing | 15 | NA | 15 | Existing Senior Affordable |
| **TF (Family Rental)** | Family Rental | Proposed | 36 | 17 | 53 | Mixed Commercial, Townhomes and Family Affordable Rental at the Turkey Farm and Mill Ridge Site |
| **Little Italian Kitchen** | Supportive | Proposed | 4 | NA | 4 | Proposed Supportive Housing |
| **Total** | | | 55 | 17 | 72 | |

The TF Family Rental Project and the Little Italian Kitchen projects addressing a portion of the Round Three obligation have not yet come to fruition, as listed and explained below.

1. **TF – Family Rental (Block 101, Lots 12.07, 12.08, 13, 14, 15 & 16)** One of the key factors in Round Three Compliance had to do with Highlands Plan Conformance that was required pursuant to the TF Agreement, which as noted in the in the Executive Summary above, was a condition of Chester Borough's Round JOC&R. In his March 16, 2020 Order, the Hon. Michael C. Gaus, J.S.C. for Round Three identified the need for redevelopment and Highlands approval to facilitate the Turkey Farms Project, In his Order, Judge Gaus stated:

   > "As a long-term condition of approval, the Borough shall receive, and shall diligently pursue Highlands approval for the Turkey Farms project…".

   Chester Borough diligently pursued and obtained Highlands Plan Conformance, designated a redevelopment area and adopted a redevelopment plan to facilitate the Turkey Farm project as required by Judge Gaus. Portions of the TF Agreement were granted site plan approval; however, one of the key tenants in this mixed-use office/commercial/residential settlement agreement withdrew from the project, which caused it to fail. The developer spent considerable time and effort trying to revive the approval with another key tenant to no avail.

At the end of 2024, the developer identified an alternative settlement that eliminated all office use and a fully reconstituted settlement proposal including 110 residential dwelling units, including 24 affordable units, a fast-food restaurant and a farm store. The reduction of the affordable component from 36 units to 24 units has been represented to the Borough by the developer as a necessary reduction to maintain the overall economic viability of construction of affordable housing on the Turkey Farm site.

The Sites generated an RDP of 29 units. That RDP would be reduced to 22 (20% of 110) and, to the extent necessary, any units lost through the revised use of the TF site would be "deferred" due to lack of sewer and/or considered "unmet need" under a VLA theory or a buildout theory, or both.

The site remains viable in Round Four; however, the reduction of affordable housing proposed results in 12 fewer affordable units than identified in the Round Three Settlement Agreements.

2. **Little Italian Kitchen (Block 101, Lot 11; .75-acres)** This is the site of a former restaurant that was destroyed by fire. The Borough purchased the property and entered into an agreement with a non-profit developers (Soldier On) to develop 4 units of supportive housing for disabled veterans. After several years of no progress on the project, the Borough contacted Nouvelle, a well-known developer with experience in disabled veterans housing development. An evaluation of the property revealed that it would require substantial investment in a new septic system. This is a complicating factor in redeveloping the site because the site is .75 acres in area, and the Highlands requires a minimum of 8 acres per septic system for developments of three or more dwelling units. Four dweling units (four very low-income apartments) are proposed for Lot 11. The density issue has to be resolved to develop the site. The Borough is continuing investigations with Nouvelle and will work with Nouvelle and the Highlands Council Staff to resolve the septic density issue and to bring this project to fruition in Round Four. Once the Borough and the developer are satisfied the four units can be supported as a redevelopment project under Highlands rules, the Borough will enter into an agreement with Nouvelle to develop 4 disabled veterans apartment units.

In addition to the sites identified above to address Round Three, Chester Borough also agreed to and did adopt an overlay zone at Block 133, Lot 5, as identified on the Borough's Tax Map (hereinafter the "Chester Mall") for mixed use, which permits a residential density of 10 units per acre, with a required affordable housing set-aside of 20 percent.

Chester Borough adopted Mandatory Set-aside Ordinance for all new developments of five or more dwelling units, as required in the Round Three FSHC Agreement and Final JOC&R to satisfy Round Three. Chester Borough will amend the MSO to (1) clarify that a 20% set-aside is required for all developments, including multi-family and single-family detached dwelling units.

### SUMMARY – PRIOR ROUND & ROUND THREE COMPLIANCE ASSESSMENT

As demonstrated above, Chester Borough's Prior Round 1987-1999) Prospective Share obligation has been fully satisfied.

Two projects from Round Three (1999-2025) have yet to be addressed.

1. Turkey Farm. For economic viability reasons, the affordable family rental project on Block 101, Lots 13, 14, 15 & 16 (the TF site) is being reduced from 36 to 24 affordable family rental units.
2. Little Italian Kitchen. This site did not develop as planned. Chester Borough is working with a qualified developer with a demonstrated ability to procure funding and construct disabled veteran's family rental apartments to complete this project in Round Four.

The Borough's Round 3 RDP was 66 total. The reduction in RDP associated with the revised TF proposal reduces the Borough's RDP by 7 total units to 59 total. The Borough also had a surplus over its Round 3 RDP of 6. Thus, the reduction in affordable housing yield of 12 on the TF site is offset by 13 for the surplus and reduction in RDP.

However, the Borough would also lose 3 credits due to bonuses and caps, leaving a shortfall of 2 units. The Borough proposes to fill those credits with units produced at 128 Main Street and 92 West Main Street. Each project required a set aside for family rental despite being insufficiently large to trigger the MSO or create an RDP.

Under circumstances, the Borough maintains that it is entitled to bonus credits since TF has agreed to a revised concept and an anticipated amended agreement. If a Court disagrees, then any shortfall would be subject to a durational adjustment and deferred along with the Borough's Round 4 obligation.

## ROUND FOUR FAIR SHARE PLAN

### PRESENT NEED

This section of the Housing Plan sets forth Chester Borough's Fair Share Plan to address the Round Four affordable housing obligations. As set forth above in the section entitled "Determination of Present Need and Prospective Share", Chester Borough has a Present Need of ten (10) units. In Round Three, the Borough received an adjusted Present Need obligation based on an analysis of the Borough's housing stock at that time (2019). The Borough will again undertake a survey of existing housing conditions to determine whether an adjustment to the NJDCA calculated Present Need obligation should be adjusted.

The Borough will address the Present Need through the Morris County HOME rehabilitation funding program, and will supplement rehabilitation costs to the extent that funding available through the HOME Program is insufficient to complete a rehabilitation project.

