

Township of Harding

MORRIS COUNTY, NEW JERSEY

MASTER PLAN

Housing Element & Fair Share Plan

Adopted
September 23, 2013

Prepared by:

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A signed and sealed copy of this Master Plan amendment is on file with the Planning Board Secretary and Township Clerk.

HOUSING ELEMENT & FAIR SHARE PLAN

Adopted: November 17, 2008

Substantive Certification granted: May 14, 2009

Amendment adopted to reflect 2010 Census: September 23, 2013

INTRODUCTION

This affordable housing plan is presented in two parts consistent with revised “third round” regulations of the New Jersey Council on Affordable Housing (COAH) adopted in 2008 and the New Jersey Fair Housing Act, as amended. Part 1 is the *Housing Element*, which contains information on the township’s housing stock, demographics, employment characteristics and a determination of the township’s fair share obligation. Part 2 is the *Fair Share Plan*, which describes how the township will provide a realistic opportunity for the construction of affordable housing consistent with COAH rules.

This plan was first adopted by the Planning Board on November 17, 2008 and was submitted to COAH with a petition for substantive certification. COAH approved the plan and granted substantive certification on May 14, 2009. Part 1 of the plan, which contains demographic data based on the US Census, has been updated to include 2010 Census data where appropriate. Part 2 of this element, the Fair Share Plan, is not affected by the Census update.

Background

Under the Fair Housing Act, COAH establishes municipal fair share obligations on a periodic basis. In 1986 COAH determined that the township had a fair share obligation of 156 units for the “first round” cycle from 1987 to 1993. In 1993 COAH determined that the township’s first round obligation had been overestimated and required that 88 units be provided for the cumulative period 1987-1999. COAH certified the township’s Housing Element & Fair Share Plan in November 1996 and all components of the plan have been implemented.

In 2004 COAH adopted “third round” rules establishing new methodology known as “growth share” by which the municipal affordable housing obligation would accrue in proportion to new market rate development. The township originally submitted a third round Housing Element & Fair Share Plan to COAH in 2005, utilizing surplus credits resulting from an adjustment of the prior round (88-unit) obligation to address the projected growth share obligation. However, COAH’s 2004 regulations were invalidated by the Appellate Court in 2007 pursuant to a challenge by developers and others. In response to the Court Decision, COAH adopted new regulations in 2008 eliminating the prior round adjustment, establishing municipal growth projections and higher growth share ratios, and extending the third round cycle through 2018. The 2008 rules resulted in a projected affordable housing obligation of 35 units for Harding.

On October 8, 2010, the Appellate Division invalidated important aspects of COAH’s revised third round rules. In particular, the Appellate Division invalidated the growth share

methodology and implementing rules. That decision is now on appeal before the New Jersey Supreme Court, which heard argument on November 14, 2012. There is no way of predicting when the Court will issue a decision or what the decision will be, but it is possible that some different approach to municipal fair share compliance may result. Since 2009 the New Jersey Legislature has considered various bills designed to overhaul the municipal fair share approach, although no solution has yet been enacted. In the interim, the township's certified affordable housing plan described in detail in Part 2 of this element, and based on the 2008 rules, remains in place.

Goals & Objectives

The goal of the township's fair share plan is to comply with the constitutional fair housing mandate in a manner consistent with the township's Master Plan goals. The following objectives are intended to fulfill this important goal.

1. Maintain COAH credit for the units implemented as part of the township's prior round certified affordable housing plan.
2. Obtain COAH credit, toward the third round obligation, for prior round surplus units and for a group home established in 2001 for individuals with special needs.
3. Provide a realistic opportunity for the provision of new affordable housing within the community to satisfy the remainder of the township's projected growth share obligation.

Executive Summary

COAH's third round rules address the need for affordable housing from 1987 through 2018. Three components comprise the fair share obligation. The *rehabilitation share* represents COAH's determination, based on the 2000 Census,¹ of the number of substandard dwellings in the community occupied by low/moderate income households that are in need of rehabilitation. The second component is the *prior round obligation* (the cumulative first and second rounds); any units not completed must still be addressed. The third component is the *growth share obligation*, which represents the municipality's share of the region's need for new affordable housing and is calculated as a proportion of development that is projected to occur from 2004 through 2018.

Rehabilitation Share

In reviewing the 2000 Census in connection with the third round rules, COAH determined the township's housing stock did not exhibit substandard characteristics; therefore the township's *rehabilitation share* was determined to be zero.

Prior Round Obligation

Harding's prior round obligation was originally determined to be 88 units: five units of rehabilitation and 83 units of new construction. The township's prior round plan was certified by COAH in November 1996 and has been fully implemented.

¹ COAH's determination was made prior to the 2010 Census.

PRIOR ROUND CERTIFIED FAIR SHARE PLAN

Housing Component	Units
Rehabilitation credit	1
Municipal Construction (100% family rental)	23
Regional Contribution Agreement	43
Rental bonus credits	21
TOTAL	88

NOTE: The rental project was originally planned to include 23 affordable units plus 1 unit for an on-site superintendent. All 24 affordable units are currently rented to income-eligible families.

Growth Share Obligation

Under the third round rules adopted in 2008, COAH calculated the growth share obligation based on its projection of growth that would take place in the municipality from 2004 through 2018. The affordable housing requirement was calculated on the basis of one affordable unit among five new COAH-projected dwellings and one affordable unit for every 16 COAH-projected new jobs, as measured by new or expanded nonresidential development. COAH’s growth forecasts resulted in a projected growth share obligation for Harding of 35 affordable units.

Summary of Third Round Fair Share Plan

Since there is no rehabilitation obligation and the prior round obligation has been fully satisfied, the township’s third round fair share plan addresses only the growth share obligation of 35 units with credits for completed and proposed affordable housing as follows:

THIRD ROUND FAIR SHARE PLAN

Housing Component	Units/Credits
Credit for surplus prior round units (includes 3 rental units at <i>The Farm at Harding</i>)	5
Credit for Supportive/Special Needs Housing established in 2001 (Universal Institute - 5 bedroom group home)	5
Municipal construction of new rental units on municipal property (<i>The Farm at Harding</i> site)	2
Accessory Apartments (enactment of an ordinance to establish “affordable accessory residences”)	10
Supportive/Special Needs Housing to be established by one or more qualified housing providers	6
Rental bonus	7.75
TOTAL	35.75

PART 1: HOUSING ELEMENT

The Municipal Land Use Law (MLUL) requires the Housing Element as a mandatory part of the municipal Master Plan. Every Housing Element must contain the following information.

1. An inventory and analysis of the municipality's housing stock, demographic characteristics, and existing and future employment characteristics;
2. A projection of future housing construction;
3. A determination of the municipality's present and prospective fair share of low and moderate income housing and its capacity to accommodate low and moderate income housing; and
4. A consideration of the land that is most appropriate for the construction of low and moderate income housing including land owned by developers who have expressed a commitment to provide affordable housing.

This part of the Housing Element & Fair Share Plan has been updated to reflect 2010 census data where appropriate.² In some cases, information was available from the American Community Survey (ACS), which is an ongoing survey conducted by the Census Bureau every year. The ACS produces demographic and housing unit estimates based on sampling. In cases where the ACS data was used, the source is indicated accordingly.

COAH's revised third round rules contain the following additional requirements that must be addressed in the Housing Element.

