

Far Hills Borough
2009 Periodic Reexamination
Of Master Plan and Development Regulations

Adopted: January 13, 2009

Prepared by:
Far Hills Borough Planning Board

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

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**Far Hills Borough
Periodic Reexamination of
Far Hills Borough Master Plan and Development Regulations**

Adopted – January 13, 2009

Executive Summary

The Borough of Far Hills adopted its last comprehensive Master Plan in January 2003. The 2003 Master Plan maintains the Borough's low-density rural, countryside/higher-density village neighborhood land use planning strategy that is the hallmark of land use and natural resource conservation in Far Hills Borough. The Borough's land use patterns were set in place during the late 19th and early part of the 20th centuries, and have prevailed from the incorporation of the Borough in 1921. The Village is organized adjacent to the Far Hills Railroad Station that was constructed in 1890. Rural, countryside zoning were enacted into law in the 1930's when the Borough adopted its first zoning ordinance that called for 25-acre lots in the countryside. In the 1940's, zoning was changed to permit 10-acre lots, which prevails today and has resulted in the rural, countryside land use patterns that immediately adjoin the Village and are evident throughout the Borough today.

The last comprehensive Master Plan prior to 2003 was adopted in 1988. The 1988 Master Plan continued the land use plan established in the early part of the century. In response to Municipal Land Use Law requirements that call for the periodic reexamination of municipal Master Plans and development regulations, the Planning Board adopted two reexamination reports since 1988, including one in 1994 and a second reexamination report in 2000. The 2000 Reexamination Report called for a comprehensive update to the Master Plan, which was adopted in 2003. The 2003 Master Plan acknowledged the Polo Club development, which is Court-mandated higher density zoning that was enacted in response to the Borough's affordable housing obligation that was identified by the State of New Jersey in 1987. Additional minor changes in the land use plan that relate to the carrying capacity of the land were included in the 1988 and 2003 Master Plan, including a lot-size averaging provision for the southeast portion of the Borough that adjoins The Hills Development. This reexamination report calls for maintaining the Borough's long-standing and existing land use plan, policies and zoning with no changes.

Introduction

This report has been prepared by the Far Hills Borough Planning Board in response to the statutory requirement for a periodic reexamination of Far Hills Borough's Master Plan and Development Regulations in accordance with N.J.S.A. 40:55D-89 of the Municipal Land Use Law, which provides for the following:

Article 11. Periodic Reexamination of Municipal Plans and Regulations.

40:55D-89. Periodic reexamination. The governing body shall, at least every six years, provide for a general reexamination of its master plan and development regulations by the planning board, which shall prepare and adopt by resolution a report on the findings of such reexamination, a copy of which report and resolution shall be sent to the county planning board.

A notice that the report and resolution have been prepared shall be sent to the municipal clerk of each adjoining municipality, who may, on behalf of the governing body of the municipality, request a copy of the report and resolution. A reexamination shall be completed at least once every six years from the previous reexamination. The reexamination report shall state:

a. The major problems and objectives relating to land development in the municipality at the time of the adoption of the last reexamination report.

b. The extent to which such problems and objectives have been reduced or have increased subsequent to such date.

c. The extent to which there have been significant changes in the assumptions, policies, and objectives forming the basis for the master plan or development regulations as last revised, with particular regard to the density and distribution of population and land uses, housing conditions, circulation, conservation of natural resources, energy conservation, collection, disposition, and recycling of designated recyclable materials, and changes in State, county and municipal policies and objectives.

d. The specific changes recommended for the master plan or development regulations, if any, including underlying objectives, policies and standards, or whether a new plan or regulations should be prepared.

e. The recommendations of the planning board concerning the incorporation of redevelopment plans adopted pursuant to the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et al.) into the land use plan element of the municipal master plan, and recommended changes, if any, in the local development regulations necessary to effectuate the redevelopment plans of the municipality.

a. The major problems and objectives relating to land development in the municipality at the time of the adoption of the last reexamination report.

Land Use Plan:

Village character - Maintaining the character of the Village and to protect the unique character and quality of the Village environment was cited as a primary land development objective in 2003. Appropriate controls to deter 'tear-down' were identified as strategic responses that may be needed to effectively protect Village character.

Scenic views and vistas - Maintaining the Borough's rural, countryside character, including ridgelines and natural views and vistas is a priority that could be potentially impacted by new residential development.

Regional traffic impacts - Regional growth and continued development pressure increasingly places traffic and congestion burdens on State, County and local roads during peak hours of travel.

