



TEANECK FOURTH ROUND OBLIGATIONS

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FOURTH ROUND COMPLIANCE PROCESS

TIMELINE

1. Jan. 31, 2025 – Municipal Governing Body adopts obligation number by resolution
2. February 28, 2025 – Deadline to file an objection/challenge to obligation number
3. March 1 to April 1, 2025 – If challenged, review period by Affordable Housing Dispute Resolution Program
4. February 1 to June 30, 2025 – Development of Housing Element & Fair Share Plan (HEFSP). June 30 Deadline for adoption by Planning Board & subsequent endorsement by Township Committee.
5. July 1 to August 31, 2025 - Challenge Period of Housing Element & Fair Share Plan (HEFSP)
6. August 31 to December 31, 2025 – Resolution of challenges to HEFSP – between parties or through recommendations of Affordable Housing Dispute Resolution Program
7. March 31, 2026 – Final Deadline for adoption of all implementation mechanisms in HEFSP.

FOURTH ROUND – CALCULATING NEED

CALCULATING NEED OBLIGATIONS

- Fourth Round calculation methodology codified within law:
 - [N.J.S.A. 52:27D-304.3](#) Present, prospective fair share obligation, low- and moderate-income housing, methodologies
- 1) Calculate Regional Need to be Allocated
 - Six (6) Regions across NJ – Teaneck within Region 1
 - Future need determined by share of past growth
- 2) Allocate to Municipality by Averaging Three (3) Factors
 - Income Capacity Factor
 - Nonresidential Valuation Change Factor
 - Land Capacity Factor

REGION 1 PROSPECTIVE NEED

- Calculation of Prospective Need Units for 2025-2035
Allocation:
 - Change in Total Households (HHs) 2010-2020
 - Divide by 2.5 to estimate share for Low- & Moderate-Income Households (HHs)
 - Region 1 (Bergen, Hudson, Passaic, Sussex)
 - 69,538 New HHs, 2010-2020
 - **27,743 Low- & Moderate-Income HHs = Total Prospective Need to be allocated to municipalities**

QUALIFIED URBAN AID MUNICIPALITIES

- Allocation Factor used as percentage, applied to overall Region Obligation total.
- Region 1 (122 Municipalities in Bergen, Hudson, Passaic & Sussex) – 27,743 Units
- 17 Qualified Urban Aid Municipalities exempt from assignment of a Prospective Need Allocation.
- 105 Municipalities Assigned Prospective Need Allocation in Region 1.

DCA NON-BINDING, ADVISORY CALCULATIONS

- October 20, 2024 – DCA Issues Report on 4th Round Municipal Fair Share Obligations
- November 23, 2024 – DCA releases GIS map layer of Developable Land
- DCA has released full methodology, workbook and GIS data used to calculate numbers.
- Available online:
https://www.nj.gov/dca/dlps/4th_Round_Numbers.shtml
- Municipalities may use DCA numbers as guidance, and prepare updated calculations informed by more accurate local conditions.

MUNICIPAL ALLOCATION OF NEED

- Municipal Allocation by Averaging Three (3) Factors:
 - Income Capacity Factor
 - Nonresidential Valuation Change Factor
 - Land Capacity Factor

MUNICIPAL ALLOCATION OF NEED

- Income Capacity Factor
 - Determined by averaging the municipal share of the regional sum of differences between median household income and the same calculation but weighted by number of households within the municipality
 - DCA Teaneck Income Capacity Factor: 2.03
 - 5th Highest Among All Region 1 Municipalities

MUNICIPAL ALLOCATION OF NEED

- Nonresidential Valuation Change Factor
 - Determined by calculating the changes in nonresidential property valuations in the municipality since the beginning of the gap period in 1999 through most recent available (2023). The change in the municipality's nonresidential valuations is divided by the regional total change in nonresidential valuations to determine the municipality's share of the regional total change.
 - DCA Teaneck Nonresidential Valuation Factor: 1.51
 - 20th Highest in Region 1

MUNICIPAL ALLOCATION OF NEED

- Land Capacity Factor
 - Determined by estimating the area of developable land within the municipality's boundaries, and regional boundaries, which may accommodate development
 - DCA Teaneck Land Capacity Factor: 1.13
 - 22.36 Acres (Teaneck) of 1,980 Acres in Region 1

DCA CALCULATION - TEANECK

| Metric | Value |
|---------------------------------|-----------------|
| Income Capacity Factor | 2.03% |
| Nonresidential Valuation Factor | 1.51% |
| Land Capacity Factor | 1.13% |
| Average Allocation Factor | 1.55% |
| Prospective Need | 431 (of 27,743) |

TOPOLOGY ASSESSMENT OF DCA CALCULATION

- To support the Township, Topology completed an assessment of the three (3) component factors to confirm accuracy.
- Topology has processed updates - leveraging newer data, and local data sources - to modify the calculations accordingly.