1. COAH's household projection for the township in accordance with Appendix F of COAH's rules.
2. The employment projection for the township in accordance with Appendix F of COAH's rules.
3. The township's prior round obligation from Appendix C of COAH's rules.
4. The township's rehabilitation share from Appendix E of COAH's rules.
5. The projected growth share obligation in accordance with the procedures contained in COAH's rules.

Inventory of Housing Stock

The township's housing stock is mainly comprised of owner-occupied single-family detached dwellings that are typically large and in good condition. The US Census Bureau reported a total of 1610 housing units in Harding Township in 2010. Many of the characteristics of Harding's housing stock described in the following sections are based on the Census Bureau's American Community Survey. It is noted that the Census Bureau's most recent (2007-2011) American Community Survey issues its data on housing characteristics based on a total of

² Data for this 2010 Census update was provided by the Planning Board Administrator based on material available from the US Census Bureau's website.

1488 housing units. Due to rounding, some of the percentages in the tables may not sum to 100.

Age of Housing

Most homes in Harding Township were constructed between 1940 and 1990, but 20.2 % of Harding’s units were built before 1939. This significant proportion of older houses is indicative of Harding’s historic character, not of housing deficiency.

AGE OF HOUSING

(Source: US Census Bureau, DP04, Selected Housing Characteristics, 2007-2011 American Community Survey)

Year Structure Built	No. of Units	% of Total
2005 or Later	104	7.0
2000 to 2004	122	8.2
1990 to 1999	73	4.9
1980 to 1989	325	21.8
1970 to 1979	186	12.5
1960 to 1969	151	10.1
1950-1959	168	11.3
1940 to 1949	59	4.0
1939 or earlier	300	20.2

Condition of Housing

The 2000 Census contained information on housing deficiencies that COAH used as an indicator of the need for rehabilitation for the third round affordable housing cycle. The 2000 Census confirmed that Harding’s housing stock was in good condition. All units had complete plumbing facilities and kitchens and some form of heating supply in 2000. There was also no evidence of overcrowding as no units reported more than 1.01 persons per room.

The American Community Survey (DP04, 2007-2011 Selected Housing Characteristics) reported, however, that there are now 26 units lacking complete kitchen and plumbing facilities. This is likely an error in the application of the ACS methodology since the previous census did not report any deficiencies, and Harding’s housing stock has always been considered to be of high quality. It is possible that some residential quarters located on properties with a main dwelling were assumed to be separate residential facilities even though they may not have been developed as separate residential units. No units were estimated by the ACS to be overcrowded.

Housing Values

The American Community Survey (DP04, 2007-2011 Selected Housing Characteristics) reported that the median value for owner-occupied units was \$1,000,000+. Of 1,258 units reported, the lowest values were for six units valued between \$50,000 and \$99,999. The vast majority of homes (96.9 %) were valued over \$500,000.

HOUSING VALUES

(Source: US Census Bureau, DP04, Selected Housing Characteristics,
2007-2011 American Community Survey)

Value of Owner-Occupied Housing	Number	Percentage
< \$50,000	0	-
\$50,000 - 99,000	6	0.5
\$100,000 - 149,000	0	-
\$150,000 - 199,999	26	2.1
\$200,000 - 299,000	8	0.6
\$300,000 - 499,999	98	7.8
\$500,000 - 999,999	407	32.4
\$1,000,000 or more	713	56.7

Median gross monthly rent reported by the American Community Survey for 94 units of leased housing units was \$911. Twenty-three units reported rents between \$750 and \$999/month; 24 units between \$1,000-1,499 and 15 exceeding \$1,500/month.

MONTHLY RENTAL COSTS

(Source: US Census Bureau, DP04, Selected Housing Characteristics,
2007-2011 American Community Survey)

Gross Monthly Rent	Number	Percentage
< \$200	0	-
\$200 - 299	32	34
\$300 - 499	0	-
\$500 - 749	0	-
\$750 - 999	23	24.5
\$1,000 - 1,499	24	25.5
\$1,500 or more	15	16
Median Rent	\$911	

Occupancy Characteristics

The 2010 Census counted a total of 1,610 housing units of which 1474 were occupied units. Of those, 1,297 were owner-occupied and 177 were renter-occupied. One hundred thirty six units were reported vacant in 2010. Of that number, 51 units were reportedly for seasonal, recreational, occasional or some other use.

OCCUPANCY CHARACTERISTICS

(Source: US Census Bureau, 2010 Census)

Housing Occupancy	Number
Total housing units reported	1,610
Owner-occupied	1,297
Renter-occupied	177
Vacant	136

Housing Types

The US Census Bureau's American Community Survey (DP04, 2007-2011 Selected Housing Characteristics) provides detailed information on the housing stock. It reported that out of 1488 units, 1,243 were single-family detached units, 194 were single-family attached units; there were 24 two-unit dwellings and 27 units in buildings containing 5 – 9 units. Most homes contain four or more bedrooms and the median number of rooms per dwelling is 9+ rooms.

HOUSING TYPES

(Source: US Census Bureau, DP04, Selected Housing Characteristics, 2007-2011 American Community Survey)

Housing Type ³	Number	Percentage
1 unit - detached dwelling	1,243	83.5
1 unit - attached dwelling	194	13
2 units	24	1.6
3 or 4 units	0	-
5 – 9 units	27	1.8

SIZE OF DWELLINGS

(Source: US Census Bureau, 2010 Census)

Number of Rooms	Number	Percent
1 room	0	-
2 rooms	0	-
3 rooms	8	0.5
4 rooms	50	3.4
5 rooms	156	10.5
6 rooms	165	11.1
7 rooms	128	8.6
8 rooms	105	7.1
9 rooms or more	876	58.9
Median rooms per dwelling	9+	

Number of Affordable Units (Housing Governed by Affordability Controls)

In response to the prior round fair share obligation, Harding Township constructed a rental housing development on township land located at the intersection of Kitchell Road and Woodland Avenue. The development was completed in 2006 and contains 24 units rented to low and moderate income families.

³ Year-round dwellings.

**Substandard Housing
Capable of Being Rehabilitated**

As previously indicated, the 2000 Census did not report any housing in Harding Township that was substandard and in need of rehabilitation. The 2000 Census was the basis for COAH’s determination that Harding’s *rehabilitation share* is zero for the third round.

Demographic Characteristics

Characteristics that most distinguish Harding from other towns in the area are its median age and population density. At 48.9, Harding’s median age is significantly higher than for Morris County (41.3) or the state (38.7), but its population density (192.7 persons per sq. mile) is significantly lower (1069.8 for the county and 1,195.5 for the state). The following table displays selected population characteristics and the changes in average household size over the last five decades. It is notable that Harding’s average household size continues to decline based on the reported 2.6 persons per household in 2010.

SELECTED POPULATION CHARACTERISTICS

(Source: US. Census Bureau)

Population Characteristics	Harding Township	Morris County	New Jersey
Median Age in 2010	48.9	41.3	38.7
Density - Persons per Sq. Mile in 2010	192.7	1069.8	1,195.5
Average # of Persons per Dwelling			
2010	2.60	2.68	2.68
2000	2.69	2.72	2.68
1990	2.70	2.78	2.7
1980	2.94	3.1	2.8
1970	3.33	3.5	3.0
1960	3.33	3.2	3.3

Population Trends

Harding’s population steadily increased during the period from its incorporation in 1922 to 1970. In 1930, Harding had a population of 1,206. By 1940, it had increased by 29.8% to 1,565 persons and from 1940 to 1950 it increased by almost 26% to 1,970 persons. From 1950-1970, Harding experienced its largest population increase, mirroring the national trend of rapid suburban development. There were 2,683 residents by 1960, an increase of 36.2% from 1950. The increases, however, were much smaller than for the county (+59.2%).