## ROUND FOUR PROSPECTIVE SHARE OBLIGATION

As explained above Chester Borough's Round Four Prospective Share Obligation is identified through Highlands Build-out procedures a zero (0) affordable units. This essentially constitutes a vacant land adjustment with an RDP of zero affordable housing units. In addition, the lack of sewer capacity in an of itself constitutes a durational adjustment. As such, the Borough's situation is a hybrid of two adjustments recognized in the regulations: A vacant Land Adjustment and a Durational Adjustment.

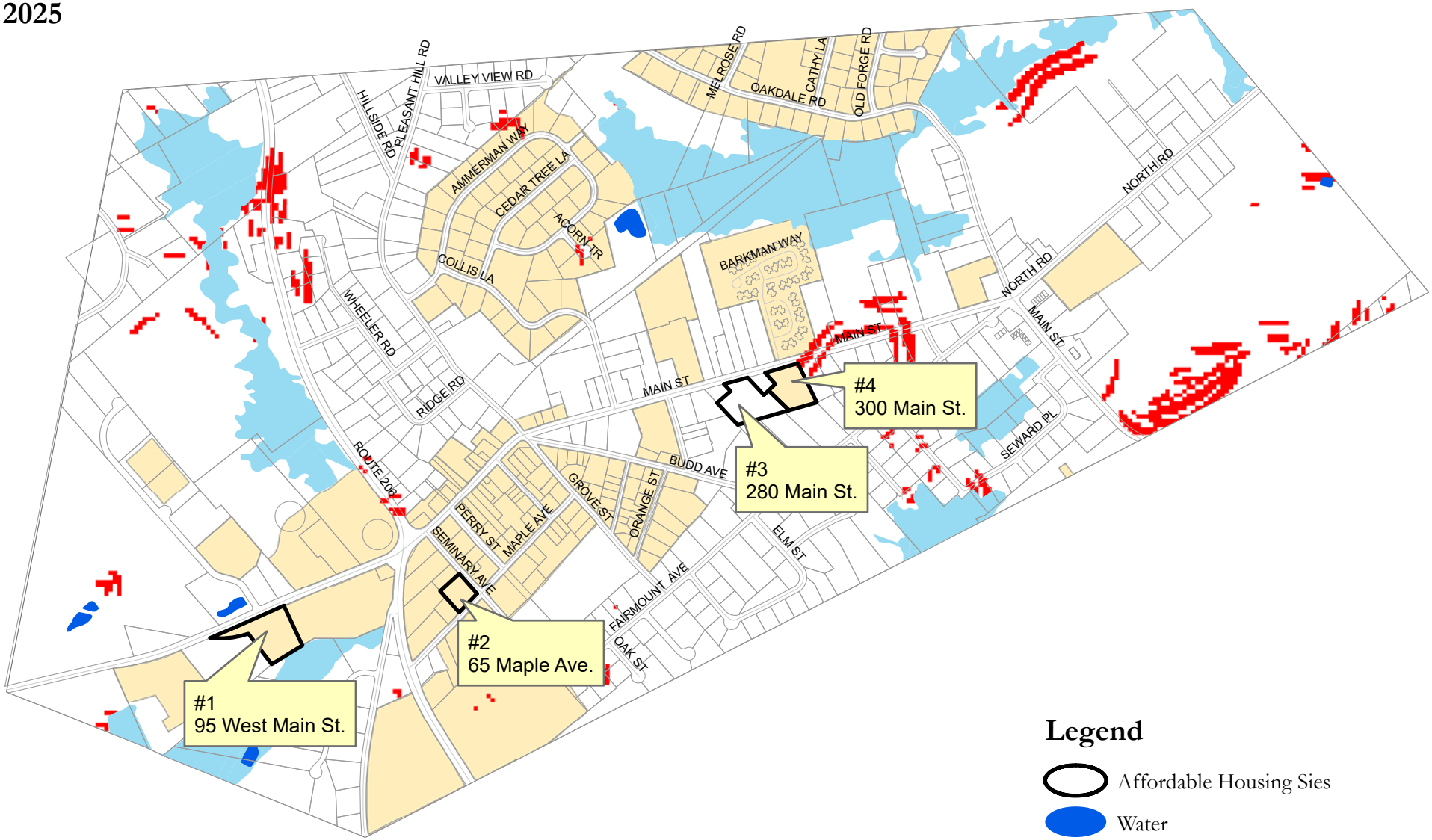
N.J.S.A. 52:27D-310 f. requires "a consideration of the lands that are most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing." In addressing this requirement, Chester Borough has examined land throughout the Borough and identified four (4) sites likely to redevelop to during Round Four as required by the 2024 FHA Amendments. The sites selected were identified for a variety of reasons, including (1) vacant parcels, (2) a pattern of vacancy in commercial and office space, and (3) redevelopment. These site are shown on Figure 1.

**FIGURE 1**
**Round Four Sites for Inclusionary Zoning:**

| Redevelopment Sites<br>Address, (Block/Lot), Description | Acreage | 20% affordable unit yield |
|---|---|---|
| **1. 95 West Main Street (133/4)** - Existing office & commercial space. This site is developed with office and retail uses, it has an NJPDES permitted on-site septic system with a capacity of 2,500 gpd, which is sufficient to support a total of 8 dwelling units (@ NJDEP's 300 gpd flow rate). It is experiencing persistent vacancies. It adjoins Block 133, Lot 5 (Chester Mall, 11-85 West Main St.). The Mall was zoned with an overlay in Round Three to redevelop with a residential density of 10 du./ac in addition to the existing commercial use of the site. The Mall has an individual on-site 11,000 gpd sewage treatment plant with an NJPDES surface water discharge permit. There is potential for the two sites to redevelop if joined together, but total development would be constrained by whatever NJDEP would permit or require, which may include upgrading the treatment plant. The Borough will designate 95 West Main for the same 10 du/ac to incentivize future redevelopment of the two sites, potentially as a single development. | 2.84 @ 10 du./ac. = 28.4 total units. | 5 |

# Figure 1:
# Round Four Affordable Housing Overlay Sites

## Borough of Chester
## June 2025




## Legend

- Affordable Housing Sies
- Water
- Wetlands
- Sewer Service Area
- Steep Slopes Greater than 15%

Data Sources:
Morris County Parcels 2024
NJDEP 10 Meter DEM's
NJDEP 2020 Land Use/Land Cover
NJDEP SSA 2024