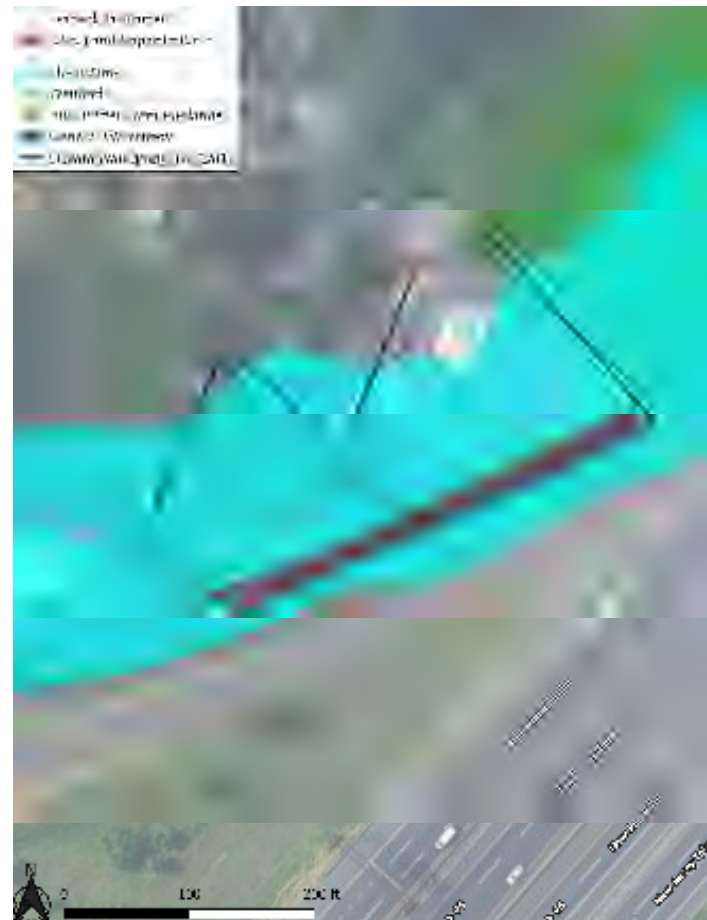
TOPOLOGY ASSESSMENT OF DCA CALCULATION

- The Land Capacity Factor was further assessed following publication of GIS spatial map data by the DCA, depicting the areas of developable land used to quantify the factor.
- The areas identified as “developable” were reviewed by parcel against local permitting, land use approvals, configuration to accommodate development, etc.
- This factor has been modified accordingly.

NOTE: DEVELOPABLE LAND

- The following slides depict lands identified as “developable” by the DCA, pursuant to the methodology in N.J.S.A. 52:27D-304.3(c)(4).
- Developable lands as defined in the statute as “land...that may accommodate development” – ALL types of development, not specifically affordable housing.
- The sites shown are NOT planned to accommodate affordable housing development – they are merely satisfying the statutory definition of “developable”
- The Land Capacity Factor is the municipality’s share of the total developable land in the region.
 - In simple terms: “does the municipality have land to accommodate development?”

SAMPLE OF PARCELS REVIEWED



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SAMPLE OF PARCELS REVIEWED



TOPOLOGY ASSESSMENT OF DCA CALCULATION

- Land Capacity Factor
 - Determined by estimating the area of developable land within the municipality's boundaries, and regional boundaries, which may accommodate development
 - Of the 22.363 Acres identified as "Developable" by the DCA analysis Topology found that only 12.141 Acres could be considered "Developable". As such, 10.222 Acres have been removed from calculation.
 - Updated Teaneck Land Capacity Factor: 0.60

CALCULATION NOTES - TEANECK

- The strongest factors allocating growth to Teaneck are the *Nonresidential Valuation Factor* and the *Income Capacity Factor*. 327 units are allocated to Teaneck on just these two (2) factors alone.
- The Land Capacity Factor is the “weakest” of the three (3) allocation factors.
- Based upon the strong weighting of the Nonresidential Valuation and Income Capacity Factors for Teaneck, each acre of developable land accounts for just about 4.6 units of allocation.

MODIFIED CALCULATION - TEANECK

| Metric | DCA Value | Modified Value | Change in Value |
|---------------------------------|-----------------|-----------------|-----------------|
| Income Capacity Factor | 2.03% | 2.03% | 0.00 |
| Nonresidential Valuation Factor | 1.51% | 1.51% | 0.00 |
| Land Capacity Factor | 1.13% | 0.60% | -0.53 |
| Average Allocation Factor | 1.55% | 1.38% | -0.17 |
| Prospective Need | 431 (of 27,743) | 384 (of 27,743) | -47 |

THANK YOU

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