Harding’s relative insulation from the rapid suburbanization that occurred around major cities reflects a significant distinction in the township’s development history. The discontinuity between Harding’s growth and the surrounding region continued during the following decade (1970’s) when Harding grew by 21.1% but Morris County grew by 46.6%. The long period of steady growth in population essentially ended in the decade prior to 1980, when the township’s population is recorded as decreasing by 13 persons (-0.4%).

POPULATION CHANGES: 1930 - 2010

(Source: US Bureau of Census)

Year	Harding Township Population (% change)	Morris County Population (%change)	New Jersey Population (% change)
1930	1,202	11,445	4,041,334
1940	1,565 (+29.8%)	125,732 (+13.8%)	4,160,165 (+2.9%)
1950	1,970 (+25.9%)	164,371 (+30.7%)	4,835,329 (+16.2%)
1960	2,683 (+36.2%)	261,620 (+59.2%)	6,066,782 (+25.5%)
1970	3,249 (+21.1%)	383,454 (+46.6%)	7,171,112 (+18.2%)
1980	3,236 (-0.4%)	407,630 (+6.3 %)	7,364,158 (+2.7%)
1990	3,640 (+12%)	421,353 (+3.4%)	7,730,188 (+5%)
2000	3,180 (-12.6%)	470,212 (+11.6%)	8,414,359 (+8.9%)
2010	3,838 (+20.7%)	492,276 (+4.7%)	8,791,894 (+4.5%)

In 1990 the Census recorded a population increase of 12.5% while in the following census (2000), a 12.6% *decrease* was recorded. An analysis of the data suggests that over-and under-counting respectively may have occurred during these two decades. It is possible that undercounting in 2000 may have been the result of non-Harding addresses assigned by the Postal Service for many residents. Taken together they indicated a relatively stable population size during that period.

For 2010, the substantial increase in population reported by the Census Bureau is again unusual. If correct, the 20.7% increase would be the largest since 1970, while household size has been in steady decline over the same period. Moreover, the population of Morris County and New Jersey as a whole increased less than 5% since 2000. However, if one ignores the 2000 count, which is likely an error as indicated above, and the comparison is simply made between the 1990 and 2010 census tabulations (3,640 and 3,838 persons respectively), the population increased by 198 persons, representing population growth of 5.4%.

Household Size and Type

The Census Bureau reported that as of 2010 the average household size is now 2.60 persons per household. In addition, out of a reported 1474 households in Harding, the vast majority – 1,126 or 76.4% - were “family” households while 348 were “non-family” households.

Age Characteristics

A population’s age composition molds the character of a community and determines the types of municipal facilities that are needed. According to 2010 Census data, the percentage of young children under five years of age was only 3.6% in Harding compared to 6.6% for the county. The census data reflects an aging population among Harding residents. Harding’s nearly 49-year median age and, in particular, its elderly population, age 65 and over, at 21.0% was significantly higher than the county (14.2%) and the state (13.7%).

POPULATION BY AGE

(Source: US Census Bureau, 2010 Census)

Age	Population
Under 5	139
5 - 14	569
15 - 24	396
25 - 34	148
35 - 44	408
45 - 54	719
55 - 64	654
65 - 74	471
75 - 84	235
85 and over	99
Total	3,838

Income Level

The American Community Survey (DP03, 2007-2011 Selected Economic Characteristics) reported that median income was \$178,594 in 2011 inflation-adjusted dollars (1,361 households reported). The breakdown of income is displayed below.

HOUSEHOLD INCOME

(2011 Inflation-Adjusted Dollars)

Source: US Census Bureau, DP03, Selected Economic Characteristics,
2007-2011 American Community Survey)

Households by Income	Number
Under \$10,000	62
\$10,000-14,999	29
\$15,000-24,999	38
\$25,000-34,999	43
\$35,000-49,999	26
\$50,000-74,999	86
\$75,000-99,000	95
\$100,000-149,000	198
\$150,000-199,999	208
\$200,000 or more	576

Employment Status of Township Residents

According to the American Community Survey (DP03, 2007-2011 Selected Economic Characteristics) there were 1,796 civilian employed persons residing in Harding, representing over 60% of the population over 16 years of age

Harding residents have varied occupational and employment backgrounds, but are heavily centered on the professions. The most commonly cited occupation groups are finance and insurance, real estate, professional, scientific, management, administrative and waste management services, educational, health care and social assistance. The industry with the

highest single representation is finance/insurance/real estate, followed by professional, scientific, management and administrative services.

EMPLOYMENT CHARACTERISTICS OF HARDING RESIDENTS

(Source: US Census Bureau, DP03, Selected Economic Characteristics, 2007-2011 American Community Survey)

Occupation	Number
Total Civilian Employed Population, 16 yrs. and older	1796
Agriculture, forestry, hunting, fishing	0
Construction	110
Manufacturing	203
Wholesale trade	28
Retail trade	153
Transportation and warehousing, utilities	24
Information	23
Finance and insurance, real estate and rental leasing	507
Professional, scientific, management, administrative and waste management services	328
Educational services, health care, social assistance	284
Arts, entertainment, recreation, accommodation and food services	74
Other services and public administration	62

Employment Characteristics (Job Availability) in Harding

Data concerning employment in each municipality in New Jersey is available from the New Jersey Department of Labor (DOL). The data provide an indication of the number and types of jobs available in the community.⁴

Employment by Industry Sectors

In 2008, when this plan was prepared for submission to COAH, the most recent breakdown of private sector employment for municipalities available at the DOL website dated to 2003 and is shown in the table below. DOL's website indicated that where very few units (businesses) reported or the number of jobs was low, the data is suppressed and is indicated as such by a dash (-).

⁴ The data in this section was prepared in 2008 to address COAH requirements. It has not been updated since it is not based on the 2010 Census.

EMPLOYMENT IN HARDING BY INDUSTRY SECTOR: 2003

Source: NJ Department of Labor

Private Sector Classification	Annual Average Units Reporting	Average Annual Private Sector Employment
Agriculture, forestry, fishing and hunting	-	-
Utilities	-	-
Construction	9	18
Manufacturing	-	-
Wholesale and retail trades	-	-
Transportation and warehousing	-	-
Information	-	-
Finance and insurance	12	73
Real estate and rental and leasing	3	9
Professional and technical services	-	-
Administrative and waste services	9	107
Health care and social assistance	7	27
Arts, entertainment and recreation	-	-
Accommodation and food services	-	-
Other services except public administration	40	139
Unclassified entities	-	-
Sum total of units and employment reported above	80	337
Private sector total reported by DOL	113	786

Number of Persons Employed and Employment Trends

The table below displays the number of jobs that were available in the township from 2003 through 2006, the most recent municipal data available from NJ Department of Labor website when this plan was prepared in 2008. COAH's own growth data indicated a total of 896 jobs in Harding 2002 and 878 jobs in 2004.⁵ This data clearly demonstrates a trend of *declining employment* in Harding over the five year period.

