



BOROUGH OF PARAMUS

FOURTH ROUND HOUSING ELEMENT AND FAIR SHARE PLAN

PREPARED BY DMR ARCHITECTS
JUNE 2025

ADOPTED BY THE PARAMUS BOROUGH PLANNING BOARD
JUNE 24, 2025

ENDORSED BY THE BOROUGH COUNCIL
_____, 2025

ACKNOWLEDGMENTS

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EXECUTIVE SUMMARY

This Fourth Round Housing Element and Fair Share Plan ("HEFSP" or "Plan") has been prepared for the Borough of Paramus ("Borough" or "Paramus") in Bergen County, New Jersey, in order to comply with its affordable housing obligation in accordance with the Fair Housing Act of 1985 (N.J.S.A. 52:27D-301 et seq.) ("FHA") as amended by the bill known as A4/S50, signed in March of 2024.

An HEFSP is a document required by the FHA to be adopted by each municipality in the state to identify and address their respective, allocated need for safe and adequate housing for low- and moderate-income households. The HEFSP establishes the manner and means by which the Borough of Paramus will satisfy its State-mandated affordable housing or fair share obligation as that obligation is established in the Settlement Agreement. The Fair Share obligation is comprised of three components:

- ▶ The Present Need obligation, which reflects the estimated number of housing units in the Borough which are occupied by low- and moderate-income households and are in deteriorated condition that can be corrected through rehabilitation. This obligation is also known as the "Rehabilitation Share", and the Borough's estimated obligation for this component is **254** units.
- ▶ The "Fourth Round Prospective Need" obligation, which reflects the number of affordable units the Borough must create to address its share of the projected "regional" need for low- and moderate-income housing for the period running from July 1, 2025 to June 30, 2035. That number is **1,523** units, statutorily capped at **1,000** units.
- ▶ A "review" of the Borough's satisfaction of its Prospective Need obligations from the First, Second, and Third Rounds.

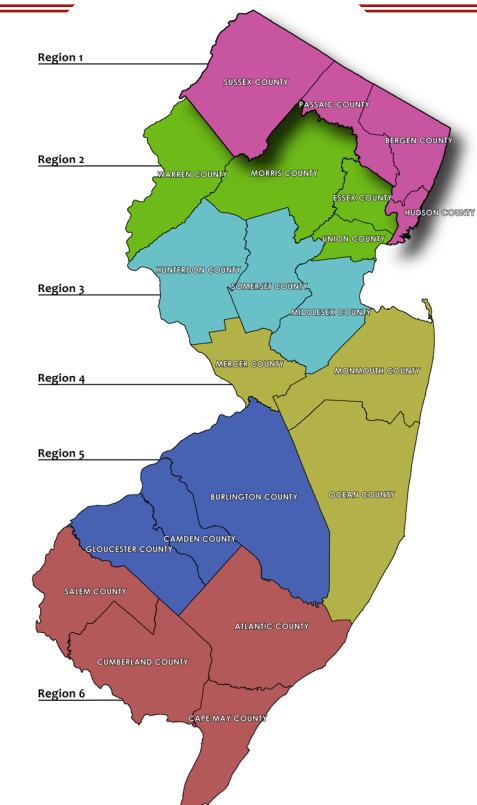
WHAT IS AFFORDABLE HOUSING

In 1975, the New Jersey Supreme Court ("Supreme Court") ruled in the case of Southern Burlington County NAACP v. The Township of Mount Laurel, now simply referred to as "Mount Laurel I", that every "developing" municipality in the State of New Jersey has a constitutional obligation to provide a reasonable opportunity for the construction of housing that is affordable to low- and moderate-income households. Eight years later, in 1983, the Supreme Court decided in what is known as "Mount Laurel II" that every municipality, regardless of its stage of development, must provide that opportunity for construction of affordable housing.

Two years after the Mount Laurel II decision, the New Jersey State Legislature adopted the Fair Housing Act which, among other things, created the Council on Affordable Housing ("COAH") to:

- ▶ Establish housing regions for calculation of housing need, qualifying incomes, housing cost, and other factors;
- ▶ Estimating low- and moderate-income housing needs;
- ▶ Establishing the rules and means by which each municipality may address its need; and
- ▶ Create a process for reviewing and "certifying" that need has been met.

The Fair Housing Act, when first adopted, identified only the income categories of "low" and "moderate" income households, but was updated to include the category of "very-low" income



Map 1. COAH Region Map, with Region 1 highlighted, consisting of Bergen, Hudson, Passaic, and Sussex Counties

in 2008 as part of the legislation known as the "Roberts Bill", which made a number of changes to the Act. The three categories are defined in [Figure 1 - "Fair Housing Act Income Categories" on Page 6](#).

The values for what constitute very-low, low, or moderate income are based on the median incomes in COAH-defined "Regions". The Fair Housing Act tasked COAH with the delineation of these "Regions" having between two and four counties each which have "significant social, economic, and income similarities and which constitute to the greatest extent practicable the primary metropolitan statistical areas" reflected by the U.S. Census. [Map 1 - "COAH Region Map"](#) shows the current housing regions.

The Fair Housing Act defers to HUD and other "recognized" standards to define what makes housing "affordable". HUD has, since the 1980s, considered housing to be affordable where the cost of such housing is less than 30% of the household's gross income. This rate has also been adopted by banks and other institutions as the threshold for "affordability". In practice, affordable housing in New Jersey must adhere to the Uniform Housing Affordability Controls (UHAC) at N.J.A.C. 5:80-26.1 et seq, which uses the 30% threshold for gross renter-household income and a 28% threshold for gross homeowner-household income. The UHAC also establishes additional standards to ensure that affordable housing units are available to households of various sizes and incomes and priced affordably, as shown in [Figure 2 - "Required Distributions" on Page 7](#) and [Figure 3 - "Affordability Standards" on Page 7](#).

NEW JERSEY MOUNT LAUREL HISTORY

FIRST AND SECOND ROUNDS

COAH published what has come to be known as its "first round" rules ([N.J.A.C. 5:92-1 et seq.](#)) to calculate the affordable housing need which municipalities would be required to address between 1987 and 1993, and established the acceptable means to address that need. The rules included a calculation of an existing need based on an estimate of substandard housing that was occupied by low- and moderate-income households (commonly referred to as "present need", as well as a projection of future demand for housing opportunities by low- and moderate-income households (commonly referred to as "prospective need" or "new construction obligation"). The income classifications were based on the income metrics established by the U.S. Department of Housing and Urban Development. The present need would be addressed by rehabilitating existing substandard housing and the prospective need would be addressed by creating new housing.

In 1994, COAH adopted [N.J.A.C. 5:93-1 et seq.](#) which retroactively recalculated the present and prospective needs for 1987 to 1993 and provided new calculations of those needs for the period of 1993 to 1999. While the rules at the time were considered to be COAH's "second round" of rules, the obligations calculated through those rules are referred to today as the "Prior Round" because the Second Round need numbers were recalculated and combined with need calculated for 1987 to 1993.

THIRD ROUND RULES

While the Fair Housing Act required COAH to adopt new rules in 1999, COAH did not adopt its Third Round rules until 2004, meaning there had been a five year gap following the effective period of the Second Round rules and the creation of new rules and need calculations. The 2004-adopted rules, located at [N.J.A.C. 5:94-1 and 5:95-1 et seq.](#), calculated a need period extending from 1999 to 2014 in order to capture the five years when rules were not in place and to project Prospective Need over the next 10 years (In 2001 the Fair Housing Act was amended to extend the effective time frame of

Figure 1. Fair Housing Act Income Categories

Very-Low Income Household:	Earns 30% or less of regional median income
Low-Income Household:	Earns 30% to 50% of Regional Median Income
Moderate Income Household:	Earns 50% to 80% of Regional median Income

any future-adopted COAH rules from the original 6 years used in Rounds 1 and 2 to a period of 10 years).

The 2004-adopted Third Round rules used a new method called "Growth Share" for calculating municipal new-construction obligation. Growth Share tied each municipality's affordable housing obligation to actual residential and non-residential growth between 2004 to 2014. The New Jersey Appellate Court invalidated substantial portions of the Third Round rules, including the Growth Share methodology, in the January 25, 2007 decision In re Adoption of N.J.A.C. 5:94 and 5:95, and ordered COAH to adopt amendments to the rules within six (6) months.

COAH *did* adopt amended rules more than 15 months later on June 2, 2008 (N.J.A.C. 5:96 and 5:97), which used a modified Growth Share methodology establishing a need for the period of 1999-2018, which had to be addressed by 2018, and recalculating the Prior Round obligations and the means of addressing those obligations. Once again, however, the new rules were challenged and largely invalidated in 2010 due to the continued use of the Growth Share methodology to calculate municipal obligations despite the methodology being struck down in 2007.

COAH once more attempted to adopt Third Round rules in 2014. Draft rules were published in April 30 of that year and scheduled for a decision on adoption on October 20, 2014. At that October 20 meeting, COAH deadlocked in its vote to adopt the rules and did not reschedule to consider the rules again, effectively failing to adopt the new rules.

MOUNT LAUREL IV

After COAH failed to adopt its 2014 draft rules, Fair Share Housing Center, a prominent advocacy organization for the creation of affordable housing in New Jersey, filed with the New Jersey Supreme Court a motion in aid of litigant's rights. On March 10, 2015, the Supreme Court issued a ruling on that Motion In re Adoption of N.J.A.C. 5:96 & 5:97, which is now commonly referred to as "Mount Laurel IV", which transferred COAH's responsibilities to designated Mount Laurel trial judges. These responsibilities primarily consist of reviewing and approving municipal Housing Elements and Fair Share Plans. Additionally, the Mount Laurel IV decision directed municipalities to file Declaratory Judgments with those judges to seek to find themselves in compliance with their fair share obligations, and to prepare Housing Element and Fair Share Plans based on COAH's Second Round rules and those portions of COAH's 2008-adopted Third Round rules that were upheld by the Appellate Division in 2010.

Given that the Supreme Court did not establish the affordable housing obligations that each municipality would be required to address, there had been much debate in the years following the Mount Laurel IV decision as to how to calculate municipal present and prospective need obligations in a manner that complies with that decision as well as Appellate Division decisions that had invalidated earlier versions of the Third Round rules. Numbers had been offered by experts recruited by Fair Share Housing Center, a consortium of municipalities, and even the Courts.

Figure 2. Required Distributions

Within and across all developments addressing the Borough's Prospective Need, the following ratios must be met:

Income Distribution: Income Categories as a % of affordable units

- Moderate Income: 50% or less
- Low Income: 37% or more
- Very-Low Income: 13% or more

Bedroom Distribution: Unit type as a % of affordable units (non-age-restricted development)

- One-Bedroom or Studios: 20% or less
- Two-Bedroom: At least 30%
- Three-Bedroom: At least 20%

Figure 3. Affordability Standards

Rentals Units:

- Maximum Rent: Affordable to 60% of RMI
- Average Rent: Affordable to 52% of RMI

For-Sale Units

- Maximum Rent: Affordable to 70% of RMI
- Average Rent: Affordable to 55% of RMI

RMI=Regional Median Income

As an intervenor recognized by the Courts in the affordable housing matters, Fair Share Housing Center (FSHC) has played a key role in municipalities' Declaratory Judgment actions to be certified as compliant with their affordable housing obligation. As a result, municipalities have been required to enter into Settlement Agreements with FSHC as part of their compliance actions.

On March 8, 2018, The Honorable Judge Mary Jacobson of the Superior Court of New Jersey Law Division in Mercer County published her opinion in the Matters of the Municipality of Princeton and the Township of West Windsor settling on a methodology for establishing the affordable housing obligations of municipalities in the vicinage containing Mercer County. Judges across New Jersey have since accepted and adopted her opinion and it has served as the basis for affordable housing settlement agreements since that time. Up until that point, most Settlement Agreements sought to find a middle ground between the affordable housing obligation calculations offered by the various "numbers" experts.

Historically, a municipality that prepared a Housing Element and Fair Share Plan for compliance with the Fair Housing Act would prepare and submit a Plan to COAH pursuant to COAH's rules and seek "substantive certification", a documented determination by COAH that a municipality's HEFSP complies with COAH's regulations and the FHA. Substantive certification would have the affect of protecting municipality's from "builder's remedy" lawsuits, defined in [Figure 4 - "Builder's Remedy" on Page 8](#) . Rather than seeking substantive certification, a municipality currently participating in the affordable housing compliance process is seeking a Judgment of Compliance from the Court stating that the municipality has adopted an HEFSP and any ordinances and resolutions required to implement that HEFSP according to the Supreme Court's [Mount Laurel IV](#) decision, which has the same affect as substantive certification.

