

Highlands Plan Conformance
Module 3 – Housing Element and Fair Share Plan Submission requirements for
December 8, 2009

Introduction

Far Hills Borough includes lands designated Planning Area in the Highlands Region. The Borough has prepared and adopted a Third Round Housing and Fair Share Plan as part of COAH's initial Third Round regulations, which has not been revised to reflect the changing regulatory requirements of COAH or the Highlands Conformance provisions since the Borough's initial Third Round petition for third round substantive certification pursuant to N.J.A.C. 5:94-1 et seq., which has been replaced and superseded by N.J.A.C. 5:97-1 et seq.

The capacity analysis conducted by the Highlands Council for Modules 1 and 2 of Plan Conformance identify 83 new residential units can be constructed under the Highlands Regional Master Plan and Highlands Act regulations and no new non-residential growth. All 83 units are in the Planning Area, with no portion of the municipality lying outside of the Highlands Region. Additional development could occur in accordance with the exclusion provisions for the Planning Area under a Plan Conformance scenario. The information in this section is being submitted as part of this Module 3 Plan Conformance Grant petition. The Borough will continue to refine and determine the regional affordable housing obligation as Far Hills investigates full Plan Conformance and develops a revised Third Round Fair Share Plan and petition to the Council on Affordable Housing for substantive certification prior to the June 8, 2010 submission requirement for Highlands municipalities.

A. Summary of Housing Obligations

i. Prior Round Obligation

Far Hills Borough has a prior round obligation of 38 new construction units. This is a revised prior round obligation that was identified in COAH's revised Third Round rules that were released June 2nd, 2008 and include an upward revision of one (1) unit from COAH's original prior cycle requirement for the Borough of 37 affordable units.

ii. Highlands RMP Adjusted Growth Projections

The Borough utilized COAH's Workbook D, which calculated Actual and Projected Growth using COAH and Highlands Projections (see attached).

- COAH Third Round Projected Growth Share Obligation: 23 Affordable Units
- RMP Adjusted Projected Growth Share Obligation 18 Affordable Units
- Far Hills Borough Actual Growth 2004-2008: 6 Affordable Units

COAH's projections (N.J.A.C. 5:97-1 et seq.) identify a third round growth share obligation of 23 new affordable units for Far Hills (including one (1) unit of third round actual need to date). When added to the prior cycle need of 38 affordable units, Far Hills's total projected new construction "fair share" obligation is **61 affordable units for the combined third**

round and prior round obligation. Note that this calculation includes the actual third round obligation that has accrued to date, which totals one (1) unit.

According to Workbook D, the **adjusted affordable housing obligation utilizing the Highlands RMP buildout is 18 units.** This is derived from prospective residential buildout of 83 units ($83 / 5 = 16.4$ affordable units); plus the actual third round residential obligation of 1 affordable unit ($4 / 4 = 1$); ($16.4 + 1 = 17.4$ or 18). Added to the prior cycle obligation of 38 units, **Far Hills's total projected, Highlands-adjusted, new construction "fair share" is 56 affordable units for the combined third round and prior round obligation.** Note that in this projection, the actual 1 affordable unit 2004-2008 third round new construction affordable housing obligation is added to the Highlands-adjusted affordable unit obligation. This is because the Highlands buildout growth share obligation is calculated prospectively from 2008, and does not include the 1 unit obligation associated with the actual certificates of occupancy issued between 2004 and 2008.

It appears that the calculation required in Workbook D may include a requirement to add the existing actual third round obligation to the Appendix D third round projection, which is incorrect. The above-cited estimates are based upon the application of N.J.A.C. 5:97 methodology and COAH's projections found at Appendix D; and the Highlands Buildout projections found in Module 2, which are the basis for calculating a Highlands-adjusted third round obligation. As mentioned above, it appears that there may be inconsistencies in the methodology formatted in Workbook D when calculating the projections in Appendix D and the Highlands buildout. As a result, the Borough intends to review the information provided in Workbook D with Highlands Staff following submission of this petition for Basic Plan Conformance, and before development of the Borough's Third Round Housing Plan Element and Fair Share Plan for a petition to COAH for Third Round Substantive Certification in accordance with the June 8, 2010 petitioning date.

B. Summary and Consistency Review of Proposed Prior Round Sites

The Borough does not have any certified second round sites.

C. Housing Partnership Program

The Borough is interested in investigating the possibility of sending a portion of its affordable housing obligation to a Highlands Region receiving municipality through the Highlands Regional Affordable Housing Development Planning Program (RAHDPP). The Borough includes only Planning Area with and has no additional capacity to support new development in the sewer service area. In the absence of expanding capacity, new construction affordable housing production cannot be supported on Far Hills' limited inventory of municipally owned land, which is a limiting factor in the effective and cost-efficient production of affordable housing. As a result, Far Hills Borough wishes to send as many affordable units of its third round affordable housing obligation as possible under the RAHDPP. One major obstacle to the program for the Borough is the \$80,000 per unit.