BANISCH ASSOCIATES, INC.
*Planning and Design*

| | | |
|---|---|---|
| **2. 65 Maple Avenue (131/4**) - Former Meenan Oil Site - This .98-acre site was formerly a commercial use (fuel depot, distribution yard, office, and retail sales) that has been abandoned and remediated from its former use. The office building remains, other structures from the former use have been removed. It has one (1) equivalent connection (300 gpd) of dedicated sewer allocation that could support only one (1) residential dwelling unit. The site is re-developable, but for the limited sewer flow that cannot be increased due to sewer system capacity limitations. The site is level, free of environmental constraints and is situated adjacent to commercial uses at a point where residential neighborhoods transition to commercial uses and is suitable for multi-family redevelopment. | .98 @ 6 du./ac. = 6 units | 1 |
| **3. 280 Main (119/6)** – This vacant site adjoins 300 Main St., the former municipal building that is currently vacant. The two sites share an approximately 200' common lot line and could logically be redeveloped together as a single unit. The Borough will designate this a redevelopment area to facilitate development of this site together with 300 Main Street. Aerial photography suggests that the site was at one time used for an agricultural use, which has long been discontinued. It adjoins low density residential and office/commercial development. Main Street sidewalks provide access to commercial uses. The elementary school is within walking distance of the site. The site is not located in the sewer service area and would require an alternative wastewater treatment system if developed before sewer service becomes available. | 2.57 @ 6 du./ac. = 15.42 units | 3 |
| **4. 300 Main (119/8)** – This is the former Chester Borough municipal building that is vacant. The vacant building remains with two driveways on Main Street and parking. There is a water tower at the rear property line with cellular antennas to remain. The site is within the Borough's sewer service area, but there is currently no assigned equivalent connection assigned to the site. Due to capacity constraints, there is no potential for additional connections to the sewer system. The site could logically be redeveloped with 280 Main (Block 119, Lot 6) described above; however, actual redevelopment will have to await sewer capacity when a new sewer plant is developed. | 2 @ 6 du./ac. = 12 units | 2 |

## REDEVELOPMENT

The FHA Amendments require a municipality to zone for 25% of the prospective need that has been adjusted. Here, the prospective need "has been" adjusted to 0. Nevertheless, bringing forth a full faith effort to respond to the Borough's affordable housing obligations, Chester Borough has identified the four (4) sites that are appropriate for overlay zoning identified in the table above. There are no other appropriate sites for overlay zoning given the Borough significant constraints described in this HEFSP.

### SITE SUITABILITY ANALYSIS

All four sites identified above are available and approvable with zoning; however, development of the sites is dependent upon sewer service becoming available. Each site is also subject to review for consistency with the Highlands regional master plan.

The property owner for 280 Main Street (Site #3 above) has expressed an interest in being included in Chester Borough's Round Four Plan. Chester Borough has considered the request and is including the site in the Plan with the hope that it is combined with 300 Main Street (former municipal building) that is included in the sewer service area. The site could be developed with or without 300 Main Street, and both sites must await available sewer capacity. The site is available, will be approvable with zoning, will be developable with sewer capacity; and is suitable based on the physical conditions of the site (level, location on Main Street, adjacency to compatible uses).

## 2024 FHA COMPLIANCE PARAMETERS

The 2024 FHA Amendments identify a series of requirements to be addressed in the Fair Share Plan. A series of compliance parameters requirements are to be applied to the whole number of units addressing the Prospective Share in the Housing Plan, including a 30% cap on age-restricted units, a requirement for at least 50% of the units to be available to families with children, a 25% rental unit requirement, and 12.5% family rental unit requirement, a requirement for 13% of the units in the plan to be reserved for very low-income households and one-half of the very low-income units available to families with children The FHA identifies these compliance parameters, as follows:

> "C.52:27D-311 l. A municipality may **[1]** **not** satisfy **more than 30 percent** of the affordable housing units, exclusive of any bonus credits, to address its prospective need affordable housing obligation through the creation **of age-restricted housing**. A municipality shall satisfy **[2]** 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 and otherwise in compliance with the requirements and controls established pursuant to

section 21 of P.L.1985, c.222 (C.52:27D-321). A municipality shall satisfy **[3]** **a minimum of 25 percent of the actual affordable housing units**, exclusive of any bonus credits, to address its prospective need affordable housing obligation, **through rental housing**, **[4]** **including at least half** of that [rental] number **[12.5%]** available to families with children. All units referred to in this section shall otherwise be in compliance with the requirements and controls established pursuant to section 21 of P.L.1985, c.222 (C.52:27D-321).

"C.52:27D-329.1_7. Housing elements and fair share plans adopted pursuant to section 3 of P.L.2024, c.2 (C.52:27D-304.1) shall ensure that **[5]** **at least 13 percent** of the housing units made available for occupancy by low-income and moderate-income households to address a municipality's prospective need obligation will be **reserved for** occupancy by **very low income households**, as that term is defined pursuant to section 4 of P.L.1985, c.222 (C.52:27D-304), **[6]** **with at least half of such units made available for families with children**. The 13 percent shall count towards the minimum 50 percent of the housing units required to be made available for occupancy by low-income households to address a municipality's prospective need obligation.

Chester Borough will amend the Borough's Affordable Housing Ordinance to include these compliance parameters identified in the 2024 FHA amendments. Chester Borough's durational adjustment inclusionary zoning will permit housing for families and will not specify or require age-restricted housing. All housing shall be available to families, unless a developer proposes age-restricted housing development, in which case not more than 30% of the affordable units provided shall be age-restricted.

All affordable housing units will meet the required bedroom distribution, controls on affordability and affirmatively marketed in conformance with the Uniform Housing Affordability Controls, UHAC, (N.J.A.C. 5:80-26.1) as shown through the adoption of an Affordable Housing Ordinance. Chester Borough has a qualified, designated Administrative Agent and Affordable Housing Liaison. The Borough's affordable housing program will be administered in accordance with an updated Affirmative Marketing Plan.

Proposed amendments to Borough's affordable housing ordinance will ensure that future development approved during Round Four will conform to these requirements.

## ADOPTION OF ORDINANCES AND RESOLUTIONS TO ADDRESS ROUND FOUR

Third Round Affordable Housing Requirements

To comply with the 4th Round Affordable housing obligations, Chester Borough will adopt all ordinances and resolutions to fully implement this plan and comply with the December 2024 Administrative Directive of the Court. These are listed below.

(1) All affordable housing units will meet the required bedroom and income distribution requirements, including very low-income units, controls on affordability and will be affirmatively marketed in

conformance with the Uniform Housing Affordability Controls, UHAC, (N.J.A.C. 5:80-26.1) as shown through the adoption of an updated Affordable Housing Ordinance.