EMPLOYMENT TRENDS

Source: NJ Department of Labor

Covered employment	2006	2005	2004	2003
Total Average Covered Employment	736	749	893	900
Total Average Private Sector Employment	617	636	782	786
Total Average Federal Gov't Employment	6	6	5	6
Total Average Other Gov't Employment	113	107	105	108

NOTE: Covered employment refers to jobs covered by NJ unemployment compensation.

Employment Outlook

COAH's growth projections predict an increase in employment of nearly 100 jobs by 2018, but this may be based upon data modeling and regional trends rather than an analysis of potential employment based on local trends and the township's nonresidential land

⁵ NJAC 5:97 Appendix F(2).

development capacity. Based on the trend exhibited above, it would appear that the actual number of jobs available in the township could be expected to decline somewhat in the future. From a land use planning perspective, no significant growth is anticipated in the areas zoned for commercial development because they are already near or have achieved full build-out.

Determination of Present and Prospective Need for Affordable Housing and Harding’s Capacity to Accommodate Growth

The MLUL requires a determination of the municipality’s *present* and *prospective* affordable housing need. COAH has determined the *present need or rehabilitation share* for all communities and developed projections of housing construction and employment growth by which a municipality may calculate its *prospective need or growth share*.

Present Need (Rehabilitation Share)

According to Appendix B of the revised third round rules, COAH has determined that Harding has no *present need or rehabilitation share*. In other words, according to the 2000 Census, COAH has determined that there was no deficient housing in the township occupied by low or moderate income households.

Prospective Need (Growth Share)

Prospective need, or the *growth share* obligation, is calculated by applying COAH’s growth share ratios to the agency’s growth projections. Appendix F of the revised third round rules contains projections of household and employment growth upon which *prospective need* or the *growth share* obligation is based. COAH forecasts that 169 new housing units will be constructed and 98 new jobs will be created between 2004 and 2018. The number of new residential units (169) includes affordable housing construction, so COAH permits affordable units completed after 2004 to be subtracted from the growth projection when calculating the obligation. The table below displays COAH’s projections and the calculated obligation.

The growth share obligation is calculated by applying COAH’s residential and nonresidential growth share ratios to COAH’s projection of development through 2018. Actual residential development (market rate housing) and actual employment data associated with new nonresidential space will be considered by COAH during its biennial reviews when the actual obligation is tallied based on new development. If less development occurs, the fair share plan for the original projected obligation must remain in place. If more development occurs, the additional fair share obligation must be addressed.

DETERMINATION OF GROWTH SHARE OBLIGATION

COAH-projected new dwellings 1/1/04 – 12/31/18	169
Subtract affordable units constructed since 1/1/04 [NJAC 5:97-2.4(a)2]	-24
Remaining projected new dwellings	145
145 divided by 5 = residential growth share	29
COAH-projected employment 1/1/04 – 12/31/18	98
98 divided by 16 = nonresidential growth share	6
Total Projected Growth Share Obligation (29 + 6)	35

The Township's Capacity to Accommodate Residential and Nonresidential Growth

The MLUL requires that the Housing Element address whether the community has the capacity to accommodate its present and prospective housing needs, including its fair share of low and moderate income housing. The township can accommodate additional affordable housing in a manner that is consistent with the goals and objectives of the Master Plan. The township will construct its own rental housing, establish a 10-unit accessory apartment program and cooperate with specialized housing providers to establish one or more group homes.

1. **Municipal Construction:** The township owns the land where its prior round affordable housing project, *The Farm at Harding*, was built. The density and other zoning regulations applicable to the site allow for the construction of additional units. The architect who designed the prior round project has determined that it is feasible to construct at least two additional housing units on the site.
2. **Accessory Apartments:** The township has an existing housing stock that is conducive to the production of accessory apartments and is willing to subsidize their creation, as described in greater detail in Part 2, the Fair Share Plan. The potential to create apartments is realistic and, with a municipal subsidy, an inducement for interested homeowners.
3. **Supportive/Special Needs Housing:** The township has established a cooperative working relationship with two sponsors of supportive and special needs housing and will assist each in locating property to establish housing for qualified tenants.

COAH also requires an assessment of the township's capacity to accommodate growth consistent with COAH's projections. Such an assessment should be made in recognition that the township's growth rate has been modest and that the established development pattern is based upon the township's rural character and sensitive environmental conditions, consistent with the township's designation within Planning Area 5 by the State Planning Commission. The following responds to COAH's checklist of the factors that comprise this evaluation.

1. **Existing and Planned Infrastructure:** There are limited areas of Harding served by public water and sewer systems. Most homes are served by private wells and on-site septic systems. Virtually all future market rate development is anticipated to rely upon private wells and septic systems. The expansion of public water and sewer infrastructure in Harding would be inconsistent with state planning policies and is not necessary to accommodate the amount of new development predicted by COAH.
2. **Anticipated Demand for Uses Permitted by Zoning:** No new zoning is anticipated with the exception of an amendment to the Land Use Ordinance to permit affordable accessory apartments on properties with existing homes.
3. **Anticipated Land Use Patterns:** The township's current zoning is consistent with the Land Use Plan element of the Master Plan. The township's land use regulations already permit the development of accessory residences; a zoning amendment will be enacted to promote the construction of ten *affordable accessory residences*, consistent with COAH rules, to

address the township's growth share requirement. Satisfying the obligation in this manner is consistent with township's established density limitations and land use pattern.

4. Municipal Economic Development Policies: The township does not anticipate any substantial changes to its commercial base. The township's nonresidential zoning districts represent a relatively small employment base in the region and are essentially fully developed. In 2003 the township designated the core of New Vernon Village, comprised of the B-1 Business Zone and municipal land, as an area in need of redevelopment and adopted a redevelopment plan (see the Land Use Plan element). The plan was intended to promote the re-establishment of the Post Office in New Vernon Village, which has been accomplished, and established policies relating to circulation, historic preservation and public improvements in the heart of the village.
5. Constraints on Development: Harding's zoning appropriately reflects the township's designation within Planning Area 5, the lack of significant public infrastructure, and its established low density rural development pattern. There are no substantial constraints on development as a result of land use compatibility or land ownership patterns, but some vacant privately-owned land may be affected by environmental conditions that limit development. Zoning for future development of the remaining privately-owned land in the township is compatible with surrounding land uses and consistent with the township's Master Plan.
6. Existing or Planned Measures to Address Constraints: Based on all of the above, the township does not anticipate the need to take any special measures to address growth constraints.

Consideration of Land Appropriate for the Construction of Affordable Housing

The Municipal Land Use Law requires that the township take into consideration the commitments of developers who have expressed an interest in constructing affordable housing in the township. No private developers have committed to the construction affordable housing in Harding, most likely because of high land costs and the lack of vacant developable land, served by public water and sewer that are sufficient in size to construct a development of the density typically associated with inclusionary housing. In areas not served by public infrastructure, the development of higher density housing is not realistically feasible, nor would it be consistent with the township's Master Plan or the township's designation within Planning Area 5 and the Protection and Conservation zones of the Highlands regional Master Plan. As discussed in Part 2, the Fair Share Plan, municipal affordable housing construction, affordable accessory residences, and the establishment of supportive/special needs housing are the most appropriate means by which to promote affordable housing opportunities in Harding.