Current housing trust funds are insufficient to pay these anticipated costs for participation in the RAHDPP. More information will be needed to make an informed decision by the

Borough, but items such as funding, cost per unit and administration of such units will have to be further analyzed. Municipal financing options are currently being evaluated to assess the capacity of the Borough to pay the cost for any affordable housing transfer that may be possible.

Summary of Adjusted Growth Share Projection Based On Land Capacity
(Introduction to Workbook D)

Municipality Code: **1807**

[Muni Code Lookup](#)

Municipality Name: **Far Hills Borough**

This workbook is to be used for determining the projected Municipal Growth Share Obligation by comparing growth projected by COAH with actual growth based on certificates of occupancy that have been issued from 2004 through 2008 and the RMP build-out analysis conducted under Module 2 of the Highlands RMP conformance process. Data must be entered via the "tabs" found at the bottom of this spreadsheet which may also be accessed through the highlighted links found throughout the spreadsheet. This workbook consists of five worksheets that, when combined on this introduction page, provide a tool that allows the user to enter exclusions permitted by N.J.A.C. 5:97-2.4 to determine the projected Growth Share Obligation. COAH-generated Growth Projections included in Appendix F(2) of the revised Third Round Rules, Highlands Council build-out figures based on Mod 2 Reports and actual growth based on COs as published by the DCA Division of Codes and Standards in The Construction Reporter are imported automatically upon entry of the Municipal Code.

[Click Here to enter COAH and Highlands Council data](#)

Municipalities seeking to request a revision to the COAH-generated growth projections based on opting in to the Highlands RMP may do so by providing this comparative analysis of COAH and RMP build-out projections. After completing this analysis, the growth projections may be revised based on the Highlands RMP build-out analysis. Actual growth must first be determined using the Actual Growth worksheet. The RMP adjustment applies only to RMP capacity limitations that are applied to growth projected from 2009 through 2018.

[Click Here to Enter Actual Growth to Date](#)

[Click Here to Enter Permitted Exclusions](#)

[Click Here to View Detailed Results from Analysis](#)

Summary Of Worksheet Comparison

	COAH Projected Growth Share	Growth Share Based on Highlands RMP
Residential Growth	92	87
Residential Exclusions	0	0
Net Residential Growth	92	87
Residential Growth Share	18.40	17.40
Non-Residential Growth	80	10
Non-Residential Exclusions	0	0
Net Non- Residential Growth	80	10
Non-Residential Growth Share	5.00	0.65
Total Growth Share	23	18

The Highlands RMP analysis results in a revision to the COAH-generated growth projection. Far Hills Borough may file this Workbook and use a Residential Growth Share of 17.4 plus a Non-residential Growth Share of 0.65 for a total Highlands Adjusted Growth Share Obligation of 18 affordable units

Growth Projection Adjustment - Actual Growth

Actual Growth 01/01/04 to 12/31/08

Municipality Name: Far Hills Borough

Residential COs Issued

As Published by D C S	4
Per Municipal Records (if different)	4
Qualified Residential Demolitions	

Note: To **qualify** as an offsetting residential demolition, the unit must be the primary residence of the household for which the demolition permit has been issued, it had to be occupied by that owner for at least one year prior to the issuance of the demolition permit, it has to continue to be occupied by that household after the re-build and there can be no change in use associated with the property. (See [N.J.A.C. 5:97-2.5\(a\)1.v.](#)) A Certification Form must be completed and submitted for each qualifying demolition.

[Get Demolition Certification Form](#)

Non-residential CO's by Use Group	Square Feet Added (COs Issued) As Published by D C S	Square Feet Added (COs Issued) per Municipal Records (if different)	Square Feet Lost Demolition Permits Issued)	Jobs Per 1,000 SF	Total Jobs
B	0	0		2.8	0.00
M	0	0		1.7	0.00
F	0	0		1.2	0.00
S	0	0		1.0	0.00
H	0	0		1.6	0.00
A1	0	0		1.6	0.00
A2	0	0		3.2	0.00
A3	0	0		1.6	0.00
A4	0	0		3.4	0.00
A5	0	0		2.6	0.00
E	0	0		0.0	0.00
I	0	0		2.6	0.00
R1	6,104	6,104		1.7	10.38
Total	6,104	6,104	0		10.38

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- [Proceed to Exclusions Tab](#)