(2) Chester Borough's designated Affordable Housing Liaison is Sarah Jane Noll, Affordable Housing Professional and Land Use Board Secretary. Chester Borough will adopt an updated Municipal Housing Liaison Resolution for 4th Round compliance.

(3) Chester Borough will adopt an updated Affirmative Marketing Plan in accordance with the requirements of the 2024 FHA Amendments. The ordinance shall include the income, bedroom, and affordability requirements set forth in the December 2024 U.H.A.C. amendments.

(4) Chester Borough's Administrative Agent is Sarah Jane Noll, Affordable Housing Professional and Land Use Board Secretary. Sarah Jane provides administrative agent services as required.

(5) Chester Borough will adopt an updated affirmative marketing ordinance to address updated requirements of the 2024 FHA Amendments and U.H.A.C.

(6) Chester Borough will undertake Redevelopment Investigations, designate redevelopment areas and adopt redevelopment ordinances in accordance with the LRHL to implement the redevelopment zoning identified in this plan.

(7) Chester Borough will amend the existing the Mandatory Set-aside Ordinance (MSO) to modify requirements clarifying that all new residential development of five or more dwelling units shall provide the required 20% set-aside as required in the 2024 FHA Amendments for all Highlands municipalities.

### SPENDING PLAN

Chester Borough will prepare a revised Spending Plan that will dedicate funds to support the proposed development of Block 101, Lot 11 for four disabled veteran's family rental apartment units. The updated Spending Plan will address all required parameters, including the cap on administration, but will primarily focus on providing affordability assistance to create new affordable units in the Borough of Chester.

## MULTIGENERATIONAL FAMILY CONTINUITY

This section of the Housing Plan addresses that section of the FHA (N.J.S.A. 52:27D-310 (g.) that calls for "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, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c.273 (C.52:27D-329.20)."

As of the date of this Housing Plan, there have been no recommendations by the Multigenerational Family Housing Continuity Commission in which to provide an analysis.

## STATE DEVELOPMENT AND REDEVELOPMENT PLAN (SDRP) CONSISTENCY

This section of the Housing Plan addresses that section of the FHA (N.J.S.A. 52:27D-310 (i.) concerning the consistency of this plan with the State Development and Redevelopment Plan (SDRP).

The entirety of Chester Borough is designated within the Highlands Region in the Highlands Water Protection and Planning Act. Chester Borough is fully conforming to the Highlands Regional Master Plan and is a designated Highlands Center. The SDRP defers to the land use designations and policies embodied in the Highlands Regional Master Plan. In the latest Round of SDRP Cross Acceptance, the Highlands Council is the lead agency in assuring consistency between the Highlands Regional Master Plan and the SRDP. Chester Borough's Round Four Fair Share Plan is consistent with the Highlands Regional Master Plan, and is by extension consistent with the SDRP.

## MANDATORY SET-ASIDE ORDINANCE:

Article XIV: Mandatory Affordable Housing Set-Aside
Chapter 163 Land Use

Purpose. The purpose of this ordinance is to ensure that all residential developments in Chester Borough resulting in five (5) or more residential dwelling units provides a 20% affordable housing set-aside.

A. Except as otherwise regulated in this chapter, any development application proposing five (5) or more new residential dwelling units shall be required to set aside twenty percent (20%) of said lots or units for affordable housing.
B. This requirement shall apply for all new multi-family residential development of five (5) or more units that become permissible through either a use variance, a density variance increasing the permissible density at the site, a rezoning permitting multi-family residential housing where not previously permitted, or new redevelopment plan, and subject to any and all applicable regulations set forth by the Highlands Council, NJDEP and any other agency with jurisdiction.
C. This requirement does not give any developer the right to any such rezoning, variance or other relief, or establish any obligation on the part of the Chester Borough to grant such rezoning, variance or other relief. A property shall not be permitted to be subdivided so as to avoid compliance with this requirement.

## APPENDIX A - HOUSING ELEMENT PLAN

This section of the HEFSP responds to the data that the Legislature seek in N.J.S.A. 52:27D-310 a. – d., as follows:

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, and in conducting this inventory the municipality shall have access, on a confidential basis for the sole purpose of conducting the inventory, to all necessary

property tax assessment records and information in the assessor's office, including but not limited to the property record cards;

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;

**Inventory of Municipal Housing Conditions**

The primary source of information for the inventory of the Borough's housing stock is the 2023 American Community Survey (ACS) 5-year estimates, which the Census now utilizes for demographic and housing data reporting.

According to the 2023 Census, the Borough had 554 housing units, of which 549 (99%) were occupied. Table A1 identifies the units in a structure by tenure; as used throughout this Plan Element, "tenure" refers to whether a unit is owner-occupied or renter-occupied. While the Borough largely consisted of one-family, detached dwellings (74% of the total, compared to 65% in the County), there were 142 units in attached or multi-family structures. The Borough had a relatively low percentage of renter-occupied units, 24%, compared to 26% in Morris County and 36.3% in the State. The Borough's housing stock indicates a stable residential community with limited rental options.

**Table A1: Units in Structure by Tenure**

| Units in Structure | Total Units | Vacant Units | Occupied Units | | |
|---|---|---|---|---|---|
| | | | Total | Owner | Renter |
| 1, detached | 412 | 5 | 407 | 376 | 31 |
| 1, attached | 25 | 0 | 25 | 23 | 2 |
| 2 | 37 | 0 | 37 | 0 | 37 |
| 3 or 4 | 0 | 0 | 0 | 0 | 0 |
| 5+ | 60 | 0 | 60 | 0 | 60 |
| Other | 0 | 0 | 0 | 0 | 0 |
| Mobile Home | 20 | 0 | 20 | 20 | 0 |
| Total | 554 | 5 | 549 | 419 | 130 |

*Source: 2023 ACS 5-year estimates B25032 and B25024*

The data in Table A2 illustrates the distribution of housing units by the year they were built, highlighting trends in the age of housing stock and tenure. A significant portion of the housing units (over 42%) were built before 1970, with the largest percentage (18.6%) constructed before 1940. This suggests a relatively old housing stock, which may require significant maintenance and upgrades. The number of new housing units is limited, with only 22 units (4%) built between 2010 and 2019 and none constructed after 2020. In terms of tenure, ownership dominates in newer housing, with nearly all units built between 2000 and 2009 being owner-occupied. Conversely, older housing stock, particularly units built before 1980, has a more balanced distribution between owner and renter occupancy. The low vacancy rate (only five vacant units) indicates a high demand for housing, which may impact affordability and availability. The data suggests a potential need for new housing development, as well as rehabilitation efforts to maintain aging units, particularly those built before 1970. Older housing stock suggests potential concerns for maintenance and modernization, particularly for renter-occupied units. The presence of older housing stock is one of the factors that correlates highly with filtering. Filtering is a downward adjustment of housing needs that recognizes that the housing requirements of lower-income groups can be served by supply additions to the higher-income sections of the housing market.