Planning Area Designation

With the exception of the township's affordable housing site, *The Farm at Harding*, which is designated PA-1, the rest of the township is designated within Planning Area 5 by the State Planning Commission. The township is not currently seeking plan endorsement of the township's Master Plan from the State Planning Commission.

PART 2: FAIR SHARE PLAN

A Fair Share Plan describes the completed or proposed mechanisms and funding sources that will be utilized to address the total fair share obligation. The plan outlines the credits addressing any portion of the obligation, the mechanisms addressing the prior round and growth share obligations, and includes an implementation schedule for the delivery of affordable housing during the period of substantive certification. The governing body is responsible for enacting ordinances and providing funding to implement the plan.

The 1987-2018 Fair Housing Obligation

According to COAH rules, the third round affordable housing obligation actually covers the entire period from 1987 through 2018 and is the sum of three components:

1. Rehabilitation share;
2. Prior round obligation; and
3. Growth share.

These three components comprising Harding's obligation are displayed below. The prior round obligation represents the new construction portion of the cumulative first and second rounds, which has been fully satisfied.

TOTAL FAIR SHARE OBLIGATION: 1987-2018

Component	Units
Rehabilitation Share (Third Round)	0
Prior Round Obligation (Prior Round New Construction)	83
Growth Share (See calculations below)	35
Total 1987-2018 Fair Share Obligation	118

Determining the Growth Share Obligation

The growth share obligation is calculated by applying COAH's growth share ratios to the agency's estimation of household and employment growth projected to occur from 2004 through 2018 included in Appendix F of COAH's revised third round rules. Affordable housing constructed since 2004 is subtracted from the growth projection.

COAH'S GROWTH PROJECTIONS: 2004-2018

Source: NJAC 5:97 Appendix F

Type of Growth	Units	Type of Growth	Jobs
Household growth (2004-2018)	169	Employment growth (2004-2018)	98
Less affordable units built in 2006	-24	Divide by 16	98/16
Remaining growth	145	Projected Nonresidential Obligation	6
Divide by 5	145/5		
Projected Residential Obligation	29		
Total Projected Growth Share Obligation = 35			

**Summary of the Plan for the Total
1987-2018 Fair Share Obligation**

The fair share obligation may be offset by credits for affordable units completed (including bonus credits) as part of the prior round plan and other affordable housing established since 1986 that meets COAH criteria. The following table displays the three components of the total obligation, offset by credits and planned units to address the growth share obligation.

**SUMMARY OF PLAN TO ADDRESS THE
TOTAL 1987-2018 FAIR SHARE OBLIGATION**

Housing Component	Units/Credits
Rehabilitation Share (Third Round)	0
Rehabilitation Credits (Post 2000 Rehabilitation)	-
Remaining Rehabilitation Share	0
Prior Round Obligation (Prior Round New Construction)	83
Prior Round Credits:	
--100% Affordable Credits (<i>The Farm at Harding</i> completed 8/11/06)	24
--RCA Credits (funds transferred 12/31/96)	43
--Rental Bonus from Prior Round	21
Remaining Prior Round Obligation or Surplus (+)	+5
Third Round Projected Growth Share	35
Less:	
--Prior Round Surplus (includes 3 units at <i>The Farm at Harding</i>)	5
--Supportive & Special Needs Credits (established 5/8/01)	5
Total Credits toward Growth Share Obligation	10
Remaining Growth Share Obligation	25
Proposed Units Addressing Growth Share	
--Municipal Construction (Family Rentals)	2
--Accessory Apartments ("Affordable Accessory Residence Program")	10
--Proposed Supportive/Special Needs Housing	6
--Rental Bonus	7.75
Remaining Obligation or Surplus (+)	+0.75

NOTE: The township's affordable housing project known as "The Farm at Harding" was originally planned to have 23 affordable units and 1 unit for an on-site superintendent. The 24th unit has been rented to an income eligible household.

Fair Share Plan Parameters

According to COAH rules rental units must comprise at least 25% of the total growth share obligation and at least 50% of the rental requirement must be housing for families. In addition, family housing must comprise at least 50% of the units provided in the township. At least 50% of the affordable units provided must be available to low income households, and under recently enacted legislation (the 2008 Fair Housing Act amendments) at least 13% of the affordable units provided must be available to households with incomes not to exceed 30% of median income. Housing for senior citizens is limited to 25% of the growth share obligation. The following table displays these parameters based on the township’s projected 35-unit growth share obligation and the number of units that will be provided in the township during the third round.

FAIR SHARE PLAN PARAMETERS

Parameter (COAH requirements and limitations)	Units
Projected Growth Share Obligation	35
Number of units proposed to be provided in the township during the third round (see table on page 10-19)	26
Family housing requirement (at least 50% of the units provided)	13
Rental requirement (at least 25% of Growth Share) ---Family rental requirement (at least 50% of rental req.): 5	9
Maximum rental bonus for family rentals exceeding rental requirement or very low income units exceeding 13% very low income reqt. (25% of Growth Share)	8.75
Low income housing requirement (at least 50% of units provided) ---Very low income housing requirement (at least 13% of units provided): 4 ---50% very low income family housing: 2 ⁶	13
Maximum units that may be age-restricted (25% of Growth Share)	8

Summary of Completed and Proposed Affordable Housing

The following sections describe the units that have been completed to address the prior round, including surplus units that can be applied to the third round, and new proposals to address the growth share obligation.

Programs, Projects and/or Units Addressing the Prior Round

Harding Township fulfilled the 83-unit prior round new construction obligation with a transfer of 43 units to the City of Orange via a Regional Contribution Agreement (RCA), municipal construction and a 21-unit rental bonus. The RCA funds were transferred on December 31,

⁶ The units indicated for very low income families are displayed pursuant to a COAH “guidance letter” dated October 30, 2008. COAH may implement this requirement with an amendment to the third round rules.

1996. The township's affordable housing development was completed in August 2006. A 24th unit originally planned for an on-site superintendent is rented to an income-eligible household. Taken together the three components equal **88 credits**. Up-to-date monitoring forms for all housing included in the prior round plan are already on file with COAH.

**PROGRAMS, PROJECTS AND/OR UNITS
ADDRESSING THE PRIOR ROUND OBLIGATION**

Project/Program Name	Mechanism or Bonus Type	Proposed or Completed Units	# Addressing Obligation	# Addressing Rental Obligation	# Subject to Age-restricted Cap
RCA with City of Orange	RCA	Funds transferred 1996	43	0	0
<i>The Farm at Harding</i>	100% Mun. Construction	Completed 2006	24	21	0
<i>The Farm at Harding</i>	Rental Bonus	Certified Plan 1996	21	n/a	n/a
			88	21	0

**Programs, Projects and/or Units
Addressing the Third Round**

The township will address the third round projected growth share obligation of 35 units with prior round surplus credits, credit for an existing home serving individuals with special needs, municipal construction, accessory apartments and proposed supportive/special needs housing as displayed in the table below. The table also indicates that the plan complies with the family housing requirement. The details of the proposed housing programs are described in greater detail in the sections that follow.