Maintaining natural resources through zoning – Limiting the loss of natural resources, habitat and systems remains a concern as the remaining larger tracts of land become subject to subdivision. This is highlighted by potential conflicts between landowner expectations for development and the limits of natural systems on a given lot to support these systems under the current State and local regulatory environment. In some cases, natural resource constraints and

regulations remove large areas of a tract of land that were thought by the landowner to be developable. In addition, landowners' preferences to manage such areas through traditional landscaping methods frequently conflict with maintaining natural systems and their buffer areas in their natural state. Examples include stream corridors adjoining steep slope areas, wetland transition areas, and C-1 waterway buffers. A related concern is the need for managing vegetation in regulated areas such that invasive exotic trees, shrubs, plants and grasses may be eliminated and replaced with appropriate, attractive indigenous tree and plant species.

Protection of village residential uses - Nonresidential development pressures have highlighted the need to protect existing residential neighborhoods in the Village from changes in land use from residential to permitted nonresidential uses.

Village Parking - The availability of on-street parking continues to be problematic in certain sections of the Village where nonresidential uses require a greater supply of off street parking than is available.

Recognizing the need for economic relief to aging residents - Despite the Borough's stable local property tax condition, it is becoming more difficult for some of the Borough's aging residents in the Village to maintain their homes and innovative approaches to assist them should be explored.

Conservation Plan:

Surface water quality - Maintaining and improving surface water quality in streams and rivers through appropriate controls on development such as limits on impervious coverage and through the use of stormwater management techniques that maximize groundwater recharge.

Individual on-site septic system maintenance - The need was identified for regular individual on site septic system maintenance to ensure proper functioning of septic systems and protection of groundwater quality. A proactive approach to facilitate regular septic system maintenance by residents was recommended.

Maintaining ecological integrity – Protecting habitat of rare and endangered, special and unique or desirable, plant and animal species in wetlands, grasslands & meadows, woodlands and adjoining natural and undeveloped areas.

Steep slope, ridgeline and riparian area protection.

Housing Plan:

Diversifying affordable housing opportunities and addressing remaining First and Second Round NJ Council on Affordable Housing obligations.

Utility Service Plan Element:

The Borough's sanitary sewer system serving the village has maintained persistently high flows that impact the cost for wastewater treatment system in the Borough. There is a need to control wastewater flows to control costs to residents relying on sewer service.

Depending on the Borough's affordable housing obligation from the NJ Council on Affordable Housing, system capacity constraints on sewer service could require the acquisition of additional capacity, the cost of which is high and escalates monthly.

Recycling – The need for requiring nonresidential developments to adopt recycling plans was highlighted.

Aging sewer lines are problematic due to the condition of high seasonal water infiltrating the system, which cause increases in flows during periods of seasonal high groundwater and storm events.

Community Facilities Plan Element

Fire Protection Services – reuse of the Union Hook and Ladder Company (Station #1) on Dumont Road. The Station was constructed in 1931 and has been a Borough landmark. Now that a new combined station with Bedminster has been constructed at Miller Lane in Bedminster, the Station will no longer be needed for training or offices and will be sold. The proceeds from the sale of the Station will offset the Borough's share of the cost to construct the new firehouse at Miller Lane. The sale of the firehouse presents the opportunity for a creative adaptive reuse of the building. Parking is in short supply on the site, which may complicate redevelopment of the Station for private residential or nonresidential use. Due to its location on the parcel and limited opportunities for modifying the building in conformance with existing bulk standards, height and setback standards should be revised in the ordinance, or variance relief granted, if necessary to accommodate the effective adaptive reuse of the site in such a manner that will preserve the landmark appearance of the site.

Recreation Plan Element:

The Fairgrounds – Develop a cost-based usage fee structure taking into account both routine and long-term maintenance of the site, its improvements and police protection.

Municipal recreation programming - The Borough should assess whether the existing supply of recreation facilities at the Fairgrounds is adequate. Identification of improvements and additions to the Fairgrounds should be guided by a recreation advisory group and the Borough Council.

Moorland Farms – Investigate whether adequate State and County funding could be secured to purchase development rights and preserve the site in its existing condition. Owned by

the Far Hills Race Meeting Association, Moorland Farms is home to the Far Hills Race Meeting and formerly the Midland Run. The concern is that increasing property values will eventually lead to the conversion of a portion or all of the site to estate-type residential development.