Affordable and Market-Rate Units Excluded from Growth

Municipality Name: Far Hills Borough

Prior Round Affordable Units NOT included in Inclusionary Developments Built Post 1/1/04

Development Type	Number of COs Issued and/or Projected
Supportive/Special Needs Housing	0
Accessory Apartments	0
Municipally Sponsored and 100% Affordable	0
Assisted Living	0
Other	0
Total	0

Market and Affordable Units in Prior Round Inclusionary Development Built post 1/1/04

N.J.A.C. 5:97-2.4(a)

(Enter Y for yes in Rental column if affordable units are rentals)

Development Name	Rentals? (Y/N)	Total Units	Market Units	Affordable Units	Market Units Excluded
		0			0
		0			0
		0			0
		0			0
		0			0
Total		0	0	0	0

Jobs and Affordable Units Built as a result of post 1/1/04 Non-Residential Development

N.J.A.C. 5:97-2.4(b)

Development Name	Affordable Units Provided	Permitted Jobs Exclusion
	0	0
	0	0
	0	0
	0	0
Total	0	0

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COAH Growth Projections and Highlands Buildout Data

Must be used in all submissions

Municipality Name: Far Hills Borough

The COAH columns have automatically been populated with growth projections from Appendix F(2) found at the back of N.J.A.C. 5:97-1 et seq. The Highlands RMP Build-out columns have automatically been populated with residential and non-residential build-out figures from the municipal build-out results with resource and utility constraints found in Table 4 of the RMP Module 2 report. Always check with the Highlands Council for updates. If figures have been updated, enter updated build-out results. Use the Tabs at the bottom of this page or the links within the page to toggle to the exclusions worksheet of this workbook. After entering all relevant exclusions, toggle back to the introduction page to view the growth share obligation that has been calculated based on each approach.

COAH Projections

From Appendix F(2) found at the back of N.J.A.C. 5:97-1 et seq.
Allocating Growth To Municipalities

Residential	Non-Residential
92	80

Highlands RMP Buildout Analysis

From Module 2
Table 4 – Municipal Build-Out Results With Resource and Utility Constraints
Updated as of October 2, 2009

	Preservation Area	Planning Area	Totals
Residential units – Sewered	0	0	0
Septic System Yield	0	83	83
Total Residential Units	0	83	83
Non-Residential Jobs – Sewered	0	0	0

Note: Always check with the Highlands Council for updated municipal Build-out numbers. Enter build-out figures in the appropriate boxes only if revised figures have been provided by the Highlands Council.

[Click Here to link to current Mod 2 Build-Out Reports](#)

[Proceed to Enter Prior Round Exclusions](#)
[Retrun to Enter Actual Growth](#)
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Comparative Analysis Detail For Far Hills Borough

The following chart applies the exclusions permitted pursuant to N.J.A.C 5:97-2.4 to both the COAH growth projections and the projected growth that results from the Highlands RMP build-out analysis plus actual growth for the period January 1, 2004 through December 31, 2008.

	COAH			Highlands	
	Residential	Non-Residential		Residential	Non-Residential
Projected Growth From COAH Appendix F(2)	92	80	RMP Build-out results from Mod2 Table 4 Actual Growth from COs issued 2004 through 2008	83	0
Residential Exclusions per 5:97-2.4(a) from "Exclusions" tab COs for prior round affordable units built or projected to be built			Residential Exclusions per 5:97-2.4(a) from "Exclusions" tab COs for prior round affordable units built or projected to be built		
Inclusionary Development	0		Inclusionary Development	0	
Supportive/Special Needs Housing	0		Supportive/Special Needs Housing	0	
Accessory Apartments	0		Accessory Apartments	0	
Municipally Sponsored or 100% Affordable	0		Municipally Sponsored or 100% Affordable	0	
Assisted Living	0		Assisted Living	0	
Other	0		Other	0	
Market Units in Prior Round Inclusionary development built post 1/1/04	0		Market Units in Prior Round Inclusionary development built post 1/1/04	0	
Subtract the following Non-Residential Exclusions per 5:97-2.4(b) from "Exclusions" tab			Subtract the following Non-Residential Exclusions per 5:97-2.4(b) from "Exclusions" tab		
Affordable units	0		Affordable units	0	
Associated Jobs		0	Associated Jobs		0
Net Growth Projection	92	80	Net Growth Projection	87	10
Projected Growth Share (Residential divided by 5 and jobs divided by 16)	18.40	5.00	Projected Growth Share (Residential divided by 5 and jobs divided by 16)	17.40	0.65
Total Projected Growth Share Obligation		23 Affordable Units		18 Affordable Units	

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