Figure 4. Builder's Remedy

Defined at N.J.S.A. 52:27D-328 as "a court imposed remedy for a litigant who is an individual or a profit-making entity in which the court requires a municipality to utilize zoning techniques such as mandatory set-asides or density bonuses which provide for the economic viability of a residential development by including housing which is not for low and moderate income households."

FOURTH ROUND RULES

On March 20, 2024, Governor Phil Murphy signed into law the bill known as A4/S50 (P.L. 2024 c.2), which amended the Fair Housing Act ("FHA" or "Act") to abolish the Council on Affordable Housing ("COAH") and set forth the processes by which municipal affordable housing obligations will be determined and satisfied for the Fourth Affordable Housing Round (beginning on July 1, 2025 and terminating on June 30, 2035) and beyond.

The Bill tasked the New Jersey Department of Community Affairs ("DCA") with determining municipal affordable housing obligations for the Fourth Round by October 20, 2024, and required municipalities to declare their affordable housing obligations by binding resolution no later than January 31, 2025, and to adopt their HEFSPs by June 30, 2025, along with draft implementing ordinances, adopted resolutions, and supporting documents. Ordinances are to be adopted by March 16, 2026.

The Bill also created a new body called the Affordable Housing Dispute Resolution Program ("Program") which will be responsible for reviewing plans for consistency with the Fair Housing Act and handling challenges to municipalities' stated housing obligations or to their affordable housing plans.

THE AFFORDABLE HOUSING OBLIGATION

The Borough's obligation consists of two components:

- The "Prospective Need" new construction obligation reflecting the need for new affordable housing projected between 2025 and 2035; and
- The "Present Need" or "Rehabilitation" obligation, reflecting the number of estimated housing units in the municipality that are substandard and occupied by low- and moderate-income households.

The Plan must also review the Borough's satisfaction of its new construction obligation for the previous three rounds.

CALCULATING THE NEED

Prospective Need obligations are calculated at the housing Region level and allocated to the municipalities within the region based on household income, non-residential property values, and land use factors that reflect the municipality's wealth, job opportunities, and land availability¹. These obligations are required to be addressed through the creation of new affordable units, the renewal of affordability controls on existing affordable housing units (Figure 6 - "Affordability Controls"), or the creation of zoning or redevelopment plans that provide for a realistic opportunity create affordable housing units.

Present Need obligations are calculated at the local level using estimates from the U.S. Census or American Community Survey of the number of existing deficient housing units occupied by low- and moderate-income households, with deficiency based upon a lack of plumbing, kitchen facilities, age of housing, and crowding². Present Need is typically addressed by funding and/or participating in programs that offer to rehabilitate deficient housing with income-qualified owner or renter occupants in exchange for 10-year deed restrictions, although it may be addressed by building new housing as well.

The NJ DCA published its non-binding calculations of the Prospective and Present Needs for every municipality in New Jersey on October 18, 2024, based upon the methodology prescribed in A4/S50. The DCA determined that the Borough had a **254**-unit Present Need obligation and a 1,523-unit Prospective Need obligation. Consistent with the long-standing 1,000-unit cap rule, the Borough's Prospective Need was capped at **1,000** units. In a resolution passed on January 20, 2025, the Borough accepted DCA's calculations while reserving the right to adjust its Present Need and Prospective Need through two tools authorized by P.L. 2024, c.2 and Prior Round rules that have not been invalidated by Court rulings or prohibited by P.L. 2024, c.2.

SATISFACTION OF THE PROSPECTIVE NEED

Satisfaction of the Prospective Need is subject to certain restrictions and minimum requirements, some of which are detailed in Figure 6 - "4th Round Housing Plan Ratios" on Page 9.

Figure 5. 4th Round Housing Plan Ratios

The affordable housing development and units addressing the Borough's Prospective Need Obligation must also comply with the following ratios:

Family Unit: Affordable units that are available to families (i.e. units that are not age-restricted or for persons with special needs) must comprise at least half of:

- All affordable units
- All rental units
- All very-low income units

Rental Minimum: At least 25% of affordable units shall be rentals;

Age-Restricted Maximum: Not more than 30% of affordable units

Transitional Housing: Not more than 10% of the obligation

Very-Low Income Units: At least 13% of affordable units

Figure 6. Affordability Controls

Controls by deed restriction, contract, or other legal or binding means which ensure that housing units remain affordable to low- and moderate-income households over a certain period of time in accordance with the Fair Housing Act and applicable regulations.

1 N.J.S.A. 52:27D-304.3.c

2 N.J.S.A. 52:27D-304.3.b

The Fourth Round Rules allow municipalities to claim a number of bonus credits equal to not more than 25% of the prospective need for the units from the types of projects listed below. Bonuses are per unit falling into the respective category:

- Special Needs/Supportive Housing - 1 bonus credit
- Non-Profit Partnership - 0.5 bonus credits
- Transit Oriented (0.5 mile from public transit stop) - 0.5 bonus credits
- Age-Restricted Units - 0.5 bonus credits available for up to 10% of the age-restricted units.
- Surplus Very-Low Income Units - 0.5 bonus credits
- Surplus Three-Bedroom Units - 0.5 bonus credits
- Redevelopment of commercial properties - 0.5 bonus credits
- Extension of Affordability Controls - 1 bonus credit
- Municipally-Sponsored Development (contribute lands or funds equal to at least 10% of cost of constructing a 100% affordable development - 1 bonus credit
- Market-to-Affordable Program - 1 bonus credit

DRAFT

WHAT IS A HOUSING ELEMENT AND FAIR SHARE PLAN

A Housing Element and Fair Share Plan is a document required by the New Jersey Fair Housing Act of 1985 ("FHA") to be adopted by each municipality in the state to identify and address their respective, allocated need for safe and adequate housing for low- and moderate-income households.

As this report discusses, the "need" and the manner in which that "need" can be addressed had historically been promulgated by the Council on Affordable Housing (COAH), an entity created by the Fair Housing Act in 1985.

However, A4/S50 (P.L. 2024, c.2) amended the Fair Housing Act and other statutes such that it disbanded COAH, restructured the jurisdictional regime for the administration of the affordable housing process, and established the Fair Housing Act as the regulatory document for calculating and addressing the affordable housing obligation. Where the amended Fair Housing Act falls short in outlining the means of determining and satisfying a municipality's responsibilities, it permits municipalities, the Courts, and developers to rely on previously accepted and upheld practice and rules to fill in the gaps in the statute. See "Figure 8. Section 24 of P.L. 2024, c.2 (Section 311.m of the Fair Housing Act)" on page 10.

The affordable housing "need" identified and addressed in this Plan is comprised of the Present Need and Fourth Round Prospective Need for 2025 to 2035, and is based on the methodology detailed in A4/S50, which largely codifies the methodology approved by the Honorable Mary C. Jacobson of Mercer County in 2018 to resolve disputes over the methodology to determine Third Round housing needs in the absence of COAH or legislative intervention.

Figure 7. Required HEFSP Contents

- Inventory of municipal housing stock and occupant characteristics;
- Demographic analysis;
- Analysis of existing and 10-year projected employment characteristics;
- 10-year housing stock projection;
- Determination of municipal present and prospective needs for low- and moderate-income housing;
- Consideration of lands most appropriate for the construction of low- and moderate-income housing and/or identification of existing structures appropriate to convert to low- and moderate-income housing;
- Analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multi-generational family continuity;
- 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

Figure 8. Section 24 of P.L. 2024, c.2 (Section 311.m of the Fair Housing Act)

- All parties shall be entitled to rely upon regulations on municipal credits, adjustments, and compliance mechanisms adopted by the Council on Affordable Housing unless those regulations are contradicted by statute, including but not limited to P.L.2024, c.2 (C.52:27D-304.1 et al.), or binding court decisions.

ABOUT PARAMUS

The Borough of Paramus is a 10.5 square-mile (6,720.36-acre) municipality in Bergen County with a population of 26,698 as of 2020. The Borough is considered to be a regional center of commerce, as it is home to several regional shopping centers including the Garden State Plaza, Bergen Town Center, and the Paramus Park Mall. It is also intersected by three major highways - State Routes 17 and 4 and the Garden State Plaza, which helps to sustain its regional economic supremacy. In addition to being a commercial Parkway, the Borough is also home to several cultural, recreational, medical, and educational institutions, including Van Saun Park - a County park containing the Bergen County Zoo, Bergen Community College, Bergen County Technical Schools, Bergen New Bridge Medical Center, the new flagship hospital for the Valley Health network, three (3) golf courses, and two (2) cemeteries.

Unlike most suburban communities in New Jersey, where one-to-four-family residential properties comprise at least two-thirds of the land area, low-density residences only make up 27.7% of tax-assessed property acreage. Half of the Borough's assessed land area is made up of commercial properties (35.3%) and publicly-owned properties (14.7%).

State Highway 17 (NJ-17) connects the Borough to Rockland County, New York to the City of Newark, NJ. State Highway 4 (NJ-4) connects the Borough to western Bergen County and to New York City. Garden State Parkway connects the Borough to Rockland County, NY and the Jersey Shore area.

The Borough has adequate sewer and water capacity to service the housing units in this plan or will have adequate capacity by taking action as necessary where pumps are deficient.

AFFORDABLE HOUSING HISTORY

Paramus adopted its first Housing Element and Fair Share Plan in 1987 to address an obligation of 1,097 units, adjusted downward to 341 units based upon a vacant land analysis. The plan relied on existing income-restricted units as well as the creation of inclusionary townhouse zones on excess land on two of the Borough's golf courses and a special development fee scheme. The Plan was certified in September of 1988.

The Borough adopted its Second Round Plan in 1995, which it amended in 1997 prior to receiving substantive certification in 1998. The Plan addressed an obligation of 698 units for the combined First and Second Rounds, representing a reduction from the 1,097-unit obligation imposed in the First Round rules. The Borough further reduced this obligation to 260 units using a vacant land analysis. The obligation was met through a combination of a Regional Contribution Agreement with Jersey City and the creation of 100% affordable senior housing units.

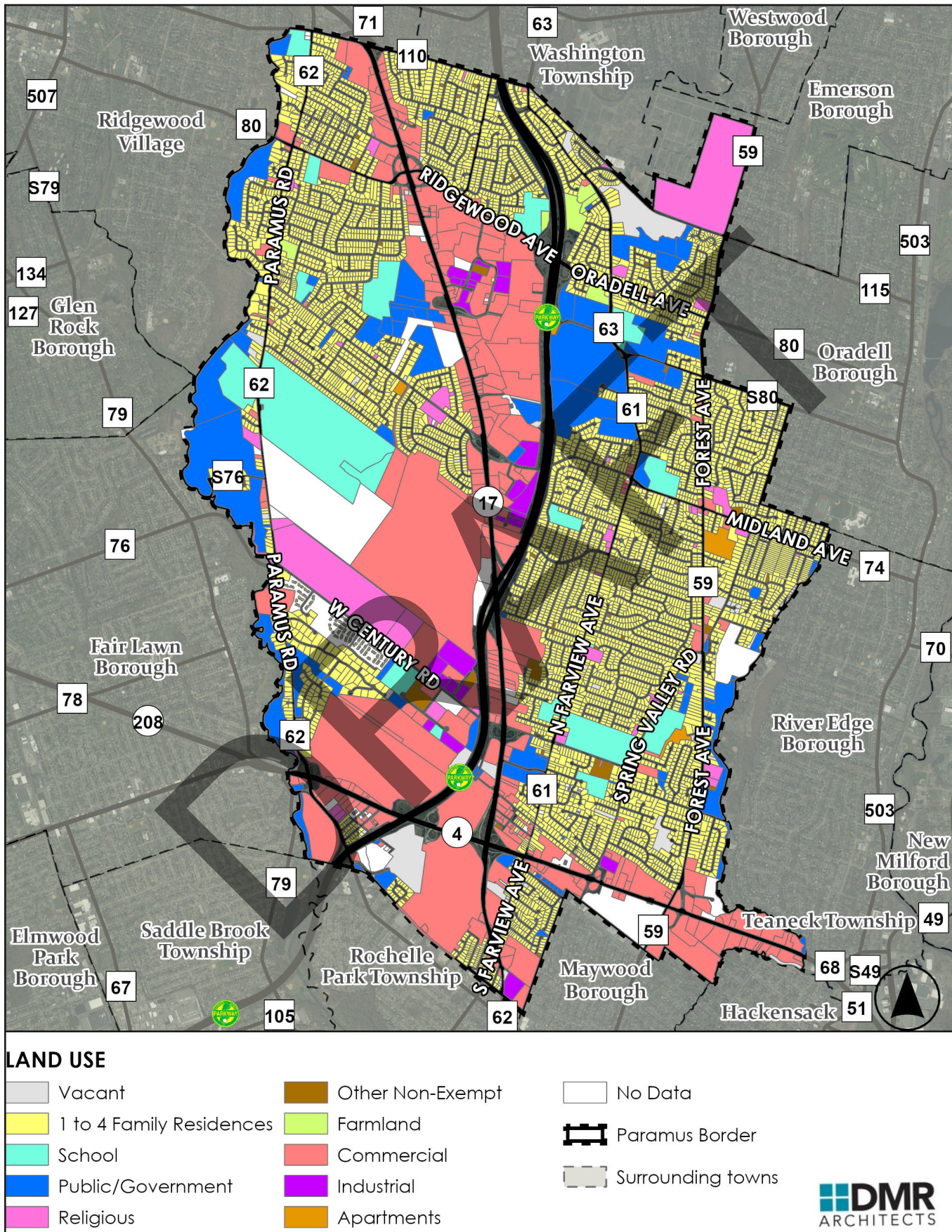
The Borough adopted Third Round Fair Share Plans to comply with the 2004 and 2008 iterations of the Third Round Rules; however, COAH did not certify either Third Round Plan before its rules were invalidated by the Courts.