Bridle trails – Maintaining the integrity and utility of the bridle trail network in the countryside is fundamental to preserving the equestrian way of life in Far Hills. Particular attention should be focused on maintaining the existing bridle trail network when a subdivision is proposed to protect and enhance this infrastructure.

Circulation Plan Element:

Traffic - Regional automobile traffic through the Borough, particularly during peak periods as workers are commuting to and from the major nearby employment centers. County Route 512 and Route 202 traffic volumes have served to increase the traffic flow through the Borough and on local Village streets. Increased traffic volumes in the southeast portion of the Borough south of I-287 as commuters seek to bypass congestion on the interstate where volumes range from 56,000 to 64,000 on a daily basis. Limited parking, available land and environmental constraints prevent the expansion of parking to accommodate increased ridership.

Aging infrastructure – Upgrades needed in the Village include curb, sidewalk and street paving. The Countryside roadway network will require pavement resurfacing and drainage improvements. Safety and traffic calming approaches for Douglas Road, which is the shared boundary with Bernards Township, should be jointly investigated with Bernards.

Scenic corridors and roadways – maintaining scenic corridors and roadways significantly define the Borough's rural, countryside character. Land use changes have the ability to permanently alter these features on local roads, which may be best protected through local subdivision and site plan ordinance standards.

Economic Plan Element:

Maintain the current proportion of businesses in the Village that provide essential retail and personal services to the residents of the Borough and adjacent Bedminster. The concern regards the potential impact of the gradual evolution of the Village toward a retail center consisting of more specialized retail shops that could adversely affect the residential quality of life in the Village, and exacerbate parking shortages.

b. The extent to which such problems and objectives have been reduced or have increased subsequent to such date.

Land Use Plan:

Village character - The Borough's Village character remains essentially unchanged from 2003, with minor exceptions, which include the conversion of two residential properties to office use – one on Peapack Road and one on DeMun Place; and the tear-down of a residence on Dumont Road that is being replaced with two new residential dwellings. The conversion of storage space at the former Ludlow Lumber Yard was approved for office use. As existing residents have continued to age in place, there remains a concern that more tear-downs may occur as the ownership of some of these properties may change. The tear-down concern remains one which may require local strategic responses in light of the fact that the existing structures on many developed properties are not now built to the minimum permitted setbacks and maximum permitted height and coverage standards identified in the ordinance. Existing conditions provides a sense of spaciousness that reinforces rural village character. This could change to a more crowded physical environment if gradually transformed over time by tear-downs and replacement dwellings that are constructed to the maximum permitted extent under current ordinance standards.

Scenic views and vistas – Maintaining and preserving scenic views and vistas remains an important local land use objective. Since adoption of the last Master Plan in 2008 a series of subdivision and site plan applications requiring relief from the Borough's scenic corridor and roadway standards have been approved (i.e. Peapack Road, Sunny Branch Road, Lake Road, Route 202). The ordinance provides alternative performance requirements, which vary according to the unique circumstances of each situation (i.e. long views and vistas, forested scenic corridors, etc.). Specific performance standards should be reviewed and evaluated to determine whether more prescriptive standards are necessary so that the application of the ordinance results in preservation of the existing conditions to the maximum extent possible. Ordinance standards such as the placement of buildings & structures, enhanced setback requirements, preferred materials should be added to clarify the application of the scenic roadway and corridor standards.

Regional traffic impacts - Regional traffic volumes have increased congestion on the Borough's local roadways during peak hour travel times. High traffic volumes at intersections without signalization along Route 202, Peapack Road and Liberty Corner Road Brook Road cause frustrating delays for residents entering these roadways during the peak hour from crossroads including, but not limited to village streets, Sunny Branch Road, Lake Road, and Douglas Road.

Maintaining natural resources through zoning – Recent subdivision activity has highlighted this concern due to situations where stream corridor, wetland and steep slope regulations resulted in applications for variance relief from local zoning standards. With the adoption of the Highlands Water Protection and Planning Act, the Highlands Regional Master Plan, and NJDEP policies that require NJDEP permit consistency with this regional planning initiative, the conflict between landowner development objectives and natural resource protection is amplified.

Protection of village residential uses – Recent variance applications for changes of use from residential to nonresidential/office uses have highlighted the problem of introducing impacts of increased coverage for parking and circulation, traffic impacts, noise and lighting on

adjoining residential uses. Over time, these impacts could have the effect of encouraging additional conversions from residential to nonresidential uses, which in turn could reduce the number of residences and the residential character of the village.