**PROGRAMS, PROJECTS AND/OR UNITS
ADDRESSING THE THIRD ROUND OBLIGATION**

Project/Program Name	Mechanism or Bonus Type	Proposed or Completed Units	# of Units Addressing Obligation	# of Units Provided in Municipality	# Addressing Rental Obligation	# Addressing Family Hsg. Requirement
Surplus prior round units	Surplus prior round units	Completed 2006	5	3	3	3
Universal Institute Group Home	Supportive & Special Needs Housing	Completed 2001	5	5	5	0
Expansion of <i>The Farm at Harding</i>	100% Municipal Construction	Proposed	2	2	2	2
Affordable Accessory Residence Prog.	Accessory Apartments	Proposed	10	10	10	10
NewBridge Services Hsg. and/or Universal Institute	Supportive & Special Needs Housing	Proposed	6	6	6	0
Total Affordable Units Addressed			28	26	26	15
Bonus for family units exceeding rental requirement	Rental Bonus		7.75	n/a	n/a	n/a
TOTAL			35.75	26	26	15

Age Restricted Housing

The township does not plan to establish age-restrictions for any of the units addressing the third round growth share obligation.

Rental Housing and Rental Bonus

The nine unit rental requirement is satisfied by enacting an accessory apartment program to produce ten affordable units. To be eligible for rental bonuses, at least half of the nine unit rental requirement (five units) must be units for families, *excluding accessory apartments and supportive and special needs housing*. This requirement is satisfied by three surplus prior round units at *The Farm at Harding* plus two proposed units to be built as an expansion of the project. Since this requirement is satisfied, family rental units exceeding the nine unit rental obligation are eligible for one bonus credit per unit and homes for individuals with special needs exceeding the rental obligation are eligible for 0.25 bonus credits per bedroom. However, the maximum number of bonus credits is 8.75 based on the 35-unit projected growth share obligation. The table below displays the rental bonuses. Accessory apartments are not eligible for the bonus, but are displayed in the table because they reflect family units satisfying the rental requirement.

RENTAL HOUSING AND RENTAL BONUSES

Project/Program Name	Mechanism or Bonus Type	Proposed or Completed Units	Units Addressing the Third Round Rental Obligation	Units Eligible for Rental Bonus	Type of Rental Bonus	Total Rental Bonus
<i>The Farm at Harding</i>	Surplus prior round units	Completed 2006	3	3	1:1	3
Universal Institute Home	Supportive & Special Needs Housing	Completed 2001	5	5	0.25:1	1.25
Expansion of <i>The Farm at Harding</i>	Municipal Construction 100% affordable	Proposed	2	2	1:1	2
Affordable Accessory Residences	Accessory Apartments	Proposed	10			
NewBridge Services Hsg. and/or Universal Institute	Supportive & Special Needs Housing	Proposed	6	6	0.25:1	1.5
TOTAL			26	16		7.75
					Maximum Permitted Rental Bonus	8.75

Low and Moderate Income Unit Distribution

At least 50% of the affordable housing provided must be available for *low income households* earning 50% or less of median regional income. In addition, 13% of the units provided must be available to *very low income* (VLI) households earning 30% or less of median regional income. The very low income units are a subset of, not in addition to, the low income units.

According to a “guidance” letter dated October 30, 2008 from COAH, at least 50% of the VLI units must be available for very low income *families*. If COAH amends its rules to implement this requirement, the township can subsidize some of the surplus prior round units at *The Farm at Harding*, which are family units, so that the rents will be affordable to very low income households. Supportive and special needs housing satisfies the remainder of the very low income housing requirement. The following table displays the breakdown of very low, low, and moderate income units proposed in this plan.

LOW AND MODERATE INCOME UNIT DISTRIBUTION

Project or Program Name	Mechanism or Bonus Type	Proposed or Completed Units	Units Addressing Third Round	Very Low Income Units (30% or less of Median Income)	Low Income Units (50% or less of Median Income)	Moderate Income Units (>50% but <80% of Median Income)
<i>The Farm @ Harding</i>	Surplus prior round units	Completed 2006	3	2		1
Universal Institute Group Home	Supportive & Special Needs Housing	Completed 2001	5	5		
Expansion of <i>The Farm at Harding</i>	Municipal Construction 100% affordable	Proposed	2		1 (3 BR unit)	1 (2 BR unit)
Affordable Accessory Residence Prog.	Accessory Apartments	Proposed	10			10
NewBridge Services Hsg. and/or Universal Institute	Supportive & Special Needs Housing	Proposed	6	6		
TOTAL			26	13	1	12

NOTE: The indication above that 2 surplus prior round units will be affordable to very low income households is displayed to confirm that the township could comply with a very low income family housing requirement if COAH amends its rules prior to substantive certification.

Municipal Construction (2 units):

Expansion of *The Farm at Harding*

The township proposes to construct two new family rental units on the site where its prior round 24-unit affordable housing project, *The Farm at Harding*, was built. One two-bedroom moderate income unit and one three-bedroom low income unit will be provided. The breakdown of the total project, when comprised of 26 units, is shown in the following table. COAH's criteria relative to municipal construction projects are addressed below.

Unit Type	Prior Round Low Income Units	Prior Round Moderate Income Units	Proposed Third Round Low Income Units	Proposed Third Round Moderate Income Units	Total Units
1 bedroom	3	2			5
2 bedrooms	7	7		1	15
3 bedrooms	2	3	1		6
TOTAL	12	12	1	1	26

NOTE: Three surplus prior round low income units will be subsidized to meet the third round "very low income" family unit requirement.

1. **Site Suitability:** The 8+ acre site is located at the intersection of Kitchell Road and Woodland Avenue and is designated Block 2, Lot 16 on the Harding Township tax maps. The following specifically address the site suitability criteria of NJAC 5:97-3.13:

- There are no title issues or encumbrances that would preclude the development of additional affordable housing on the site. Zoning (enacted in 1996) is already in place to permit the proposed expansion of the project. Environmental constraints were identified as part of the original project planning process. No encroachment on

constrained areas is anticipated in connection with the proposal to build additional housing.

- The site is adjacent to compatible land uses, which includes multifamily housing in adjacent Morris Township, and open space and county parkland in Harding.
 - The property has extensive frontage on both Kitchell Road and Woodland Avenue; an existing driveway conforming to the NJ Residential Site Improvement Standards (RSIS) has been constructed to serve the existing development. There is sufficient room on the site to provide additional parking in accordance with RSIS requirements.
 - The site was designated by the State Planning Commission within Planning Area 1 in the State Development & Redevelopment Plan (the “State Plan”). The project in this location is consistent with the State Plan.
 - The site is already served by public water and sewer infrastructure.
2. Zoning: *The Farm at Harding* site was zoned AH, Affordable Housing, in 1996 with a density limit of four units per acre. As built in 2006, comprised of 24 affordable units, the project is substantially below the density limit of the AH zone. The Township Engineer has determined that the zone’s density would permit up to nine additional units to be built on the site. Existing lot coverage associated with the existing 24 units is also significantly below that permitted by the district’s regulations and setback limits would not preclude the construction of additional housing on the site and sufficient room exists in appropriate locations to provide additional parking to serve the proposed expansion.
3. Development Feasibility and Time Frame for Delivery: The project engineer for the original development, Ferriero Engineering, and the original project architect, Joseph Stevens & Associates, have determined that it is feasible to construct two additional units on the site. The township will guarantee financing needed to construct the units, estimated to be approximately \$350,000, and proposes to commence construction within two years of the grant of substantive certification. The Implementation Schedule included at the end of this plan includes the anticipated time frame for project planning and construction.