**Table A2: Year Structure Built by Tenure**

| Year Built | Total Units | % of Total | Vacant Units | Occupied Units | | |
|---|---|---|---|---|---|---|
| | | | | Total | Owner | Renter |
| 2020 or later | 0 | 0.0% | 0 | 0 | 0 | 0 |
| 2010 - 2019 | 22 | 4.0% | 0 | 22 | 20 | 2 |
| 2000 – 2009 | 66 | 11.9% | 0 | 66 | 66 | 0 |
| 1990 – 1999 | 70 | 12.6% | 0 | 70 | 59 | 11 |
| 1980 – 1989 | 33 | 6.0% | 0 | 33 | 23 | 10 |
| 1970 – 1979 | 94 | 17.0% | 2 | 92 | 58 | 34 |
| 1960 – 1969 | 91 | 16.4% | 3 | 88 | 72 | 16 |
| 1950 - 1959 | 39 | 7.0% | 0 | 39 | 29 | 10 |
| 1940 – 1949 | 36 | 6.5% | 0 | 36 | 25 | 11 |
| Pre-1940 | 103 | 18.6% | 0 | 103 | 67 | 36 |
| Total | 554 | | 5 | 549 | 419 | 130 |

*Source: 2023 ACS 5-year estimates DP-04 and B25036*

Table A3 compares the year of construction for all dwelling units in the Borough to Morris County and the State. Chester had a larger percentage of units built in the 1960s, 1970s, through 2010 than did the County or State and a smaller percentage of units built in the after 2010.

**Table A3: Comparison of Year of Construction for Borough, County, and State**

| Year Built | % | | |
|---|---|---|---|
| | Chester Borough | Morris County | New Jersey |
| 2020 or later | 0.0% | 0.6% | 2% |
| 2010 - 2019 | 4.0% | 4.8% | 6% |
| 2000 – 2009 | 11.9% | 7.6% | 9% |
| 1990 – 1999 | 12.6% | 11.5% | 8% |
| 1980 – 1989 | 6.0% | 13.0% | 12% |
| 1970 – 1979 | 17.0% | 13.9% | 12% |
| 1960 – 1969 | 16.4% | 15.7% | 13% |
| 1950 - 1959 | 7.0% | 14.9% | 13% |
| 1940 – 1949 | 6.5% | 6.1% | 6% |
| Pre-1940 | 18.6% | 12.0% | 18% |
| Median Year | 1971 | 1971 | 1970 |

*Source: 2023 ACS 5-year estimates B25034 and B25035*

The 2023 Census documented household size in occupied housing units by tenure, and the number of bedrooms per unit by tenure; these data are reported in Tables A4 and A5, respectively. Table A4 indicates that renter-occupied units are mostly (85%) one and two-person households, with 58% of owner-occupied units having fewer than two persons.

**Table A4: Household Size in Occupied Housing Units by Tenure**

| Household Size | Total Units | Owner-occupied Units | Renter-occupied Units |
|---|---|---|---|
| 1 person | 146 | 77 | 69 |
| 2 persons | 207 | 166 | 41 |
| 3 persons | 92 | 81 | 11 |
| 4 persons | 62 | 56 | 6 |
| 5 persons | 38 | 35 | 3 |
| 6 persons | 4 | 4 | 0 |
| 7+ persons | 0 | 0 | 0 |
| Total | 549 | 419 | 130 |

*Source: 2023 ACS 5-year estimates B25009*

The data in Table A5 presents the distribution of housing units by the number of bedrooms and their tenure. The majority of housing units (31.4%) have four bedrooms, followed closely by three-bedroom units (27.3%). This indicates a predominance of larger homes, likely catering to families or multi-person households. In contrast, smaller units such as one-bedroom apartments

account for 15.5%, while units without bedrooms (studios) are rare, comprising only 0.4% of the total housing stock.

Ownership is strongly associated with larger homes, as nearly all four-bedroom (96.4%) and all five-plus-bedroom units (100%) are owner-occupied. Conversely, rental units are concentrated in smaller housing, particularly one-bedroom units, where renters make up approximately 90.7% of occupancy. This suggests that rental housing options are primarily geared toward smaller households or individuals, potentially limiting availability for larger families seeking rental accommodations.

**Table A5: Number of Bedrooms per Unit by Tenure**

| Number of Bedrooms | Total Units | (%) | Occupied Units | | |
|---|---|---|---|---|---|
| | | | Total | Owner | Renter |
| No bedroom | 2 | 0.4% | 2 | 2 | 0 |
| 1 bedroom | 86 | 15.5% | 86 | 8 | 78 |
| 2 bedrooms | 68 | 12.3% | 68 | 36 | 32 |
| 3 bedrooms | 151 | 27.3% | 151 | 137 | 14 |
| 4 bedrooms | 174 | 31.4% | 169 | 163 | 6 |
| 5+ bedrooms | 73 | 13.2% | 73 | 73 | 0 |

*Source: 2023 ACS 5-year estimates DP-04 and B25042*

Table A6 compares the Borough's average household size for all occupied units, owner-occupied units, and renter-occupied units in 2023 to those of the County and State. The Borough's average household size for all units was lower than the State and County.

**Table A6: Average Household Size for Occupied Units for Borough, County, and State**

| Jurisdiction | All Occupied Units | Owner-occupied units | Renter-occupied units |
|---|---|---|---|
| Chester Borough | 2.43 | 2.60 | 1.85 |
| Morris County | 2.61 | 2.79 | 2.10 |
| New Jersey | 2.58 | 2.72 | 2.32 |

*Source: 2023 ACS 5-year estimates B25010*

Table A7 compares the distribution of housing units by the number of bedrooms across Chester Borough, Morris County, and the state of New Jersey. Chester Borough has a significantly higher proportion of larger homes (four or more bedrooms) at 45%, which is well above the county (37%) and state (26%) averages. This suggests that Chester Borough's housing stock is skewed toward larger, single-family residences, making it less accessible to smaller households or individuals looking for compact living spaces. Conversely, the percentage of smaller units (none or one bedroom) in Chester Borough (16%) is nearly the same as in Morris County (15%) but slightly lower than the state average (18%).