Village Parking - The Borough has proactively addressed the parking problem caused by railroad station commuters by enacting 4-hour parking limits on local village roads. However, a shortage of off-street parking for existing nonresidential uses continues to result in isolated 'pockets' of on-street parking shortages.

Recognizing the need for economic relief to aging residents – Maintaining favorable conditions for the Borough's aging residents in the Village to remain in their homes remains a concern. This has been highlighted recently with the Borough's investigations into planning for affordable housing, during which options for Borough sponsorship of affordable housing development were considered. Locally sponsored affordable housing provides a benefit of limiting the overall growth of the Borough, which could be associated with an inclusionary development solution that consists of 80% market/20% affordable units. However, the cost burden of constructing and managing municipally sponsored housing will result in added costs to residents who have enjoyed a stable tax rate.

Housing Plan:

The Borough's prior round (First and Second Round) affordable housing obligation has been largely satisfied through the construction of 25 units at the Polo Club, and 6 age-restricted rental apartments at the Ludlow redevelopment site. Diversifying affordable housing opportunities and addressing remaining prior round and Third Round NJ Council on Affordable Housing obligations remains a priority, which must be fully planned for by December 8, 2009.

Utilities Element

Sewer treatment is provided by a private utility at considerable cost to the Borough. The Borough continues to be plagued by capacity limits on the Borough's sanitary sewer system serving the village due to persistently high flows that impact the cost for wastewater treatment in the Borough. A recent consideration by the Borough Council to control flows by requiring water saving toilets in homes connected to the sanitary sewer system was not favorably received by residents. Increased costs for wastewater treatment may eventually have to be passed on to those village residents who are connected to the sewer system, which would significantly impact the affordability of sewer service on Village residential and commercial units.

The Borough relined the sanitary sewer system collection lines in the Village to reduce inflow and infiltration of ground water. This project yielded reductions in system flow, however the benefits of this project were not fully effective, and infiltration of groundwater continues to elevate normal system flows during seasonal high water periods and storm events.

Affordable Housing sewer capacity - Almost any solution to addressing the Borough's affordable housing obligation from the NJ Council on Affordable Housing will result in significant costs associated with connection to and the delivery of sewer service. This condition has worsened considerably, with individual connection costs now totaling approximately \$40,000 per connection per dwelling unit.

The borough adopted revised recycling ordinance requiring residential and nonresidential development to plan for adequate recycling facilities as part of all developments.

Community Facilities Plan Element

Fire Protection Services – reuse of the Union Hook and Ladder Company (Station #1) on Dumont Road remains a priority. Reuse of the Station in a manner that is consistent with its status as a local landmark also continues to be a priority. Because the amount of the sale of the firehouse realized by the Fire Company will offset the amount of the Borough's contribution to the construction cost for the new Miller Lane fire station, its resale and reuse continues to be a concern. All service to the Far Hills / Bedminster Fire Company has been discontinued, and the Station is now being used for storage and parking by Team Welsh, the local new and used car dealer that trades from 36 Dumont Road across the street from the Fire Station. Village roads in the vicinity of the dealership exhibit parking shortages, due to the dealer's need for parking of new, used and service vehicles in close proximity to the dealership. The sale of the Fire Station will displace this parking resource for the dealer. Limited on-site parking at the Fire Station is likely to have a direct impact on its reuse potential, which may in turn impact its ultimate sales price received by the Fire Company.

Recreation Plan Element:

The Fairgrounds – A cost-based usage fee structure has been implemented for recreation users at the Fairgrounds. The fee structure is based upon the size of the area and duration of time that recreation users require use of the site. There is no charge to private, non-profit recreation users. The fee structure appears to be adequate to cover the cost for routine and long-term maintenance of The Fairgrounds.

Municipal recreation programming - The Borough has established an advisory Recreation Committee, which continually assesses whether the existing supply of recreation facilities relative to local needs, which may be accommodated at The Fairgrounds is adequate. The Committee's advice has been integrated into annual spending decisions and improvements undertaken by the Borough Council. The Borough receives an annual grant from Somerset County, which the Council has used for improvements such as a tot-lot, fencing, basketball court resurfacing, new backstops and bases, benches, etc., which were recommended by the Recreation Committee.