In order to comply with the NJ Supreme Court's Mount Laurel IV decision, Paramus entered into a Settlement Agreement on February 6, 2020 (Amended April 19, 2023) to establish its Third Round Prospective and Present Needs and a strategy to meet those Needs. The Planning Board adopted its Third Round Housing Element and Fair Share Plan on December 5, 2024.

WHAT IS "AFFORDABLE" IN PARAMUS BOROUGH

Paramus is located in Housing Region 1, which includes Bergen, Hudson, Passaic, and Sussex Counties. Whereas COAH has historically had the responsibility of annually publishing "income limits" establishing the maximum very-low, low-, and moderate-income household incomes based on household size in each region, as well as the maximum value of assets qualifying households may own, that responsibility now falls with the New Jersey Housing and Mortgage Finance Agency ("HMFA"). Income limits are generally calculated based on HUD's methodology for calculating its own income limits.

Chart 1 - "2025 Region 1 Income Limits" on Page 14 summarizes the maximum incomes for very-



Map 2. Paramus Borough Land Use Map

low, low, and moderate income households in Region 1 by household size as published for the year 2025 by HMFA.

Chart 1. 2025 Region 1 Income Limits

HOUSEHOLD INCOME CATEGORY	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5-PERSON
MODERATE	\$71,280	\$81,440	\$91,600	\$101,760	\$109,920
LOW	\$44,550	\$50,900	\$57,250	\$63,600	\$68,700
VERY-LOW	\$26,730	\$30,540	\$34,350	\$38,160	\$41,220

Source: NJHMFA 2025 UHAC Affordable Regional Income Limits

Based on the Uniform Housing Affordability Controls (UHAC) at N.J.A.C. 5:80-26.3, the "gross" rent for affordable units, which means the rents and any utilities and services (example: trash, gas, electric, water/sewer) included therein, cannot exceed 30% the gross household incomes for households at the 30% of regional median income level for very-low income units, 50% of regional median income level for low-income units, or 60% of regional median income for moderate income units.

The UHAC limits the highest affordable-unit sales price to that which is affordable to moderate income households earning 70% of regional median income. Affordability for for-sale / homeowner units are more variable than rental units as they depend upon current mortgage rates, homeowner insurance rates, and homeowner association or condominium fees, but are not affected by utilities. Additionally, unlike affordable rents, which are based upon 30% of gross household income, sales prices are considered to be affordable when the costs of the mortgage, insurance, and HOA/Condo fees are less than or equal to 28% of gross household income.

As of the writing of this Plan, the HMFA has not yet published calculators, like those previously provided by COAH or the Affordable Housing Professionals of New Jersey, to assist in calculating affordable rents or sales prices. However, based on the guidelines for affordability as a percentage of household income, affordable monthly renter and homeowner costs for a 1, 2, or 3 bedroom unit would be as follows. See [Chart 2 - "2025 Region 1 Affordable Rents" on Page 14](#) and [Chart 3 - "2025 Region 1 Affordable Monthly Costs for Homeowners" on Page 14](#).

Chart 2. 2025 Region 1 Affordable Rents

HOUSEHOLD INCOME CATEGORY	1-BEDROOM (1.5-PERSON H.H.)	2-BEDROOM (3-PERSON H.H.)	3-BEDROOM (4.5-PERSON H.H.)
MODERATE (60% RMI)	\$1,432	\$1,718	\$1,985
LOW	\$1,193	\$1,431	\$1,654
VERY-LOW	\$716	\$859	\$992

Source: NJHMFA 2025 UHAC Affordable Regional Income Limits

Chart 3. 2025 Region 1 Affordable Monthly Costs for Homeowners

HOUSEHOLD INCOME CATEGORY	1-BEDROOM (1.5-PERSON H.H.)	2-BEDROOM (3-PERSON H.H.)	3-BEDROOM (4.5-PERSON H.H.)
MODERATE (70% RMI)	\$1,559	\$1,870	\$2,161
LOW	\$1,114	\$1,336	\$1,544
VERY-LOW	\$668	\$802	\$926

Source: NJHMFA 2025 UHAC Affordable Regional Income Limits

PARAMUS BOROUGH DEMOGRAPHICS AND HOUSING STOCK

INTRODUCTION

This section of the Housing Element and Fair Share Plan is intended to provide the following information required at N.J.S.A. 52:27D-310:

- ▶ 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;
- ▶ 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;
- ▶ An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age; and
- ▶ An analysis of the existing and probable future employment characteristics of the municipality.

HOUSING CHARACTERISTICS

Chart 4 - "Housing Units in Paramus Borough by Type of Structure, Tenure, and Occupancy Status in 2023" on Page 15 displays the total number of housing units in the Borough broken down by the type of building containing the housing unit(s). More than five out of every ten (52%) of the housing units is in a detached single- family house. A total of 16% of the housing units are in apartment buildings with 20 or more units. Most of the remainder of the Borough's housing is in buildings with 2 units (13%), and small apartment buildings with 3 to 19 units(12%).

Chart 4. Housing Units in Paramus Borough by Type of Structure, Tenure, and Occupancy Status in 2023

TYPE OF BUILDING / STRUCTURE	TOTAL UNITS	PERCENT OF TOTAL	OWNER OCCUPIED	RENTALS	NOT OCCUPIED
1, DETACHED	190,976	52%	1,739	79	189,167
1, ATTACHED	24092	7%	74	0	24,018
2 UNITS	47014	13%	0	52	46,962
3 OR 4	20082	5%	0	0	20,082
5 TO 9	12938	3%	0	0	12,938
10 TO 19	13131	4%	68	29	13,034
20 TO 49	19140	5%	10	0	19,130
50 OR MORE	42431	11%	0	81	42,350
MOBILE HOME	484	0%	0	0	484
BOAT, RV, VAN, ETC.	176	0%	0	0	176
TOTAL	370,464 (100%)	100%	1,882 (0.5%)	241 (.06%)	368,341 (99.43%)

Source: 2023 American Community Survey - 5 year estimate (B25024, B25032)

Chart 5 - "Housing Units in Paramus Borough by Year Built and Tenancy Type in 2023" on Page 16 breaks down the number of housing units occupied in 2023 by the time period in which they were built, as well as whether the units were owner or renter occupied. The chart shows that only 6% of the total housing units were built in 1939 or earlier, another 40% were built between 1940 and 1959 and nearly 23% were built between 1960 and 1979. Between 1980 and 2009, 24% was built and since 2010 only 6.5% of the current occupied housing stock was built. Much of the renter occupied housing stock was constructed between 1950 and 1999 when over 75% of the entire renter occupied housing stock was constructed. This is reflected in the median year of construction of renter occupied units, 1960. The median year of construction for owner occupied units was similar, 1963.

Chart 6 - "Housing Units in Paramus Borough by Number of Rooms in a Unit in 2023" on Page 16 shows the number of units in Paramus by their number of rooms. The most common configuration is 7, 8 or 9 rooms which together constitute nearly two-thirds of the total units. Less than 3% of units have 1 or 2 rooms, those with 3 rooms make up 2.10%. The median number of rooms is 7.3 which reflects the solid upper middle-income nature of Paramus.

Similarly, Chart 7 - "Housing Units in Paramus Borough by Number of Bedrooms in 2023" on Page 16 indicates that approximately one-third of the housing units in Paramus have 3 bedrooms (36.83%) and another one-third have 4 bedrooms (36.13%) while 13.94% have five or more bedrooms, consistent with the predominantly single-family nature of the Borough's housing stock.

Chart 5. Housing Units in Paramus Borough by Year Built and Tenancy Type in 2023

YEAR BUILT	OCCUPIED UNITS	PERCENT OF TOTAL	OWNER	RENTER
2020 OR LATER	78	0.93%	78	0
2010 TO 2019	468	5.56%	335	133
2000 TO 2009	800	9.50%	730	70
1990 TO 1999	728	8.65%	438	290
1980 TO 1989	512	6.08%	368	144
1970 TO 1979	800	9.50%	544	256
1960 TO 1969	1,129	13.41%	893	236
1950 TO 1959	2,920	34.68%	2,681	239
1940 TO 1949	483	5.74%	348	135
1939 OR EARLIER	502	5.96%	462	40
(%) OF TOTAL	8,420	100.00%	6,877	1,543
MEDIAN YEAR BUILT	1963		1960	1975

Source: 2023 American Community Survey - 5 year estimate (B25035, B25036, B25037)

Chart 6. Housing Units in Paramus Borough by Number of Rooms in a Unit in 2023

ROOMS	NUMBER OF UNITS	PERCENT
1 ROOM	193	2.17%
2 ROOMS	53	0.60%
3 ROOMS	187	2.10%
4 ROOMS	521	5.86%
5 ROOMS	915	10.28%
6 ROOMS	1,319	14.82%
7 ROOMS	1,680	18.88%
8 ROOMS	1,597	17.95%
9+ ROOMS	2,433	27.34%
TOTAL	8,898	100.00%

Source: 2023 American Community Survey - 5 year estimate (DP04)

Chart 7. Housing Units in Paramus Borough by Number of Bedrooms in 2023

BEDROOMS	NUMBER OF UNITS	PERCENT
EFFICIENCY	201	2.26%
1 BEDROOM	282	3.17%
2 BEDROOMS	683	7.68%
3 BEDROOMS	3277	36.83%
4 BEDROOMS	3215	36.13%
5 OR MORE BEDROOMS	1240	13.94%
TOTAL	8,898	100.00%

Source: 2023 American Community Survey - 5 year estimate (DP04)

Chart 8. Housing Units in Paramus Borough by Value

HOUSING UNIT VALUE	2015 UNITS	PERCENT	2023 UNITS	PERCENT
LESS THAN \$50,000	134	1.80%	67	0.97%
\$50,000-\$99,000	61	0.82%	104	1.51%
\$100,000-\$149,000	91	1.22%	35	0.51%
\$150,000-\$199,000	46	0.62%	23	0.33%
\$200,000-\$299,000	267	3.59%	92	1.34%
\$300,000-\$499,000	2,568	34.56%	612	8.90%
\$500,000-\$999,999	3,764	50.65%	4,789	69.64%
\$1,000,000 OR MORE	500	6.73%	1155	16.80%
TOTAL	7,431	100.00%	6,877	100.00%
MEDIAN	\$545,700	(X)	\$736,000	(X)

Source: 2015 and 2023 American Community Survey - 5 year estimate (DP04, B25075)