**Table A7: Percentage of All Units by Number of Bedrooms**

| Jurisdiction | None or one | Two or Three | Four or More |
|---|---|---|---|
| Chester Borough | 16% | 40% | 45% |
| Morris County | 15% | 48% | 37% |
| New Jersey | 18% | 57% | 26% |

*Source: 2023 ACS 5-year estimates DP-04*

In addition to data concerning occupancy characteristics, the 2023 Census includes a number of indicators, or surrogates, which relate to the condition of the housing stock. These indicators are used in calculating a municipality's deteriorated units and indigenous need. The surrogates used to identify housing quality, in addition to age (Pre-1940 units in Table A2), are the following:

Persons per Room — 1.01 or more persons per room is an index of overcrowding.

Plumbing Facilities — Inadequate plumbing is indicated by either a lack of exclusive use of plumbing or incomplete plumbing facilities.

Kitchen Facilities — Inadequate kitchen facilities are indicated by shared use of a kitchen or the non-presence of a sink with piped water, a stove, or a refrigerator.

Table A8 compares the Borough, County, and State for some of the above indicators of housing quality. The Borough has no units that are overcrowded and have inadequate plumbing or kitchen facilities. These indicators suggest relatively high housing quality in the Borough.

**Table A8: Housing Quality for Borough, County, and State**

| Condition | % | | |
|---|---|---|---|
| | Chester Borough | Morris County | New Jersey |
| Overcrowding | 0% | 1.7% | 4% |
| Lacking Complete plumbing Facilities | 0% | .4% | .3% |
| Lacking Complete Kitchen Facilities | 0% | .8% | .8% |

*Source: 2023 ACS 5-year estimates DP-04*

The last factors used to describe the municipal housing stock are the assessed housing values and gross rents for residential units. Most homes fall within the $500,000–$999,999 range, with a median home value of $640,400. High home values reflect a stable housing market but may present affordability barriers for lower-income residents.

**Table A9: Value of Residential Units**

| Value | Number | % |
|---|---|---|
| Less than $50,000 | 13 | 3.1% |
| $50,000 to $99,999 | 16 | 3.8% |
| $100,000 to $149,999 | 9 | 2.1% |
| $150,000 to $199,999 | 4 | 1.0% |
| $200,000 to $299,999 | 0 | 0.0% |
| $300,000 to $499,999 | 72 | 17.2% |
| $500,000 to $999,999 | 288 | 68.7% |
| $1,000,000 or more | 17 | 4.1% |
| Median (dollars) | $640,400 | |

*Source: 2023 ACS 5-year estimates DP-04*

The majority of rental units exceed $1,000 per month with the median rent at $1,337. Rental affordability is a concern, as high rents may exclude lower-income households. Increasing affordable rental units could address housing accessibility challenges.

**Table A10: Gross Rents for Specified Renter-Occupied Housing Units**

| Contract Monthly Rent | Number | % |
|---|---|---|
| Less than $500 | 20 | 15.7% |
| $500 to $999 | 23 | 18.1% |
| $1,000 to $1,499 | 29 | 22.8% |
| $1,500 to $1,999 | 27 | 21.3% |
| $2,000 to $2,499 | 11 | 8.7% |
| $2,500 to $2,999 | 7 | 5.5% |
| $3,000 or more | 10 | 7.9% |
| Median (contract rent) | $1,337 | |

*Source: 2023 ACS 5-year estimates DP-04*

The data in Table A11 indicate that in 2023 there were 97 households earning less than $35,000 annually. Many households earning under $75,000 experience housing cost burdens, spending more than 30% of their income on housing. A figure of 30% is considered the limit of affordability for housing costs.

**Table A11: Household Expense in 2023 by as a Percentage of Household Income in 2023**

| Income | Number of Households | Less than 30% | More than 30% |
|---|---|---|---|
| < $20,000 | 43 | 13 | 30 |
| $20,000 – 34,999 | 54 | 7 | 47 |
| $35,000 - $49,999 | 36 | 12 | 24 |
| $50,000 - $74,999 | 39 | 18 | 21 |
| $75,000 + | 371 | 323 | 48 |

*Note: [1]The universe for this Table is specified occupied housing units.*
*Source: 2023 ACS 5-year estimates S2503*

Tables A12 and A13 show the production and demolition of housing units in the Borough. The Borough had limited housing development and demolition trend in the jurisdiction over the past decade. From 2013 to 2023, only nine new housing units were authorized for construction, all of which were single-family or two-family units. There were no approvals for multifamily or mixed-use developments, suggesting a lack of diversification in the housing stock. Additionally, there were two instances of housing demolition (one in 2015 and one in 2018), both involving single-family homes.

**Table A12: Housing Units Authorized by Building Permits for New Construction 2013-2024**

| Year | Total | 1&2 family | Multifamily | Mixed use |
|---|---|---|---|---|
| **2013** | 0 | 0 | 0 | 0 |
| **2014** | 0 | 0 | 0 | 0 |
| **2015** | 2 | 2 | 0 | 0 |
| **2016** | 0 | 0 | 0 | 0 |
| **2017** | 2 | 2 | 0 | 0 |
| **2018** | 2 | 2 | 0 | 0 |
| **2019** | 0 | 0 | 0 | 0 |
| **2020** | 1 | 1 | 0 | 0 |
| **2021** | 2 | 2 | 0 | 0 |
| **2022** | 0 | 0 | 0 | 0 |
| **2023** | 0 | 0 | 0 | 0 |

*Source: New Jersey Department of Community Affairs, Development Trend Viewer*

**Table A13: Housing Units Demolished 2013-2024**

| Year | Total | 1&2 family | Multifamily | Mixed use |
|---|---|---|---|---|
| **2013** | 0 | 0 | 0 | 0 |
| **2014** | 0 | 0 | 0 | 0 |
| **2015** | 1 | 1 | 0 | 0 |
| **2016** | 0 | 0 | 0 | 0 |
| **2017** | 0 | 0 | 0 | 0 |
| **2018** | 1 | 1 | 0 | 0 |
| **2019** | 0 | 0 | 0 | 0 |
| **2020** | 0 | 0 | 0 | 0 |
| **2021** | 0 | 0 | 0 | 0 |
| **2022** | 0 | 0 | 0 | 0 |
| **2023** | 0 | 0 | 0 | 0 |

*Source: New Jersey Department of Community Affairs, Development Trend Viewer*

Table A14 shows certificates of occupancy in square feet for non-residential uses between 2013 and 2023. The data on non-residential space receiving Certificates of Occupancy (CO) from 2013 to 2023 shows fluctuating levels of commercial development, with notable peaks and declines. The highest volume of new non-residential space was recorded in 2016, with 64.9 thousand square feet, followed by 2014 (14.7 thousand square feet) and 2018 (7.1 thousand square feet). Other years saw moderate development activity.