Accessory Apartments (10 units)

COAH’s requirements and limitations applicable to the implementation of an accessory apartment program (NJAC 5:97-6.8) are addressed below. The township will enact an ordinance to establish the ***Affordable Accessory Residence Program*** for the production of ten units for COAH credit. A draft ordinance and resolution to fund the program will be submitted with the township’s petition for substantive certification.

1. Number of Units: 10 units will be permitted consistent with the COAH limitation for this type of program. An important objective of the program is to foster the establishment of affordable accessory residences throughout the community. To help promote this objective, the ordinance should permit the conversion of an existing vacant accessory residence to an affordable accessory residence regardless of the zoning district in which it is located. In addition, new affordable accessory residences should be permitted in both the R-1 and RR zones, which together represent most of the privately-owned land in the

township. These are the zones in which Harding has allowed traditional accessory residences for many decades.

2. Municipal Subsidy: The township will provide a municipal subsidy to homeowners wishing to create an affordable accessory residence in the amount of \$20,000/unit for 10 moderate income units plus sufficient funding (approximately \$5,000 per unit) for a qualified administrator to operate the program. The subsidy may be utilized by homeowners for the construction of the unit or as a rental subsidy. The projected cost of the program is approximately \$250,000.
3. Infrastructure Capacity: Most of Harding is served by private wells and on-site waste disposal systems. For many years, Harding's zoning has permitted the development of accessory residences on properties in the R-1 and, since 2004, the RR Zone subject to code requirements, including adequate provision for potable water and waste disposal. Similarly, property owners participating in the Affordable Accessory Residence Program will demonstrate that the proposed unit will be adequately served by potable water and waste disposal. The Harding Township Board of Health has established a "fast track" policy to assist homeowners obtain approval of systems serving affordable accessory residences.
4. Affordability Controls: The accessory apartment ordinance will require homeowners to comply with affirmative marketing and affordability control requirements for a period of ten years.
5. Unit Size/bedroom distribution: The Zoning Ordinance will be not place a limitation on the number of bedrooms that may be provided in affordable accessory residences. However, to ensure the subordinate nature of the affordable unit as a second residence on the property, each unit should be limited to 1,200 square feet of living space.
6. Low/Moderate Income Split: The program is proposed to permit all units to be rented at rates affordable to households of moderate income. This should be an added incentive for homeowners to participate in the program. Low income units required by COAH regulations are provided as indicated in the table on page 19.
7. Affordability Range (rental rates): The maximum rent permitted shall be calculated based on that which is affordable to households earning no more than 60% of median income, adjusted for household size and the number of bedrooms in the unit. The units may be occupied by moderate income households with incomes not to exceed 80% of median income for the region as determined by COAH.
8. Age Restriction: The township will not limit the marketing of accessory apartments to an age-restricted population.
9. Conducive Housing Stock: Accessory residences have been permitted in the R-1 (and since 2004, the RR Zone) under Harding's zoning for many years. Together these two

zones comprise the majority of the privately owned land in the township. It has been estimated by township officials that there may be 30-50 existing traditional accessory residences in the township. Expanding this land use to promote ten affordable accessory residences for moderate income households is compatible with the township's established development pattern.

Relatively low housing densities in Harding suggest that the housing stock is conducive to the creation of additional accessory residences. Many homes in the township are large (the average home contains nine or more rooms) and are situated on large lots that comply with the current ordinance requirements for conventional accessory residences. Homes on large lots may easily accommodate alterations or additions to create accessory residences; many homes have detached garages or barns that could be modified or expanded. In addition, there may be existing accessory residences that are vacant and could be rented to income-eligible households.

10. Program Administrator: The township will contract with an experienced consultant to administer the program, including the preparation of an operating manual and affirmative marketing plan required by COAH. The administrator will undertake all of the functions of the township's "administrative agent" to operate the program, including application processing from homeowners, rent calculations, affirmative marketing and prospective tenant interviews, credit checks, and income qualification. The administrator will report to the township's Municipal Housing Liaison, in accordance with COAH rules.
11. Time Frame for Delivery of the Housing: The township will enact the ordinance establishing the *Affordable Accessory Residence Program* upon the grant of substantive certification; it is anticipated that units will be produced throughout the third round compliance period as indicated in the Implementation Schedule.

Supportive and Special Needs Housing (6 bedrooms/units)

According to COAH rules, *supportive and special needs housing* "includes, but is not limited to: residential health care facilities as licensed and/or regulated by DCA or the New Jersey Department of Health and Senior Services if the facility is located with, and operated by, a licensed health care facility; group homes for people with developmental disabilities and mental illness as licensed and/or regulated by the New Jersey Department of Human Services; permanent supportive housing; and supportive shared living housing. Long term health care facilities including nursing homes, and Class A, B, C, D, and E boarding homes do not qualify as supportive and special needs housing."

The township has developed a cooperative relationship with two providers of supportive and special needs housing. Universal Institute, which is based in Livingston NJ, established a group home in Harding in 2001 and is interested in developing additional facilities in the township. Another housing provider, NewBridge Services, Inc., ("NewBridge"), based in Pompton Plains, NJ, has also established a relationship with Harding Township and has

expressed a commitment to develop supportive and special needs housing addressing six units of the township’s growth share obligation.

Site selection for supportive and special needs housing will occur within one year of the grant of substantive certification with occupancy expected the following year. Letters confirming each provider’s desire to develop projects in Harding will be submitted to COAH with the township’s petition. The target date for occupancy is indicated in the Implementation Schedule at the end of this plan.

Cost to Implement the Fair Share Plan

The table below displays the estimated cost to implement the new housing units proposed in this fair share plan. Since development fee revenue is committed to funding the cost of *The Farm at Harding* (see below), the township anticipates that it may need to fund the cost to implement this plan from the sale of municipal bonds or from the township’s general fund. A resolution committing to fund the costs of this plan will be submitted with the township’s petition for substantive certification.

ESTIMATED COST TO
IMPLEMENT PROPOSED 3RD ROUND AFFORDABLE HOUSING

Housing Program	Estimated Cost
Municipal Construction – expansion of <i>The Farm at Harding</i> : 2 units estimated @ \$175,000/unit	\$350,000
Accessory Apartments:	
• 10 moderate income units @ \$20,000/unit	\$200,000
• Administration estimated @ \$5,000/unit	\$50,000
TOTAL ESTIMATED COST	\$600,000

Development Fees

In 2005 the township enacted a development fee ordinance in association with its prior round plan. The ordinance was approved by COAH on May 11, 2005. The ordinance was amended in 2006 to modify exemptions; COAH approved the amendment on June 8, 2006. Except as stipulated in the ordinance, new development is subject to the payment of fees equal to 1% for residential development and 2% for nonresidential development based on the equalized assessed value of new improvements. The township adopted a Development Fee Spending Plan on February 2, 2005, which COAH approved on July 7, 2005. Pursuant to the approved Spending Plan, all development fee revenue was pledged toward the cost of the township’s 24-unit affordable housing development, *The Farm at Harding*.