Chart 9. Housing Units in Paramus Borough, Bergen County, and New Jersey by Gross Rent in 2023

GROSS RENT	PARAMUS BOROUGH		BERGEN COUNTY		NEW JERSEY	
	UNITS	PERCENT	UNITS	PERCENT	UNITS	PERCENT
LESS THAN \$500	74	5.22%	3,595	2.96%	74,086	5.96%
\$500 TO \$999	50	3.53%	6,103	5.02%	116,864	9.41%
\$1,000 TO \$1,499	162	11.43%	21,914	18.04%	312,849	25.18%
\$1,500 TO \$1,999	199	14.04%	39,382	32.42%	351,379	28.28%
\$2,000 TO \$2,499	91	6.42%	20,033	16.49%	192,283	15.48%
\$2,500 TO \$2,999	192	13.55%	12,117	9.98%	88,284	7.11%
\$3,000 OR MORE	649	45.80%	18,316	15.08%	106,549	8.58%
MEDIAN DOLLARS (\$)	\$2,845	(X)	\$1,870	(X)	\$1,667	(X)
NO CASH RENT	126	(X)	3,915	(X)	40,711	(X)
TOTAL OCCUPIED RENTAL UNITS	1,417	(X)	121,460	(X)	1,242,294	(X)

Source: 2023 American Community Survey - 5 year estimate (DP04, B25063)

Chart 10. Housing Units in Paramus Borough by Tenure and by Monthly Cost of Housing as a Percent of Household Income in 2023

MONTHLY COST AS % OF INCOME	OWNER	PERCENT	RENTER	PERCENT	ALL OCCUPIED	PERCENT
LESS THAN 10.0 PERCENT	976	14.19%	8	0.52%	984	11.69%
10.0 TO 14.9 PERCENT	1065	15.49%	181	11.73%	1,246	14.80%
15.0 TO 19.9 PERCENT	1100	16.00%	115	7.45%	1,215	14.43%
20.0 TO 24.9 PERCENT	668	9.71%	178	11.54%	846	10.05%
25.0 TO 29.9 PERCENT	745	10.83%	121	7.84%	866	10.29%
30.0 TO 34.9 PERCENT	649	9.44%	43	2.79%	692	8.22%
35.0 TO 39.9 PERCENT	212	3.08%	110	7.13%	322	3.82%
40.0 TO 49.9 PERCENT	498	7.24%	224	14.52%	722	8.57%
50.0 PERCENT OR MORE	862	12.53%	431	27.93%	1,293	15.36%
NOT COMPUTED	102	1.48%	132	8.55%	234	2.78%
TOTAL H.H.	6,877	100.00%	1,543	100.00%	8,420	100.00%
TOTAL COST BURDENED	867	12.61%	132	8.55%	999	11.86%

Source: 2023 American Community Survey - 5 year estimate (B25070, B25091)

Chart 8 - "Housing Units in Paramus Borough by Value" on Page 17 compares the estimated housing values in 2015 and 2023 according to American Community Survey data. The majority of home values was between \$300,000 and \$499,000 in 2015 (34.56%) and between \$500,000 and \$999,999 (50.65%) increasing to a value of between \$500,000 and \$999,999 (69.64%) in 2023 and &1,000,000 or more(16.80%). The median occupied home value was \$545,700 in 2015 and \$736,000 in 2023.

Chart 9 - "Housing Units in Paramus Borough, Bergen County, and New Jersey by Gross Rent in 2023" on Page 17 compares gross rent payments in Paramus Borough, the entirety of Bergen County, and the State of New Jersey in 2023. Housing costs for renters in Paramus are generally higher than those across Bergen County and the rest of the state. The median monthly rent in Paramus was \$2,845 compared to \$1,870 for Bergen County and \$1,667 for New Jersey. Over 45% of renters pay more than \$3,000 each month in Paramus versus 15% in Bergen County and 8.58% across New Jersey; while 20.18% pay less than \$1,500 per month in Paramus versus 26.02% in Bergen County and 40.55% across New Jersey.

Chart 10 - "Housing Units in Paramus Borough by Tenure and by Monthly Cost of Housing as a Percent of Household Income in 2023" on Page 17 Housing is considered to be affordable if costs associated with occupying that housing unit are lower than 28% for owner occupied units and 30% for renter occupied units. Households paying more than 30% of their gross income (before taxes and other deductions) for housing are considered to be "cost burdened", and households paying more than 50% of their gross income for housing are considered to be "severely cost burdened". Chart 10 shows that 35.97% of households in Paramus are cost burdened, including 15.36% who are severely cost burdened. The rates are higher among renters where 52.37% are cost burdened including 27.93% who are severely cost burdened.

Chart 11 - "Population Changes in Paramus Borough, Bergen County, and New Jersey Between 2000 and 2023 " compares the population change over the last two-and-a-half decades in Paramus, Bergen County and New Jersey. The trend across the three jurisdictions between 2000 and 2015 shows Paramus having a lower growth rate (3.97%) than Bergen County (4.77%) and the State (6.46%). Paramus actually declined by some 260 people or slightly less than 1% between 2015 and 2023, while during the same period Bergen County grew by 3.4% and the State grew by 3.7%.

Chart 11. Population Changes in Paramus Borough, Bergen County, and New Jersey between 2000 and 2023

LOCATION	2000	2015	00-'15 CHANGE	2020	15-'23 CHANGE	00' TO 23' CHANGE
PARAMUS BOROUGH	25,737	26,760	3.97%	26,500	-1.0%	3.0%
BERGEN COUNTY	884,118	926,330	4.77%	957,736	3.4%	8.3%
NEW JERSEY	8,414,350	8,958,013	6.46%	9,290,841	3.7%	10.4%

Source: 2000 and 2010 Decennial Census, 2023 American Community Survey

Chart 12. Population Age Distribution in 2015 and 2023.

AGE GROUP (YEARS OLD)	2015	PERCENT OF TOTAL	2023	PERCENT OF TOTAL	CHANGE
UNDER 5	1,079	4.03%	1,039	3.92%	-4%
5 TO 9	1,421	5.31%	1,163	4.39%	-18%
10 TO 14	1,589	5.94%	1,870	7.06%	18%
15 TO 19	1,782	6.66%	1,567	5.91%	-12%
20 TO 24	1,395	5.21%	1,554	5.86%	11%
25 TO 34	2,300	8.59%	2,296	8.66%	0%
35 TO 44	3,210	12.00%	2,680	10.11%	-17%
45 TO 54	4,048	15.13%	3,103	11.71%	-23%
55 TO 59	2,003	7.49%	2,098	7.92%	5%
60 TO 64	1,941	7.25%	2,173	8.20%	12%
65 +	5,992	22.39%	6,957	26.25%	16%
TOTAL	26,760	100.00%	26,500	100.00%	-1%
MEDIAN AGE (YEARS OLD)	46.8	(X)	49.1	(X)	(X)

Source: 2015 Decennial Census and 2023 American Community Survey - 5 year estimate (DP05)

POPULATION AND HOUSEHOLD CHARACTERISTICS

Chart 12 – “ Population Age Distribution in 2015 and 2023 “ Chart 11 - “Population shows the age distribution of individuals living in Paramus, and the change in age distribution between 2015 and 2023. Similar to many communities in New Jersey the Paramus population got older between 2015 and 2023. Although there were no significant changes from a percentage standpoint in any age group the median age increased from 46.8 years to 49.1 years.

Chart 13 – “ Households in Paramus Borough by Type in 2023 “ breaks down households in Paramus by type (married, single, etc.). The Census Bureau defines a household as consisting of “ all the people who occupy a given housing unit including related family members and unrelated people, if any, such as lodgers, foster children, wards, or employees “. A person living alone or a group of unrelated people sharing a housing unit is also counted as a household. The count of households excludes group quarters.

Married couples made up 68.32% of households in Paramus in 2015 and 64.68% in 2023. Less than one-third of these married households had children younger than 18 years living at home (28.47% in 2015 and 24.9% in 2023). Single female households outnumbered single male households in both 2015 and 2023. Seniors over 65 living alone was higher in 2015 (13.61%) than in 2023 (6.77%).

Chart 14 – “ Average Household Size in Paramus Borough in 2015 and 2023 “ shows that average household size has decreased for owner occupied households while increasing for renter households between 2015 and 2023. Average household size decreased from 3.07 to 2.97 for owner occupied households between 2015 and 2023 and increased from 2.43 to 2.86 for renter households between 2015 and 2023.

Chart 13. Households in Paramus Borough by Type

HOUSEHOLD TYPE	2015 NUMBER OF HOUSEHOLDS	PERCENT	2023 NUMBER OF HOUSEHOLDS	PERCENT
MARRIED COUPLES	5,787	68.32%	5,446	64.68%
WITH CHILD UNDER 18	2,411	28.47%	2,045	24.29%
COHABITANT COUPLE	(X)	(X)	215	2.60%
WITH CHILD UNDER 18	(X)	(X)	19	0.20%
NON FAMILY HOUSEHOLD	1,677	19.80%	(X)	(X)
SINGLE MALE	242	2.86%	811	9.63%
WITH CHILD UNDER 18	45	0.53%	8	0.10%
SINGLE FEMALE	764	9.02%	1,948	23.14%
WITH CHILD UNDER 18	250	2.95%	319	3.79%
LIVING ALONE	1,554	18.35%	525	6.24%
65 AND OLDER	1,153	13.61%	570	6.77%
TOTAL	8,470	100.00%	8,420	100.00%

Source: 2015 and 2023 American Community Survey (DP02)

Chart 14. Average Household Size in Paramus

HOUSEHOLD TYPE	2015 AVERAGE HH SIZE	2023 AVERAGE HH SIZE
OWNER	3.07	2.97
RENTER	2.43	2.86
ALL HOUSEHOLDS	2.75	2.915

Source: 2015 and 2023 American Community Survey (DP02, DP04)

Chart 15. Households in Paramus by Income

HOUSEHOLD INCOME	NUMBER OF HOUSEHOLDS	PERCENT
LESS THAN \$10,000	232	2.76%
\$10,000 TO \$14,999	80	0.95%
\$15,000 TO \$24,999	306	3.63%
\$25,000 TO \$34,999	454	5.39%
\$35,000 TO \$49,999	360	4.28%
\$50,000 TO \$74,999	702	8.34%
\$75,000 TO \$99,999	843	10.01%
\$100,000 TO \$149,999	1,493	17.73%
\$150,000 TO \$199,999	1,516	18.00%
\$200,000 OR MORE	2,434	28.91%
MEDIAN INCOME	\$139,707	(X)

Source: 2023 American Community Survey - 5 year estimate (DP03)

Chart 15 – “ Households in Paramus Borough by Income in 2023 “ on Page 19 shows that 35.36% of households in Paramus earned less than \$100,000 a year in 2023 and 64.64% earned more than \$100,000. Nearly 30% earned \$200,000 or more. The median household income was \$139,707 in 2023 which was considerably more than the New Jersey household median income of \$99,781, which was second highest among all states.

ECONOMIC CHARACTERISTICS

Chart 16 – “ Poverty Rates in Paramus Borough, Bergen County, and New Jersey in 2023 “ shows the distribution of individuals and families living below the poverty level. Paramus has a lower poverty rate for both individuals and families than Bergen County and the State. The poverty rate for individuals is 5.50% in Paramus compared to 7% for the County and 10% for the State. The poverty rate for families is 3.10% for Paramus ,5.10% for the County and 7.10% for the State.

Chart 17 – “ Employed Paramus Borough Residents by Sector “ shows the number of employed Paramus residents by sector as defined by the North American Industrial Classification System (NAICS). The most represented industries of residents employment in Paramus are the Education, Health Care and Social assistance industries at 28.75%. Employment in the next three sectors is fairly even; 12.84% in Professional,Scientific, Management, Administration and Waste management ; 11.54% in Finance/insurance and Real Estate; and 10.60% in Retail Trade. All other sectors have employment of under 8%.

Chart 18 – “Employed Paramus Borough Residents by Occupation Category “ shows the number of employed Paramus residents by “ Occupation “ , which describes the nature of the jobs performed. The leading occupation was Management, Business, Science and Arts at 56.60% followed by Sales and Office occupations at 21.69%.