**Table A14: Square Feet of Non-residential Space CO**

| Year | Total (thousands) |
|---|---|
| **2013** | 0 |
| **2014** | 14.7 |
| **2015** | 0 |
| **2016** | 64.9 |
| **2017** | .2 |
| **2018** | 7.1 |
| **2019** | 0 |
| **2020** | 0 |
| **2021** | 0 |
| **2022** | 0 |
| **2023** | 0 |

*New Jersey Department of Community Affairs, CO Yearly Summary*
*https://www.nj.gov/dca/codes/reporter/co.shtml*

**Analysis of Demographic Characteristics**

As with the inventory of the municipal housing stock, the primary source of information for the analysis of the demographic characteristics of the Borough's residents is the 2023 U.S. Census. The Census data provide a wealth of information concerning the characteristics of the Borough's population in 2023.

The 2020 Decennial Census indicates that the Borough had 1,681 residents, or 46 more residents than in 2000, representing a population increase of approximately 3%. The Borough's 3% increase from the 2000's compares to a 8% increase in Morris County and 10% in New Jersey.

The age distribution of the Borough's residents is shown in Table A15. The Borough, similar to most areas in the State and Country, has an aging population, with a higher percentage of residents over 45.

**Table A15: Population by Age**

| Age | % Persons |
|---|---|
| Under 5 years | 4.9% |
| 5 to 9 years | 4.2% |
| 10 to 14 years | 5.2% |
| 15 to 19 years | 9.3% |
| 20 to 24 years | 2.7% |
| 25 to 34 years | 11.5% |
| 35 to 44 years | 13.5% |
| 45 to 54 years | 15.7% |
| 55 to 59 years | 6.8% |
| 60 to 64 years | 6.3% |
| 65 to 74 years | 9.6% |
| 75 to 84 years | 8.2% |
| 85 years and over | 2.1% |
| Median Age | 43.6 |

*Source: 2023 DP-05 ACS 5-year Estimates*

Table A16 compares the Borough to the County and State by age categories. The age distribution data for Chester Borough reveals an older population compared to Morris County and New Jersey, with a median age of 43.6 years, higher than the county (42.7) and state (40.4). The borough has a lower percentage of young children and young adults, particularly in the 20 to 24 age group (2.7%), which is significantly below county (5.8%) and state (5.9%) levels. Conversely, middle-aged and older adults make up a larger share of the population, with 15.7% in the 45 to 54 age range and 8.2% in the 75 to 84 age group, both exceeding regional averages.

**Table A16: Comparison of Age Distribution for Borough, County, and State (% of persons)**

| Age | Chester Borough | Morris County | New Jersey |
|---|---|---|---|
| Under 5 years | 4.9% | 5.0% | 5.6% |
| 5 to 9 years | 4.2% | 5.6% | 5.8% |
| 10 to 14 years | 5.2% | 6.2% | 6.3% |
| 15 to 19 years | 9.3% | 6.5% | 6.3% |
| 20 to 24 years | 2.7% | 5.8% | 5.9% |
| 25 to 34 years | 11.5% | 11.2% | 12.7% |
| 35 to 44 years | 13.5% | 12.8% | 13.3% |
| 45 to 54 years | 15.7% | 14.1% | 12.8% |
| 55 to 59 years | 6.8% | 7.8% | 6.6% |
| 60 to 64 years | 6.3% | 7.2% | 6.8% |
| 65 to 74 years | 9.6% | 10.0% | 10.3% |
| 75 to 84 years | 8.2% | 5.3% | 5.5% |
| 85 years and over | 2.1% | 2.5% | 1.9% |
| Median | 43.6 | 42.7 | 40.4 |

*Source: 2023 DP-05 5-year estimates*

Table A17 provides Census data on household size for the Borough, while Table A18 compares household sizes in the Borough to those in Morris County and the State. The Borough has more households with two persons than the County or State and fewer in the other categories.

**Table A17: Persons in Household**

| Household Size | % |
|---|---|
| 1 person | 26.6% |
| 2 persons | 37.7% |
| 3 persons | 16.8% |
| 4 or more persons | 18.9% |
| Average Household Size | 2.43 |

*Source: 2023 ACS 5-year Estimates U.S. Census, S2501.*

**Table A18: Comparison of Persons in Household for Borough, County, and State (% of households)**

| Household Size | Borough | County | State |
|---|---|---|---|
| 1 person | 26.6% | 24.7% | 26.2% |
| 2 persons | 37.7% | 32.2% | 31.7% |
| 3 persons | 16.8% | 17.7% | 17.0% |
| 4+ persons | 18.9% | 25.4% | 25.0% |
| Average household Size | 2.43 | 2.61 | 2.58 |

*Source: 2023 ACS5-year estimate S2501 and S1101*

Table A19 presents a detailed breakdown of the Borough's population by household type and relationship for persons over 65. Family households are more common, but non-family households account for a substantial portion (35%). Planning should include housing that accommodates both family and non-family households as demand for senior housing options increases.

**Table A19: Persons 65+ by Household Type and Relationship**

| | Persons |
|---|---|
| In households: | 256 |
| In family households: | 166 |
| Householder: | 77 |
| Male | 51 |
| Female | 26 |
| Spouse | 72 |
| Parent | 0 |
| Parent-in-law | 6 |
| Other relatives | 11 |
| Nonrelatives | 0 |
| In nonfamily households: | 90 |
| Householder: | 85 |
| Male: | 30 |
| Living alone | 30 |
| Not living alone | 0 |
| Female: | 55 |
| Living alone | 55 |
| Not living alone | 0 |
| Nonrelatives | 5 |
| In Group Quarters | 15 |

*Source: 2023 ACS B09020 5-year estimate.*

Table A20 provides 2023 income data for the Borough, County, and State. The Borough's per capita and family incomes were higher than the County and State. Higher incomes suggest

economic stability.