COAH’s revised third round regulations adopted in mid-2008 permit an increase in the fees to 1.5% for residential development and, pursuant to 2008 amendments to the Fair Housing Act, 2.5% for nonresidential development. The revised rules also include a requirement mandating that 30% of the funds collected after July 17, 2008 be set aside for an “affordability assistance” program. If COAH amends its rules to mandate that at least half of the required

13% very low income units be available for families, the township should consider utilizing some of its development fee revenue as a rental subsidy to fulfill this requirement. However, the township should seek a waiver from COAH to utilize all of the remaining development fee revenue for the cost of construction and financing *The Farm at Harding* and other expenses associated with new units proposed in this plan. A revised Spending Plan should be submitted to COAH with the township's petition for third round substantive certification.

Implementation Schedule

COAH requires that the Fair Share Plan include an Implementation Schedule with a detailed timetable that demonstrates the reasonable likelihood that the affordable housing included in the plan will actually be provided during the period of substantive certification.

Actual Growth Since 2004

Information from the NJ Department of Community Affairs' website contains data on development in the township based upon certificates of occupancy (COs) issued in Harding Township. DCA data, however, is substantially at odds with the records maintained by the township's Construction Department. It appears that DCA may be double counting some units that received a temporary CO and a permanent CO. In addition, DCA may be categorizing development incorrectly.

Since every permit issued for new construction is tracked by the Harding Construction Department, the township believes its data, displayed in the tables below, to be correct. Based on development since January 1, 2004, the total actual growth share obligation as of October 31, 2008 is 15.25 units, 12.25 units based on residential development and 3 units based on nonresidential development.

ACTUAL MARKET RATE
RESIDENTIAL DEVELOPMENT
2004 – 2008 (to 10/31/08)

Year	COs for Residential Units
2004	13
2005	11
2006	14
2007	5
2008	6
Total	49
Actual Growth Share Based on Residential Development	12.25

NOTE: Actual residential growth share is based upon 1 affordable unit for every four market rate units.

ACTUAL NONRESIDENTIAL DEVELOPMENT
2004 – 2008 (to 10/31/08)

Year	COs for Nonresidential Uses	Square Footage	Use Group	Jobs per 1000 Sq. Ft.	Total Jobs
2004	Christ the King Church --Parish Center (Permit #03-6085) --Stairtower (Permit #04-6535)	8,760 69	A3 House of Worship	n/a	excluded
2005	No COs issued				
2006	Morris Animal Inn (Permit #04-6500)	12,653	B	2.8	35.4
2007	New Vernon Post Office (Permit #06-7171) --Post Office space allocation --Retail sales space allocation --Restaurant space allocation	1,920 1,114 1,792	B M A2	2.8 1.7 3.2	5.4 1.9 5.7
2008	No COs issued				
Total Calculated Jobs					48.4
Actual Growth Share Based on Nonresidential Development					3.0

NOTE: The jobs indicated above are *hypothetical* jobs based on COAH rules. The number of jobs is divided by 16 to obtain the growth share obligation.

The calculation of jobs in the table above is based on COAH’s hypothetical employment ratios for various uses. Prior to COAH’s first biennial review of the implementation of this plan, the township will review the actual number of jobs established in conjunction with added or new nonresidential square footage to ensure that the actual growth share obligation accrued to that point is reflective of actual added employment data.⁷

Projected Growth Through 2018

The pace of residential development in Harding is not expected to exceed COAH’s projection through 2018. In fact, a slower rate of development is likely due to economic conditions and the diminishing supply of unconstrained developable land. It is important to note that the actual number of market rate units constructed during the third round will be divided by *four* to calculate the *actual* growth share obligation.

Since little development is possible in Harding’s nonresidential zoning districts, the growth share obligation attributable to nonresidential development is expected to be based largely on the construction of a new Library and completion of a redevelopment project (“The Academy”) in New Vernon Village as displayed in the following table.

⁷ In a COAH letter dated October 23, 2008 COAH indicates that it will review actual job creation for specified development as part of its biennial monitoring.

PROJECTED NONRESIDENTIAL DEVELOPMENT

Projected Time Frame (Year)	Nonresidential Development	Construction Status	Square Footage	Use Group	Jobs per 1000 Sq. Ft.	Total Jobs
2010	Harding Library	Permit under review	8,253	A3	1.6	13.2
2010	The Academy	1. Construction	980	M	1.7	1.7
	1. Existing bldg.	suspended	770	B	2.8	2.2
	2. New bldg.	2. No permit	2,100	B	2.8	5.9
Total Calculated Jobs						23.0
Projected Growth Share Based on Projected Nonresidential Development						1.5

Implementation of the Fair Share Plan

The table below displays in detail, actual and projected growth, and the implementation of this fair share plan with activities through the first biennial review by COAH, assumed to be in 2011. Within this time frame, the township will satisfy its *actual* growth share obligation with municipal construction, housing for individuals with special needs, and the commencement of the Affordable Accessory Residence Program. COAH will continue to monitor development activities every two years, and may require adjustments to the fair share plan if affordable housing is not realized commensurate with the obligation generated by actual growth.

**IMPLEMENTATION SCHEDULE
THROUGH FIRST BIENNIAL COAH REVIEW**

Time Frame	Growth (Completed and Projected)	Actual and Projected Growth Share	Fair Share Plan Activities	Anticipated Completion of Affordable Units
2004–2008 (to 8/31/08)	Residential COs: 49 Nonres. (Jobs): 48.4	Residential: 12.25 Nonres: 3	Township petitions COAH for substantive certification.	5 surplus prior round units and 5 BRs in SNH
2009	Residential: 8	Residential: 2	Substantive certification granted by COAH. <u>Municipal Construction:</u> Township develops site and arch. plans for 2 units. <u>Special Needs Hsg:</u> Provider seeks site for establishment of Special Needs Housing. <u>Affordable Accessory Residences:</u> Township selects administrator for Affordable Accessory Residence Program; enacts ordinance; provides funding.	
2010	Residential: 8 Nonres. (Jobs): 23	Residential: 2 Nonres: 1.5	<u>Municipal Construction:</u> Township obtains all necessary permits for construction of 2 units. <u>Special Needs Hsg:</u> Provider selects site and seeks financing for acquisition of residential property. <u>Affordable Accessory Residences:</u> Administrator commences marketing and processing of applications for accessory units.	
2011	Residential: 8	Residential: 2	<u>Municipal Construction:</u> Township commences construction of 2 units. <u>Special Needs Hsg:</u> Provider purchases property and establishes Special Needs Housing. <u>Affordable Accessory Residences:</u> Administrator continues marketing and processing of applications for accessory units.	MC: 2 units SNH: 6 units Rental Bonus: 7.75
COAH'S FIRST BIENNIAL REVIEW IN 2011		22.75		25.75
2012-2018	Residential: 49	12.25	<u>Affordable Accessory Residences:</u> Administrator continues processing of applications for accessory units.	10
TOTAL		35	TOTAL	35.75

NOTES:

1. "MC" means municipal construction; "BRs" means bedrooms; "SNH" means special needs housing.
2. The residential COs listed above represent market rate housing only. Market rate units are divided by 4 to calculate actual growth share.
3. Jobs are divided by 16 to calculate projected growth share. The township will determine the actual number of jobs resulting from new or added nonresidential square footage that contributes to the growth share obligation prior to COAH's first biennial review to ensure that the actual obligation is based on actual employment generated by new growth.