Chart 19 – “ Labor Force and Unemployment Rates for Paramus Borough 2015 – 2023 “ This chart provides estimates on number of employed persons, unemployed persons and the unemployment rate in Paramus from 2015 through 2023 from the New Jersey Department of Labor and Workforce Development. The lowest unemployment rate occurred in 2019 when it was 2.8%. The highest rate of unemployment was in 2020 at 9.2% during the Covid pandemic. By 2022 the unemployment rate

Chart 16. Poverty Rates in Paramus Borough, Bergen County, and New Jersey

LOCATION	INDIVIDUAL POVERTY	FAMILY POVERTY
PARAMUS BOROUGH	5.5%	3.10%
BERGEN COUNTY	7.0%	5.10%
NEW JERSEY	10.0%	7.10%

Source: 2020 American Community Survey - 5 year estimate (DP03)

Chart 17. Employed Paramus Residents by Sector

SECTOR	NUMBER	PERCENT
AGRICULTURE, FORESTRY, MINING, FISHING & HUNTING	9	0.08%
CONSTRUCTION	897	7.57%
MANUFACTURING	694	5.86%
WHOLESALE TRADE	393	3.32%
RETAIL TRADE	1,256	10.60%
TRANSPORTATION, WAREHOUSING, UTILITIES	468	3.95%
INFORMATION	301	2.54%
FINANCE/INSURANCE, REAL ESTATE	1,368	11.54%
PROFESSIONAL, SCIENTIFIC, MANAGEMENT, ADMINISTRATION, WASTE MGMT.	1,522	12.84%
EDUCATION, HEALTH CARE, SOCIAL ASSISTANCE	3,407	28.75%
ARTS, ENTERTAINMENT, RECREATION, HOSPITALITY	616	5.20%
OTHER SERVICES	380	3.21%
PUBLIC ADMIN	539	4.55%
TOTAL EMPLOYED WORKFORCE	11,850	100.00%

Source: 2023 American Community Survey - 5 year estimate (DP03)

Chart 18. Employed Paramus Residents by Occupation Category

OCCUPATION CATEGORY	NUMBER	PERCENT
MANAGEMENT, BUSINESS, SCIENCE, ARTS	6,707	56.60%
SERVICE	1220	10.30%
SALES AND OFFICE	2,570	21.69%
NATURAL RESOURCES, CONSTRUCTION, MAINTENANCE	764	6.45%
PRODUCTION, TRANSPORTATION, MATERIALS	589	4.97%
TOTAL EMPLOYED WORKFORCE	11,850	100.00%

Source: 2023 American Community Survey - 5 year estimate (DP03)

had recovered to 3.5%.

Chart 20 – “ Mode of Commute for Employed Residents of Paramus Borough, Bergen County and New Jersey in 2023 ” shows the means of commuting to work for employed residents at the local , County , and State level in 2023. Slightly less Paramus residents drove alone or carpooled to work (68.9%) than County (69.3%) or State (71.3%) residents. The percentage of Paramus residents who took public transportation to work was less than the County or State percentage. The percentage of Paramus residents who worked from home (21.50%) was considerably more than the percentage of County (12.80%) or State residents (14.00%).

Employees who work in Paramus that were covered by Unemployment Insurance are reflected in Chart 21 – “ Number of Employees in Paramus Borough Covered by Unemployment Insurance in 2023 “. Employees covered by unemployment insurance represent approximately 95% of all workers in the state of New Jersey. This chart indicates that there were 38,757 private sector employees employed by 1,914 firms and another 213 employees employed by federal and local government and 2,682 employed in local education. The highest annual wage was enjoyed by those employed in the private Finance/Insurance sector (\$208,720) followed by the Information sector (\$195,598). The lowest average annual wage was in the Arts/Entertainment sector (\$27,675) followed by the Accommodations/Food sector (\$31,616). The average annual wage for all employees in Paramus in 2023 was \$76,062.

HOUSING, EMPLOYMENT, AND POPULATION PROJECTIONS

The North Jersey Transportation Planning Authority (NJTPA) publishes demographic forecasts for future population, households, and employment levels in north Jersey

Chart 19. Labor Force and Unemployment Rates Since 2015

YEAR	LABOR FORCE	EMPLOYED PERSONS	UNEMPLOYED PERSONS	UNEMPLOYMENT RATE
2015	12,810	12,220	590	4.6%
2016	12,755	12,246	509	4.0%
2017	13,050	12,545	505	3.9%
2018	12,974	12,554	420	3.2%
2019	13,133	12,770	363	2.8%
2020	12,847	11,667	1,180	9.2%
2021	12,790	11,992	798	6.2%
2022	13,115	12,658	457	3.5%
2023	13,358	12,847	511	3.8%

Source: NJ Department of Labor and Workforce Development Annual Average Labor Estimates by Municipality

Chart 20. Mode of Commute for Employed Residents of Paramus Borough, Bergen County, and New Jersey

MODE OF TRANSPORT	PARAMUS BOROUGH	BERGEN COUNTY	NEW JERSEY
DRIVE ALONE	63.20%	60.50%	63.30%
CARPOOL	5.70%	8.80%	8.00%
TRANSIT	7.80%	13.20%	9.60%
WALK	1.30%	2.50%	2.50%
WORK AT HOME	0.50%	2.20%	2.60%
OTHER	21.50%	12.80%	14.00%
MEAN COMMUTE TIME (MINUTES)	30.6	32	31.4

Source: 2023 American Community Survey - 5 year estimate (DP03)

Chart 21. Number of Employees in Paramus Covered by Unemployment Insurance in 2023

EMPLOYMENT SECTOR	2023 AVERAGE NUMBER OF EMPLOYERS / FIRMS	2023 AVERAGE NUMBER OF EMPLOYEES	AVERAGE ANNUAL WAGES IN 2023
FEDERAL GOVERNMENT TOTALS	2	142	\$95,742
LOCAL GOVERNMENT (INCLUDING EDUCATION)	20	71	\$78,180
LOCAL PUBLIC EDUCATION ONLY	16	2,682	\$62,925
AGRICULTURE	.	.	.
CONSTRUCTION	70	477	\$86,748
MANUFACTURING	27	382	\$131,053
WHOLESALE TRADE	.	.	.
RETAIL TRADE	437	513	\$54,379
TRANSP/ WAREHOUSING	28	.	.
INFORMATION	33	580	\$195,598
FINANCE/ INSURANCE	123	1,780	\$208,720
REAL ESTATE	69	.	.

municipalities. In 2021 NJTPA published the forecasts shown in **Chart 22 – “Projection of Population, Households, Employment from 2015 – 2050”**. The NJTPA’s projections for Paramus Borough’s population and employment in 2023 was fairly accurate with actual population approximately 5.5% less than NJTPA’s projections while actual employment was approximately 2.1% more than NJTPA’s projections. NJTPA projects a 2050 population for Paramus of 32,066 (annualized rate of change of 0.5%), 10,310 households, and 42,586 jobs. In 2035, the year the Fourth Affordable Housing Round ends, NJTPA projects a population of 28,134 in Paramus across 8,939 households.

Chart 21. Number of Employees in Paramus Covered by Unemployment Insurance in 2023

EMPLOYMENT SECTOR	2023 AVERAGE NUMBER OF EMPLOYERS / FIRMS	2023 AVERAGE NUMBER OF EMPLOYEES	AVERAGE ANNUAL WAGES IN 2023
PROFESSIONAL / TECHNICAL	243	3,194	\$126,231
MANAGEMENT	14	377	\$101,612
ADMINISTRATION / WASTE MANAGEMENT	86	2,023	\$79,652
EDUCATION	35	1,503	\$43,953
HEALTH / SOCIAL SERVICES	347	7,115	\$70,578
ARTS / ENTERTAINMENT	23	1,026	\$27,675
ACCOMMODATIONS / FOOD	132	2,795	\$31,616
OTHER	108	772	\$55,265
UNCLASSIFIED	63	63	\$56,294
PRIVATE SECTOR TOAL	1,914	38,757	\$81,249
ALL TOTALS	1,952	41,652	\$76,062

Source: NJ LWD 2023 Covered Employment - Annual Municipal Data By Sector

Chart 22. Projection of Population, Households, Employment from 2015-2050

DEMO YEAR	PARAMUS BOROUGH					
	2015	2023 PROJECTED	2023 ACTUAL	2035 PROJECTED	2050	ANNUALIZED RATE OF CHANGE
POPULATION	26,886	27,980	26,500	28,134	32,066	0.50%
HOUSEHOLDS	8,690	9,044	8,420	8,939	10,310	0.50%
EMPLOYMENT	40,129	40,776	41,652	42,662	42,586	0.20%

Source: NJTPA Municipal Demographics Forecast, 2021 *(based on 2023 actual data)

The HEFSP is required to include a projection of the number of housing units to be constructed in a municipality during the Fourth Round based on known factors including historic development patterns and pending development applications. **Chart 23 – “Housing Supply Trends and Projection”** reports building permit data collected from the local building department. Between 2014 and 2024 the Borough has issued permits to build a total of 457 new housing units and demolish 377 existing housing units, for a net of 80 new housing units, or an average of 7.27 units per year. As the Borough has recently approved developments that would create hundreds of new housing units, this Plan anticipates that the number of new housing units to be granted building permits by June 30, 2025

Chart 23. Housing Projections Through 2025

YEAR	PERMITS ISSUED	DEMOS	DIFFERENCE
2014	143	25	118
2015		26	-26
2016	129	29	100
2017	45	43	2
2018		43	-43
2019		36	-36
2020		22	-22
2021	140	23	117
2022		44	-44
2023		54	-54
2024 (THRU 10/8/24)		32	-32
TOTAL	457	377	80
10 YR AVG.	114.25	34.27	7.27

Source: Paramus Building Department

CONSIDERATION OF LANDS

The Fair Housing Act at N.J.S.A. 52:27D-310.f requires the HEFSP to include "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".

For the purposes of preparing this Fourth Round Plan, the Borough of Paramus considered lands that had been designated or which were being considered for designation as areas in need of redevelopment. Additionally, the Fourth Round Plan also makes use of excess inclusionary development capacity in the HCC Highway Commercial Corridor district under the zoning that was adopted to satisfy its Third Round Unmet Need. The zoning in the HCC district, if fully developed according to the zoning, would result in more than 1,000 more affordable units than the Prior and Third Round Unmet Need obligations the zoning was created to address. Additionally, there are sites in the Borough's Nursery Rehabilitation Area - another Third Round Prospective Need mechanism - that have not yet been developed or the subject of development applications and may still contribute to the Borough's Prospective Need.

The bonus credit structure of the Fourth Round rules incentivizes municipalities to zone for affordable housing within half a mile of transit stops or on current or former commercial properties. The Borough has designated two commercial sites with prolonged vacancies or underutilization for Redevelopment with inclusionary set-asides, including 650 Winters Avenue and Block 6701, Lot 1 (at the intersection of Paramus Road and West Ridgewood Avenue), which were not contemplated in the Third Round Settlement Agreement or Third Round Housing Element and Fair Share Plan, and are therefore eligible for inclusion in the Fourth Round Plan.

REVIEW OF PRIOR ROUND COMPLIANCE MECHANISMS

The Borough met its accumulated Prospective Need, including both the Realistic Development Potential determined from First, Second, and Third Round Vacant Land Adjustments and the accumulated Unmet Need, through a combination of existing projects and new zoning or redevelopment plans. Pursuant to the Settlement Agreement with Fair Share Housing Center, the Borough adopted zoning to permit mixed-use development in its HCC Highway Commercial Corridor zone with apartments at a density of 24 units per acre, and adopted a redevelopment plan permitting multi-family housing at 8 units per acre and assisted living / continuum-of-care facilities at higher densities on nursery sites. These rezonings have led to several inclusionary redevelopment projects, proving those zones to be effective.