**Table A20: 2023 Income for Borough, County, and State**

| Jurisdiction | Per Capita Income | Median Income | |
|---|---|---|---|
| | | Households | Families |
| Chester Borough | $80,525 | $152,578 | $211,500 |
| Morris County | $69,226 | $134,929 | $168,431 |
| New Jersey | $53,118 | $99,781 | $121,944 |

*Source: 2023 U.S. Census ACS 5 Year Estimates B19301 and S1901,*

Table A21 addresses the lower end of the income spectrum, providing data on poverty levels for persons and families in 2023. According to the data in Table A21, the Borough had proportionately fewer persons qualifying for poverty status than the State and the County.

**Table A21: Poverty Status for Persons and Families for Borough, County, and State (% with 2023 income below poverty)**

| Jurisdiction | Persons (%) | Families (%) |
|---|---|---|
| Chester Borough | 2.4% | 2.1% |
| Morris County | 5.1% | 3.4% |
| New Jersey | 9.8% | 7% |

*Source: 2023 ACS 5-year estimates S1701 and S1702*

The U.S. Census includes a vast array of additional demographic data that provide insights into an area's population. For example, Table A22 provides a comparison of the median year households moved into their current residences. This is a surrogate measure of the mobility/stability of a population. A higher percentage of homeowners and renters have resided in the same home longer compared to county and state averages.

**Table A22: Comparison of Median Year Householder Moved Into Unit for Borough, County, and State**

| Jurisdiction | Owner Occupied | Renter Occupied |
|---|---|---|
| Chester Borough | 2010 | 2015 |
| Morris County | 2007 | 2018 |
| New Jersey | 2010 | 2019 |

*Source: 2023 ACS 5-year estimates B25039*

Table A23 compares the educational attainment for Borough, County, and State residents over age 25. The data indicate that more Borough residents achieved a high school diploma or bachelor's than the state and county.

**Table A23: Educational Attainment for Borough, County, and State Residents (Persons 25 years and over)**

| Jurisdiction | Percent (%) high school graduates or higher | Percent (%) with bachelor's degree or higher |
|---|---|---|
| Chester Borough | 95.4% | 61.1% |
| Morris County | 95.1% | 57.2% |
| New Jersey | 90.7% | 42.9% |

*Source: 2023 ACS 5-year estimates DP02*

The 2023 Census also provides data on the means of transportation that people use to reach their place of work. Table A24 compares the Census data for the Borough, County, and State relative to driving alone, carpooling, using public transit, and using other means of transportation. The Borough had a relatively high percentage of those who drive alone and a relatively low percentage of workers who carpool or use public transit. However, the Borough has a higher percentage of those who walk to work and work from home in comparison to the County and State. This may be an indication of residents taking advantage of remote work opportunities since the pandemic.

**Table A24: Means of Transportation to Work for Borough, County and State Residents (Workers 16 years old and over)**

| | Chester Borough | Morris County | New Jersey |
|---|---|---|---|
| Car, truck, or van -- drove alone | 70.3% | 68.1% | 63.7% |
| Car, truck, or van -- carpooled | 0.4% | 5.8% | 7.7% |
| Public transportation (excluding taxicab) | 2.2% | 3.5% | 8.5% |
| Walked | 4.2% | 1.7% | 2.6% |
| Other means | 0.3% | 1.4% | 2.4% |
| Worked from home | 22.5% | 19.6% | 15.0% |

*Source: 2023 ACS 5-year estimates DP-03*

The employment distribution in Chester Borough indicates a diverse workforce, with the largest employment sectors being educational services, health care, and social assistance (19.2%), followed by professional, scientific, and management, and administrative and waste management services (17.6%). These industries reflect a strong presence of white-collar, knowledge-based jobs, which is consistent with employment trends in suburban communities. Retail trade (13.0%) also plays a significant role in the local economy, likely due to small businesses, local shops, and

service-oriented establishments. The manufacturing sector (9.8%) and finance, insurance, and real estate (8.9%) contribute substantially to employment, indicating a mix of industrial and business-related occupations. Overall, the data highlights a skilled, service-oriented workforce, with a strong reliance on education, healthcare, professional services, and retail trade.

**Table A25: Employment by Industry**

| Industry | Persons | % |
|---|---|---|
| Civilian employed population 16 years and over | 728 | |
| Agriculture, forestry, fishing and hunting, and mining | 19 | 2.6% |
| Construction | 42 | 5.8% |
| Manufacturing | 71 | 9.8% |
| Wholesale trade | 21 | 2.9% |
| Retail trade | 95 | 13.0% |
| Transportation and warehousing, and utilities | 14 | 1.9% |
| Information | 31 | 4.3% |
| Finance and insurance, and real estate and rental and leasing | 65 | 8.9% |
| Professional, scientific, and management, and administrative and waste management services | 128 | 17.6% |
| Educational services, and health care and social assistance | 140 | 19.2% |
| Arts, entertainment, and recreation, and accommodation and food services | 52 | 7.1% |
| Other services, except public administration | 21 | 2.9% |
| Public administration | 29 | 4.0% |

*Source: 2023 ACS 5-year estimates DP-03*

The employment rate, according to the 2023 census shows that the Borough had more people employed and in the labor force than the state but comparable to the county. Similarly the Borough had less unemployment than the state but comparable to the county percentages.

**Table A26: Labor Force and Employment (%)**

| Jurisdiction | Percent in Labor Force | Employed | Unemployed |
|---|---|---|---|
| Chester Borough | 67.3% | 64.8% | 2.6% |
| Morris County | 68.5% | 64.8% | 3.6% |
| New Jersey | 66.2% | 62.1% | 4.1% |

*Source: 2023 ACS 5-year estimates DP-03*

The forecasted population and employment growth in Chester Borough is minimal, with both metrics projected to increase at an annualized rate of just 0.2% from 2015 to 2050. The population is expected to rise by only 115 residents over 35 years, reflecting a relatively stable but slow-growing community.

Similarly, employment is projected to grow modestly, adding approximately 194 jobs by 2050. The limited growth rate indicates a stable local economy but also raises concerns about job creation and economic dynamism. Without significant expansion in employment sectors or new business opportunities, residents may continue to rely on jobs outside the borough, increasing commuting needs.

**Table A27: Forecast for Employment and Population**

| | 2015 | 2050 | Annualized % Change 2015-2045 |
|---|---|---|---|
| **Population** | 1,669 | 1,784 | .2% |
| **Employment** | 2,937 | 3,131 | .2% |

*Source: NJTPA Municipal Forecasts 2015-2050 Appendix E*

The forecast suggests that Chester Borough is not anticipating major development or economic shifts, maintaining its small-town character.