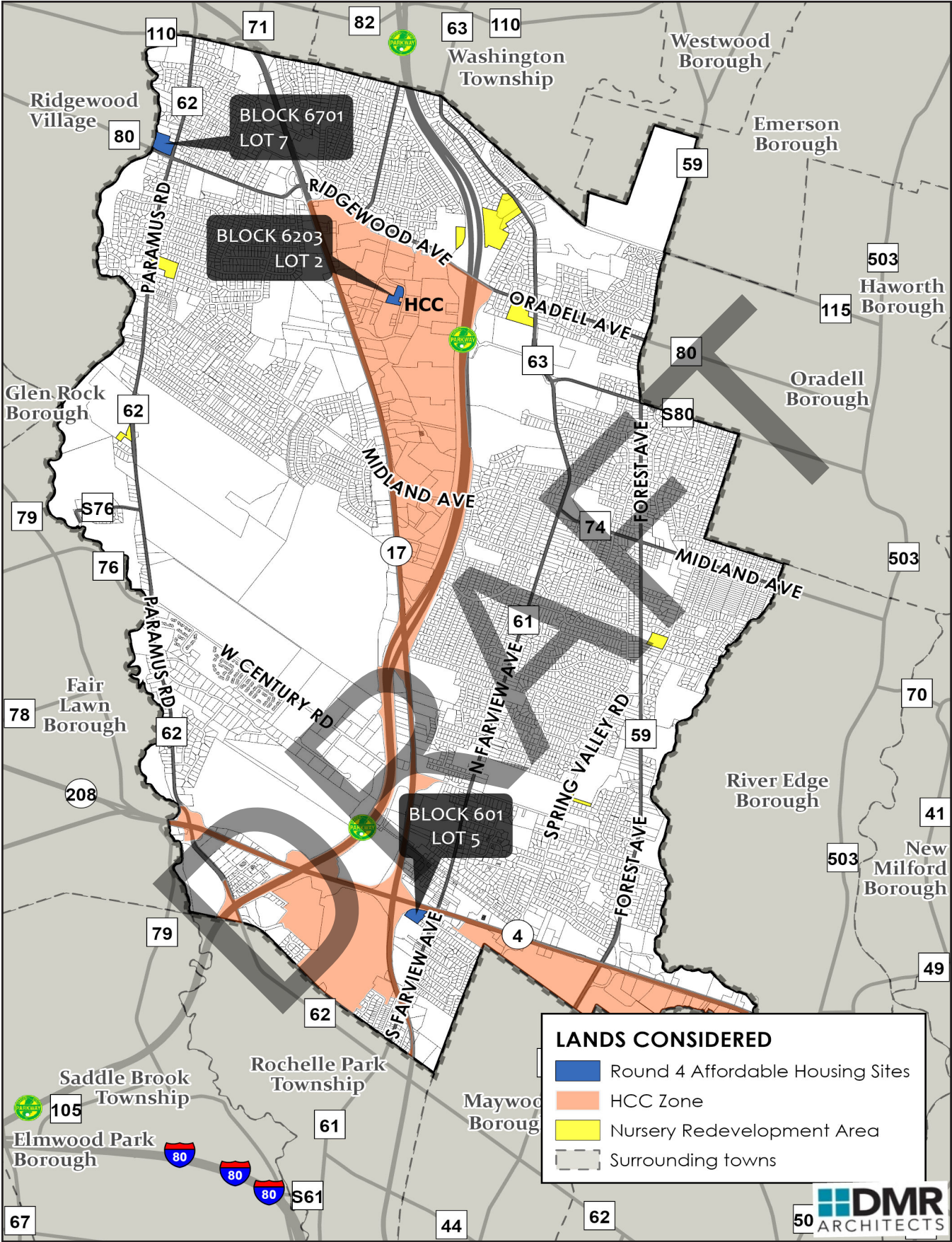
The Borough also facilitated a 100%-affordable, 120-unit project on Columbus Way, and used trust funds to acquire and convey land for the redevelopment of a former Oster Site as an inclusionary development with 45 affordable units, based upon redevelopment plans adopted for affordable housing compliance.

The Borough was able to also receive affordable housing credit for previously developed, municipally-run affordable housing sites and programs, assisted living facilities, and group homes for adults with special needs.

Additionally, the Borough adopted a Borough-wide affordable housing set-aside requirement that any development that creates five or more new housing units must include a proportionate affordable housing set-aside (15% for rental units, 20% for for-sale units).

The affordable housing law requires municipalities to re-examine un-implemented zoning or projects from previous affordable housing rounds if they were put in place prior to July 1, 2020. Each of the Third Round compliance projects contemplated by the Settlement Agreement with Fair Share Housing Center and the Third Round Housing Plan have been implemented or are substantially on their way to being built, with the exception of the Oster Redevelopment site. A project was approved on this site by the Planning Board in September of 2020; however, the approved developer has since transferred ownership of the project. The Borough has committed to revising the Redevelopment Plan parameters and to contributing Trust Fund monies as needed to develop the site to provide the 45 units identified in the Third Round Plan as well as additional affordable units toward the Fourth Round obligation.

All redevelopment plans or zoning adopted for Third Round compliance will continue to be valid unless replacement is deemed necessary to continue to provide a realistic possibility for the satisfaction of the Borough's affordable housing obligation.



Map 3. Considered Lands

4 • LANDS CONSIDERED FOR AFFORDABLE HOUSING

FAIR SHARE PLAN - PROSPECTIVE NEED

As a largely built-out municipality, Paramus has historically been, and continues to be, eligible for a vacant land adjustment (VLA). This adjustment permits the Borough, over the next 10 years, to address a smaller number than the 1,000 unit Prospective Need calculated by the State. The vacant land analysis identifies a Realistic Development Potential (RDP). The RDP is, traditionally, satisfied by using a combination of zoning, development, and housing programs that have a high likelihood of being fully implemented/developed within the 10-year housing round.

The Fourth Round rules at N.J.S.A. 52:27D-310.1 (Section 23 of P.L. 2024, c.2) lay out the steps and conditions by which a municipality can request an adjustment of its Prospective Need to reflect a lack of vacant and developable land through a process referred to as a “vacant land analysis”. See [“Figure 9. Vacant Land Analysis” on page 26](#).

The vacant land analysis conducted by DMR Architects on the Borough's behalf identified all vacant private and public lands in the Borough as well as known vacant buildings and sites that are expected to be designated for redevelopment and the vacant part of an unconsolidated tract of land (multiple lots under common ownership that have not been merged into one lot). The vacant land analysis considered densities that would be reasonable on each property based upon surrounding conditions and site capacity, and determined that the Borough's realistic development potential is just **87 units**. More information about the analysis can be found in Appendix 4.

The Borough is not required to develop or zone the lands identified as vacant or available in a vacant land analysis, as long that it can create realistic opportunities for affordable housing elsewhere in town. The vacant land adjustment exercise is meant to provide a uniform process for towns around the state to demonstrate a lack of available land and quantify the realistic development potential of that land.

However, P.L. 2024, c.2 also states that the Borough must “identify sufficient parcels likely to redevelop during the current round of obligations to address at least 25 percent of the prospective need obligation that has been adjusted and adopt realistic zoning that allows for such adjusted obligation”. This language has been subject to a variety of interpretations, particularly as to what the “prospective need obligation that has been adjusted” or the “adjusted obligation” refers to. This Fourth Round Plan has been crafted to satisfy the most conservative interpretation of the language,

Figure 9. Vacant Land Analysis

Vacant land is previously defined in the rules of the now defunct Council on Affordable housing as “undeveloped and unused land area” which has clear title and is free of encumbrances which preclude development for low- and moderate-income housing.

The following categories of land can be excluded from the inventory of vacant land:

- Local government owned land restricted by resolution prior to 1/1/1997 for public purposes other than housing;
- Land listed in the municipal master plan as being dedicated, by easement or otherwise, for purposes of conservation, park lands or open space and which is owned, leased, licensed, or in any manner operated by a county, municipality or tax-exempt, nonprofit organization including a local board of education, or by more than one municipality by joint agreement;
- Any vacant contiguous parcels of land in private ownership of a size which would accommodate fewer than five housing units based on appropriate housing densities;
- Sites listed on the State Register of Historic Places or National Register of Historic Places prior to the date of filing a housing element and fair share plan;
- Preserved agricultural lands;
- Sites designated for active recreation that are designated for recreational purposes in the municipal master plan; and
- Environmentally sensitive lands where development is prohibited by any State or federal agency, including, but not limited to, the Highlands Water Protection and Planning Council, established pursuant to section 4 of P.L.2004, c.120 (C.13:20-4), for lands in the Highlands Preservation Area, and lands in the Highlands Planning Area for Highlands-conforming municipalities.

although it does not agree with it, which is that in addition to planning for the 87-unit RDP, the Borough must also plan for 25% of the “Unmet Need”¹, or **229** units. Unmet Need may be addressed through zoning and other strategies that do not necessarily need to produce a specific number of housing units during the housing round (in this case, **229** units), but must create a realistic opportunity for those units to be created through redevelopment. Zoning is one of the most common means of achieving this.

Paramus’s Fair Share Plan to address its **87**-unit Fourth Round RDP and the **229**-unit unmet need under the most conservative interpretation of the 25% rule, is identified in this section of the HEFSP. The rules of the Council on Affordable Housing (COAH) at N.J.A.C. 5:97-5.3(b) required fair share plans to demonstrate that sites intended for inclusionary development are “available, suitable, developable and approvable, as defined in N.J.A.C. 5:93-1”. Operating on the presumption that those rules continue to be valid, the “suitability analysis”, as it has historically been referred, for each site is below:

SATISFACTION OF THE 87-UNIT RDP.

615 WINTERS AVENUE - BLOCK 6203, LOT 2 (APPENDIX 6)

The Borough designated the vacant cosmetic school building at 615 Winters Avenue as an area in need of Redevelopment on February 6, 2024, and adopted a redevelopment plan for the site in Summer of 2024. An application to redevelop the 2.75-acre site with 136 units was approved at a November 7, 2024 public hearing of the Paramus Planning Board. Of the 136 approved units, **20 units will be affordable to very-low, low- and moderate-income households.**

- ▶ *“Available site” means a site with clear title, free of encumbrances which preclude development for low- and moderate-income housing.*

There are no known encumbrances to creating affordable housing at this site.

- ▶ *“Suitable site” means a site that is adjacent to compatible land uses, has access to appropriate streets and is consistent with the environmental policies delineated in N.J.A.C. 5:93-4.*

The site is located in a part of Paramus that has historically been dominated by big-box retail, shopping centers, and suburban office complexes, but which has seen a transition toward mixed-use development as the HCC zone has permitted these lagging real estate sectors to be redeveloped with multi-family residential. The site has suitable road frontage and is near a variety of amenities. The rear of the site is partially in a floodplain, but this will not preclude the rest of the site from being redeveloped.

- ▶ *“Developable site” means a site that has access to appropriate water and sewer infrastructure, and is consistent with the applicable areawide water quality management plan (including the wastewater management plan) or is included in an amendment to the areawide water quality management plan submitted to and under review by DEP.*

The site is served by public water and sewer.

- ▶ *“Approvable site” means a site that may be developed for low and moderate income housing in a manner consistent with the rules or regulations of all agencies with jurisdiction over the site. A site may be approvable although not currently zoned for low and moderate income housing.*

The site appears to be developable consistent with the Residential Site Improvement Standards, N.J.A.C. 5:21. The site does not contain any historic or architecturally important structures and is not within an historic district.

¹ Unmet Need: The difference between the Prospective Need (1,000) and RDP (87) or **913** units. A quarter of 913, rounding up, is 229, which is the minimum unmet need the Borough must plan for.

WEST RIDGEWOOD AVENUE AND PARAMUS ROAD – BLOCK 6701, LOT 7 (APPENDIX 7)

This site at the northwest corner of West Ridgewood Avenue and Paramus Road was designated as an area in need of redevelopment on January 21, 2025, and a redevelopment plan was adopted by ordinance on May 20, 2025. The Redevelopment Plan permits duplexes, townhouses, and stacked townhouses at maximum densities of 10 units per acre. The Redevelopment Plan reflects a conceptual plan submitted by an interested developer, which would provide for 40 total units, of which **eight (8) would be affordable family units**.

The site is available, suitable, developable, and approvable as shown, below:

- ▶ “Available site” means a site with clear title, free of encumbrances which preclude development for low- and moderate-income housing.

There are no known encumbrances to creating affordable housing at this site.

- ▶ “Suitable site” means a site that is adjacent to compatible land uses, has access to appropriate streets and is consistent with the environmental policies delineated in N.J.A.C. 5:93-4.

The site is located in the Borough's Neighborhood Business zone at the intersection of two roads that connect the site to amenities on Route 17 in Paramus, to the east, and downtown Ridgewood, to the west. It is also within walking distance to schools and houses of worship. Surrounding uses are predominantly single-family, although commercial uses occupy the northeast and southwest corners of the intersection. The site is partially within a floodplain, but this should not prevent the site from being redeveloped.

- ▶ “Developable site” means a site that has access to appropriate water and sewer infrastructure, and is consistent with the applicable areawide water quality management plan (including the wastewater management plan) or is included in an amendment to the areawide water quality management plan submitted to and under review by DEP.

The site is served by public water and sewer.

- ▶ “Approvable site” means a site that may be developed for low- and moderate-income housing in a manner consistent with the rules or regulations of all agencies with jurisdiction over the site. A site may be approvable although not currently zoned for low- and moderate-income housing.

The site appears to be developable consistent with the Residential Site Improvement Standards, N.J.A.C. 5:21. The site contains a locally designated historic structure which the interested developer is considering relocating on site.

OSTER SITE / GENESIS PARAMUS - BLOCK 601, LOT 5 (APPENDIX 8)

Paramus will satisfy the balance of its RDP by using affordable housing trust funds to increase the affordable housing set-aside at the Oster / Genesis Paramus redevelopment site that was included in the Third Round Housing Element and Fair Share Plan.

The Borough had adopted a redevelopment plan for the site in question and previously designated Genesis Paramus Housing Urban Renewal LLC as Redeveloper and entered into a Redevelopment Agreement therewith. Genesis received a tax credit allocation in the 2020 tax credit cycle and received planning board approvals in the same year to construct 104 total apartments of which 45 would be affordable family rentals satisfying the Third Round RDP.

Genesis sold the project to a new developer, with whom the Borough has begun negotiations to use affordable housing trust funds to make the site 100% affordable. The total number of units anticipated at the site are still undetermined, but the Borough intends to increase the affordable housing yield by **the minimum of 14 units** - eligible for 1-for-1 bonus credits in the Fourth Round - needed to meet the affordable housing obligation.

- ▶ “Available site” means a site with clear title, free of encumbrances which preclude development for low- and moderate-income housing.

The site is owned by the developer of the approved project or its successor; therefore there are no owner encumbrances on use of the site.

- *“Suitable site” means a site that is adjacent to compatible land uses, has access to appropriate streets and is consistent with the environmental policies delineated in N.J.A.C. 5:93-4.*

The site is surrounded by single-family uses to the south and east, the NJ-4 / NJ-17 interchange to the northwest, and a BJ's Wholesale Club Store to the southwest. It has access to local roads. The site is not currently listed as being contaminated, nor is it known to have other environmental constraints.

- *“Developable site” means a site that has access to appropriate water and sewer infrastructure, and is consistent with the applicable areawide water quality management plan (including the wastewater management plan) or is included in an amendment to the areawide water quality management plan submitted to and under review by DEP.*

The site is served by public water and sewer and the Borough represents there is adequate water and sewer capacity.

- *“Approvable site” means a site that may be developed for low and moderate income housing in a manner consistent with the rules or regulations of all agencies with jurisdiction over the site. A site may be approvable although not currently zoned for low and moderate income housing.*

The site appears to be developable consistent with the Residential Site Improvement Standards, N.J.A.C. 5:21. The site does not contain any historic or architecturally important structures and is not within an historic district.

SURPLUS CREDITS

The Borough has 23 surplus credits from the Second and Third Rounds that it will utilize toward satisfaction of the Fourth Round obligation.

SATISFACTION OF THE 229-UNIT UNMET NEED

The Borough will satisfy the 229-unit Unmet Need minimum by continuing to maintain the HCC zoning and the Nursery Redevelopment Plan, detailed below:

HIGHWAY CORRIDOR COMMERCIAL (HCC) ZONE (APPENDIX 9)

The HCC Zone extends along the majorities of the NJ-17 and NJ-4 highway corridors, and covers 559 acres of public and private properties. The Borough amended the zoning standards to permit mixed-use development as a conditional use permitting not more than 24 dwelling units per acre provided that the ground floor must include a commercial component, that there shall be an affordable set-aside requirement, and that three-bedroom units shall only be permitted as required for compliance with UHAC or superseding rules. The zoning theoretically creates an opportunity for as many as 2,683 affordable housing units over the long term if every property was redeveloped to include a housing component, which is **1,343 units in excess of the 1,340 Third Round unmet need**. This excess need will be used, in part, to satisfy the Fourth Round Unmet Need. The HCC zone has proven successful at attracting mixed-use inclusionary development since being adopted.

NURSERY REDEVELOPMENT PLAN - BLOCK 7002, LOT 1; BLOCK 7701, LOT 3; BLOCK 7003, LOT 1; BLOCK 7101, LOT 4; BLOCK 2701, LOT 12; AND BLOCK 2801, LOT 1 (APPENDIX 10)

The Borough adopted a rehabilitation plan that would allow for the redevelopment of several nursery /agricultural properties around Paramus with inclusionary housing with set-aside requirements of 15% of rentals and 20% of for-sale units. Several of these sites have already been approved for redevelopment, including the Joy Farms site, which contributes to satisfaction of the RDP. As with the

HCC zone, the Borough reserves the right to apply excess build-out potential from sites in the Nursery Redevelopment Plan to address its Fourth Round obligation, with the exception of units created on sites specifically contemplated in the Third Round Settlement Agreement with Fair Share Housing Center. The remaining nursery properties are estimated to have capacity to create an additional 15 affordable units based on the existing permitted densities.

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Chart 24. Fourth Round Compliance Mechanisms

PROJECT / SITE	TYPE	STATUS	TOTAL UNITS	AFFORDABLE UNITS	BONUS TYPE	BONUS RATIO	BONUSES	TOTAL CREDITS
650 WINTERS AVENUE	Family rentals	Approved	136	20	Transit/ Redevelopment	0.5	10	30
RIDGEWOOD/PARAMUS REDEV.	Family Sale	Redevelopment Plan	40	8	Transit/ Redevelopment	0.5	4	12
PRIOR ROUND SURPLUS CREDITS				23				23
OSTER/GENESIS ADD'L UNITS	Family	In Negotiation		≥15	Transit/ Redevelopment	0.5	7	≥22
TOTAL CREDITS TOWARD RDP							21	≥87

Chart 25. Required Minimums and Maximums

REQUIREMENT	FORMULA		MAXIMUM/MINIMUM AMOUNT	PROVIDED
SENIOR MAXIMUM	30% of Affordable Units	30% x 43	12 units	0 units
BONUS CREDIT MAXIMUM	25% x Realistic Development Potential	25% x 87	21 bonus credits	21 bonus credits
FAMILY MINIMUM	50% of Affordable Units	50% x 43	22 units	≥43 units
TRANSITIONAL HOUSING MAX.	10% of Fair Share Obligation	10% x 87	8 units	0 units

REHABILITATION (APPENDIX 11)

The NJ DCA's affordable housing calculations published on October 18, 2024, and accepted by the Borough on January 20, 2025, estimated the Borough's Present Need at 254 units. The Borough is entitled to reduce its Present Need by conducting a Structural Conditions Survey according to the rules and rubric created by COAH in the Prior Rounds. Such a survey was conducted by the Borough's construction official in November and December of 2024, which found that the Borough had only 22 "deficient" housing units.

COAH's rules for conducting this survey then allow the municipality to multiply the number identified by a "deterioration ratio", which is meant to reflect the percentage of deficient units that are likely to be occupied by low- and moderate-income households. In previous affordable housing rounds, COAH published deficiency ratios at the region or county level. In this Round, the percentages of low- and moderate-income households in deficient housing were calculated at the municipal level. According to the Present Need calculation sheet provided by NJ DCA, 82.4% of overcrowded housing in Paramus is estimated to be occupied by low- and moderate-income households. If this is the appropriate deterioration ratio to apply, **the Borough will provide funding to rehabilitate 82.4% of 22 units, or 19 units at an average rate of \$25,000 per applicant.** Qualified Borough residents are also eligible for housing rehabilitation assistance through the Bergen County HIP Home Improvement Program.

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OTHER REQUIREMENTS

ADMINISTRATION AND MARKETING OF AFFORDABLE HOUSING

Paramus' affordable housing program is administered by the Paramus Affordable Housing Corporation. The PAHC is responsible for administering, marketing, maintaining, and operating the Borough's rehabilitation program and affordable housing sites. The Borough's website includes marketing and manuals for the rehab program and affordable housing units at Soldier Hill Commons, Brightview Senior Housing, Paramus Veterans Housing, and Parkview Residences.

The Borough of Paramus adopted its current Affordable Housing Ordinance in 2016 to update development fee ordinances adopted during the Prior Round to fund the creation of 100%-affordable housing units. The Borough amended its ordinance further in 2020 and 2022 to comply with the Court-approved Settlement Agreement with Fair Share Housing Center, and to ensure conformance with the UHAC, FHA, and Municipal Land Use Law (MLUL) at N.J.S.A. 40:55D-1 et seq.

COST GENERATION

Subchapter 10 of N.J.A.C 5:93 requires COAH (or in this case the Court) to ensure that municipal land use ordinances, including or especially those permitting or providing for inclusionary or 100% affordable development, are not overly burdensome as to prevent the number of affordable units from being created as are needed to address the municipal fair share obligation. The Borough has amended the HCC Highway Corridor Commercial zone to permit mixed-use multi-family development at a high density and with flexible standards with respect to building heights and setbacks. The ordinance has resulted in the creation or approval of more than 1,500 total housing units since its adoption, demonstrating that the ordinance has not placed cost generative or burdensome standards that impede the creation of affordable housing.

MULTIGENERATIONAL FAMILY HOUSING CONSISTENCY

The Multigenerational Family Housing Continuity Commission was established by the State of New Jersey in 2021. As noted in N.J.S.A. 52:27D-329.20, one of the primary duties of the Commission is to "prepare and adopt recommendations on how State government, local government, community organizations, private entities, and community members may most effectively advance the goal of enabling senior citizens to reside at the homes of their extended families, thereby preserving and enhancing multigenerational family continuity, through the modification of State and local laws and policies in the areas of housing, land use planning, parking and streetscape planning, and other relevant areas." As of the date of this HEFSP, the Multigenerational Family Housing Continuity Commission has not yet adopted any recommendations.

STATE DEVELOPMENT & REDEVELOPMENT PLAN CONSISTENCY, AND SEWER & WATER

The sites included and proposed to satisfy the Fourth Round Prospective Need are located in Planning Area 1 - Metropolitan Planning Area, which is the priority area for the creation of inclusionary housing through redevelopment. Some of the sites are in proximity to public transit, supporting multi-modal transportation, and all of the sites are located outside of environmentally constrained or sensitive areas, or will be designed in accordance with NJ DEP regulations to mitigate environmental concerns. All of the sites are in approved sewer service areas. The Borough has sufficient water and sewer capacity to service all of the projects in this Plan.

CONCLUSION

This 2025 Fourth Round Housing Element and Fair Share Plan prepared for and adopted by the Borough of Paramus, Bergen County, New Jersey, complies with P.L. 2024, c.2, the Fair Housing Act of New Jersey, and all applicable regulations. It also maintains consistency and compliance with the Settlement Agreement entered into between the Borough and Fair Share Housing Center dated February 6, 2020, amended on April 19, 2023, and approved by the Honorable Gregg A. Padavano, JSC by way of a Fairness Order dated December 20, 2023.

The Plan provides a realistic opportunity for the creation of affordable housing in Paramus through 2035 and beyond, through zoning, redevelopment planning, and cooperation with developers interested in providing their fair share of affordable housing. The Plan addresses the 87-unit Realistic Development Potential claimed through a vacant land adjustment, as well as any “unmet need” that may be required by the Fair Housing Act. The Borough also continues to comply with its Affordable Housing obligation for the years 1987 to 2025. The Housing Element and Fair Share Plan advances the Borough’s objectives of increasing the vitality of its commercial corridors and protecting its single-family neighborhoods.

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BOROUGH OF PARAMUS
FOURTH ROUND HOUSING ELEMENT AND
FAIR SHARE PLAN

APPENDIX

APPENDIX

1

SPENDING PLAN

SPENDING PLAN

BACKGROUND

The Borough of Paramus adopted its first Development Fee ordinance in 1995, setting fees to be levied on developers of non-residential development or residential development not having an affordable housing set-aside. As of January 1, 2025, the Borough's affordable housing trust fund has a balance of **\$2,726,447**. All development fees, interest, payments in lieu, and other income are kept in an interest-bearing affordable housing trust fund account at Spencer Bank for these purposes, with separate journal entries for the differing revenue and expenditure items.

The Borough requests approval that the expenditures of funds contemplated under the Borough's HEFSP and Spending Plan constitute "commitment" for expenditure pursuant to N.J.S.A. 52:27D-329.2 and -329.3, with the four-year time period for expenditure designated pursuant to those provisions beginning to run with the entry of a final approval of the Borough's HEFSP and Spending Plan in accordance with the provisions of *In re Tp. Of Monroe*, 442 N.J. Super. 565 (Law Div. 2015) (aff'd 442 N.J. Super. 563).

REVENUES

The Borough anticipates the following forms of revenue during the Fourth Round:

1. **Development Fees:** The Borough has collected over \$20.6 million in Development Fees since its trust fund was created in the 1990s. Between 2017 and 2024 the Borough collected an average of \$652,184 each year, and anticipates development trends to continue as is if not ramp up in the coming years as the Borough has approved several large mixed-use and non-residential developments and has several in the review/approval pipeline. The projected development fees account for:
 - ▶ Residential and nonresidential projects that have had development fees imposed upon them at the time of preliminary or final development approvals.
 - ▶ All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy.
 - ▶ Future development that is likely to occur based on historical rates of development.
2. **Payments In-Lieu of Constructing Units (PIL):** The Borough of Paramus expects to receive a payment of \$7.02 million from a residential development at 650 From Road, of which \$6.8 million is to be spent toward the creation of affordable units at the Columbus Way 100% affordable housing site from the Third Round. This is a continuation from the Third Round Plan. No new PILs are anticipated during the Fourth Round.
3. **Projected interest:** Based on an assumed average interest rate of 3% over the next decade, the Spending Plan projects that the Borough will earn \$120,301 in interest on its affordable housing trust fund balance.
4. **Other Income:** The Borough received over \$1.3 million in other income since the Trust Fund was established, much of which is in the form of loan repayments. Additional "other" revenues may be earned during the Fourth Round but are not factored into this analysis as they would be de minimis.

Spending Plan Chart 1. Actual and Projected Trust Fund Revenues Through June 30, 2035

SOURCE OF REVENUES BY YEAR	PROJECTED DEVELOPMENT FEES	INTEREST	OTHER REVENUES	TOTAL
AS OF JANUARY 1, 2025	\$2,726,447			
2025	\$250,000	\$8,179	\$7,020,000	\$7,278,179
2026	\$510,000	\$8,662		\$518,662
2027	\$520,200	\$9,144		\$529,344
2028	\$530,604	\$9,657		\$540,261
2029	\$541,216	\$10,201		\$551,417
2030	\$552,040	\$10,777		\$562,817
2031	\$563,081	\$11,385		\$574,466
2032	\$574,343	\$12,026		\$586,369
2033	\$585,830	\$12,701		\$598,531
2034	\$597,546	\$13,411		\$610,957
2035	\$304,749	\$14,156		\$318,904
2025-2035 TOTAL	\$5,529,609	\$120,301	\$7,020,000	\$12,669,910

ADMINISTRATIVE MECHANISMS TO COLLECT AND DISTRIBUTE FUNDS

The following steps for the collection and distribution of development fee revenues shall be followed by Paramus Borough.

- A. Collection of development fee revenues. All collection of development fee revenues will be consistent with Chapter 210 of the Borough's Code of Ordinances and the requirements of N.J.S.A. 40:55D-8.1 through -8.7.
- B. Distribution of development fee revenues. The Municipal Affordable Housing Administrator, in concert with the Borough Administrator and Chief Financial Officer will process the distribution of funds. The release of such funds requires the adoption of a resolution by the Borough Council. Once a request is approved by resolution, the Chief Financial Officer releases the requested revenue from the trust fund for the specific use approved in the governing body's resolution.

DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

Paramus Borough proposes to use the funds in the trust fund for the below listed items during the Fourth Round:

- ▶ Rehabilitation program sufficient to rehabilitate 19 substandard housing units occupied by very-low, low-, and moderate-income households;
- ▶ Affordability assistance to very-low, low- and moderate-income buyers and renters of affordable housing units, in the form of rental assistance, as rentals characterize all affordable housing sites in the Borough to date;
- ▶ Commitment of PIL received from the mixed-use development at 650 From Road to the creation of 119 affordable housing units at the Columbus Way site.
- ▶ Administrative costs permitted to be reimbursed or paid from the Trust Fund, including professional fees to prepare and administer the Fourth Round Plan, not exceeding 20% of revenues.
- ▶ Increasing the number of affordable housing units at the Oster / Genesis Redevelopment Site.

For any other uses of affordable housing trust funds, the Borough shall apply to the appropriate authority for an amendment to the Spending Plan.

AFFORDABILITY ASSISTANCE

The Borough is required to spend a minimum of 30 percent collected development fees, excluding expenditures made from the affordable housing trust fund, to provide affordability assistance to low- and moderate-income households in affordable units included in the Fair Share Plan (N.J.A.C. 5:93-

8.16(c)). Development fees previously spent on affordable housing creation are excluded from the 30%, exempting more than \$14 million of the \$21 million development fee and interest dollars earned through 2024. At least one-third of that amount must be dedicated to very-low income households (i.e. households earning less than 30 percent of the regional median income) or to create very-low income units.

The Borough previously encumbered \$775,000 of trust fund money for the purpose of affordability assistance. All of the existing and anticipated affordable housing units in the Borough will be rental units. The Paramus Affordable Housing Corporation has historically operated a rental assistance program. In the event that for-sale affordable units are created in Paramus, PAHC will create a down payment assistance program for eligible buyers.

The Affordability Assistance manual is included in the Appendices to this HEFSP.

Spending Plan Chart 2. Required Minimum Affordability Assistance Spending

ACTUAL DEVELOPMENT FEES & INTEREST THRU 2024		\$21,860,337
DEVELOPMENT FEES PROJECTED 2025-2035	+	\$5,529,609
INTEREST PROJECTED 2025-2035	+	\$120,301
LESS DEVELOPMENT FEES EXPENDED ON REHABILITATION	-	\$3,559,812
LESS DEVELOPMENT FEES EXPENDED ON HOUSING & REGIONAL CONTRIBUTION AGREEMENTS	-	\$10,779,093
TOTAL	=	\$13,171,342
30 PERCENT OF DEVELOPMENT FEE AND INTEREST REVENUES	x 0.30 =	\$3,951,402
LESS AFFORDABILITY ASSISTANCE EXPENDITURES TO DATE	-	\$775,000
PROJECTED MINIMUM AFFORDABILITY ASSISTANCE REQUIREMENT	=	\$3,176,402
PROJECTED MINIMUM VERY LOW-INCOME AFFORDABILITY ASSISTANCE REQUIREMENT	÷ 3 =	\$1,058,801

AFFORDABLE HOUSING CREATION AND REHABILITATION

CREATION

The Borough is party to a developers agreement which will result in the transfer of a \$6.8 million dollar payment in-lieu from a mixed-use development at 650 From Road to the 100% affordable, 119-unit Columbus Way development.

Additionally, the Borough is working with the prospective developer for the Oster / Genesis Redevelopment project to utilize current and anticipated trust fund revenues to increase the number of affordable units on the site in order to satisfy its Fourth Round RDP.

REHABILITATION

The Borough will set-aside \$475,000 for rehabilitation of 19 substandard housing units occupied by low- and moderate-income households including both renters and homeowners. The Borough will provide rehabilitation services to additional qualified households if funding is available.

ADMINISTRATION

COAH rules prohibit municipalities from spending more than 20% of the revenues collected from development fees and from PILs collected prior to the adoption of the Roberts Bill (P.L. 2008, c. 46) toward the cost of administering their affordable housing programs, or implementing their affordable housing plan, preparing the housing plan, and negotiating settlement agreements to determine and address the affordable housing obligation. Administration costs include, but are not limited to, salaries and benefits for municipal employees or consultant fees necessary to prepare or implement a rehabilitation program, a housing element and fair share plan, and/or an affirmative marketing program. Through 2024, the Borough had spent more than \$2.7 million for administrative purposes.

The Borough projects an administrative spending allowance of \$2.77 million in the Fourth Round. However, provided that administrative spending continues at its average pace of \$100,000 per year,

Paramus will only need to expend \$1.1 million toward administrative costs.

Spending Plan Chart 3. Administrative Spending Cap

ACTUAL DEVELOPMENT FEES & INTEREST TO DATE		\$21,860,337
PILS THROUGH JULY 17, 2008	+	\$-
DEVELOPMENT FEES PROJECTED 2025-2035	+	\$5,529,609
INTEREST PROJECTED 2025-2035	+	\$120,301
TOTAL	=	\$27,510,247
20 PERCENT OF DEVELOPMENT FEE AND INTEREST REVENUES	x 0.20 =	\$5,502,049
LESS ADMINISTRATIVE EXPENDITURES TO DATE	-	\$2,731,463
PROJECTED ALLOWED FOURTH ROUND ADMINISTRATIVE EXPENDITURES	=	\$2,770,586

FOURTH ROUND SPENDING PLAN SCHEDULE & SUMMARY

The Borough anticipates transferring \$6.8 million to the Columbus Way 100% affordable housing project within 2025 or 2026, immediately after those funds are received from the 650 From Road mixed-use development. Pursuant to N.J.S.A. 52:27D-329.2 and 329.3 Paramus will "commit" all collected revenues for expenditure within four (4) years from the date of collection. This Spending Plan shall constitute a commitment to spend or make available all of its current and future Trust Fund revenues through June 30, 2035. Consistent with COAH rules at N.J.A.C. 5:93-5.2(h), at least one-third of the rehabilitation obligation will be funded in the first year following Spending Plan approval.

Spending Plan Chart 4. Projected Trust Fund Spending Through June 30, 2035

YEAR	AFFORDABILITY ASSISTANCE	ADMINIS-TRATION	COLUMBUS WAY	REHA B.	TOTAL
2025	\$158,820	\$100,000	\$6,800,000	\$158,333	\$7,217,153
2026	\$317,640	\$100,000		\$31,667	\$449,307
2027	\$317,640	\$100,000		\$31,667	\$449,307
2028	\$317,640	\$100,000		\$31,667	\$449,307
2029	\$317,640	\$100,000		\$31,667	\$449,307
2030	\$317,640	\$100,000		\$31,667	\$449,307
2031	\$317,640	\$100,000		\$31,667	\$449,307
2032	\$317,640	\$100,000		\$31,667	\$449,307
2033	\$317,640	\$100,000		\$31,667	\$449,307
2034	\$317,640	\$100,000		\$31,667	\$449,307
2035	\$158,820	\$100,000		\$31,667	\$290,487
2025-2035 TOTAL	\$3,176,402	\$1,100,000		\$475,000	\$4,751,402

As of January 1, 2025, Paramus Borough's affordable housing trust fund had a balance of \$2.7 million, and this Spending Plan projects another \$12.7 million in revenues during the Fourth Round, for a total of \$15.4 million. The Borough anticipates spending \$6.8 million to fund the Columbus Way 100% affordable project, \$475,000 to fund its rehabilitation obligation for 19 units, \$1.1 million on administrative costs, and to encumber \$3.18 million for affordability assistance based on the current rules and laws in place. This leaves as much \$3.84 million, which the Borough intends to use in part or in full, as may be needed, to create additional affordable housing at the Third Round Oster / Genesis Redevelopment site in order to satisfy the Fourth Round obligation.

Spending Plan Chart 5. Fourth Round Spending Summary

BALANCE AS OF JANUARY 1, 2025	\$2,726,447.03
PROJECTED REVENUES 2025 TO 2035	
1. DEVELOPMENT FEES	\$5,529,609
2. PAYMENTS IN LIEU OF CONSTRUCTION	\$120,301
3. INTEREST	\$7,020,000
4. OTHER REVENUES	\$-
TOTAL REVENUE	\$12,669,910
PLUS BALANCE	\$15,396,357
PROJECTED SPENDING 2025-2035	
AFFORDABILITY ASSISTANCE	\$3,176,402
ADMINISTRATION	\$1,100,000
REHABILITATION	\$475,000
COLUMBUS WAY	\$6,800,000
TOTAL EXPENDITURES	\$11,551,402
AVAILABLE FUNDING FOR OSTER / GENESIS	\$3,844,954

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