Moorland Farms – The present owners of Moorland Farms have no intentions to develop the site and discontinue the Far Hills Race Meeting. The signature Steeplechase Race events

generate significant annual contributions for the benefit of the Somerset Medical Center. Since the 1950s, the events have raised more than \$17 million for the Medical Center through the Somerset Medical Center Foundation. The vitality of this event provides reassurances that the site will remain in its current use well into the future, however this site is a signature landscape and its survival as a location for the Steeplechase and open space remains a local priority.

Bridle trails – Since the adoption of the 2003 Master Plan, there have been subdivision applications that the Planning Board approved with conditions to maintain bridle trail connections through the properties being subdivided. Maintaining the integrity and utility of the bridle trail network in the countryside remains fundamental to preserving the equestrian way of life in Far Hills.

Circulation Plan Element:

Traffic - Regional automobile traffic through the Borough during peak hour periods of travel as workers are commuting to and from the major nearby employment centers remains a problem. Traffic signals assist local motorists in gaining access to County Route 512 and Route 202; however traffic volumes along these roads continue to increase over time. Additional traffic signalization along these roads does not appear to be necessary at the present time. The Borough's concern is that additional signals installed at the intersection of local roads with the State and County roads will serve to add to traffic delays and congestion in the Borough.

Aging infrastructure – Village roads, curbs and sidewalks have been reconstructed and are in good condition. Recent resurfacing of Lake Road and improvements to Douglas Road, including the replacement of a bridge across the Mine Brook in cooperation with Bernards Township and Somerset County have been completed. Resurfacing of Far Hills Avenue and Schley Road are soon to be completed.

Scenic corridors and roadways – Maintaining scenic corridors and roadways continue to remain a local priority and consistent with the Borough's overall land use policies to maintain and preserve the Borough's rural, countryside character to the extent achievable.

Economic Plan Element:

Maintaining the current proportion and extent of businesses within nonresidential zones in the Village remains a local planning objective. A use variance for professional office use on Peapack Road was granted, which extended nonresidential use along County Route 512 to the north. While the site is somewhat isolated from the core Village residential area and the history of uses on the site included television repair and low-intensity commercial use, careful site planning was required including substantial buffering and drainage improvements to protect adjoining residential uses from nonresidential use and increased coverage impacts. The impacts of nonresidential uses, increases in coverage and fragmentation of the core residential area of the Village remains a concern.

c. The extent to which there have been significant changes in the assumptions, policies, and objectives forming the basis for the master plan or development regulations as last revised, with particular regard to the density and distribution of population and land uses, housing conditions, circulation, conservation of natural resources, energy conservation, collection, disposition, and recycling of designated recyclable materials, and changes in State, county and municipal policies and objectives.

Significant changes in the assumptions, policies, and objectives forming the basis for the master plan or development regulations, as last revised:

Summary and Chronology of State Regulatory and Statutory Changes

State Development and Redevelopment Plan

- Since the 2003 Master Plan adoption, the State Planning Commission conducted a review of the State Development and Redevelopment Plan (SDRP) adopted in March 2001. This review, which was initiated with the release of the 2004 Preliminary Plan in April 2004, commenced the cross-acceptance process, which is the mechanism in the State Planning Act for the analysis of State, County and municipal policies with the intent of providing consistency in policies among the various levels of government. The initial part of the cross-acceptance process is termed the comparison phase, during which each County, which is the negotiating entity for its municipalities, conducts a detailed analysis of State, County and local policies and identifies consistencies and inconsistencies.

During this phase the County and the Borough reviewed the SDRP's Resource Planning and Management Structure (RPMS) that divides the State into five Planning Areas (PA-1 to PA-5), ranging from urban to rural and environmentally sensitive, and provides policy objectives for each Planning Area. Far Hills Borough includes two Planning Area designations: PA-4, the Rural Planning Area; and PA-5, the Environmentally Sensitive Planning Area. A designation for parkland was also established. Policy objectives for Planning Areas 4 and 5 seek to enhance agricultural viability and rural character. Far Hills Village was a designated center, which expired along with all other center designations in 2008. The Permit Extension Act (PEA) of 2008 extended center designations for all expired centers that are situated outside of the Highlands Region. Thus, Far Hills Center designation was not extended under the PEA due to its location within the Highlands Regional Planning Area.

Highlands Water Protection and Planning Act

- In June 2004, the NJ Legislature passed, and Governor McGreevey signed into law, the Highlands Water Protection and Planning Act, which established a comprehensive regional planning structure designating a Highlands Region consisting of 88 municipalities in seven counties in NJ. Far Hills Borough is included in the Highlands Region. The Act established the NJ Highlands Council, which was charged in the legislation with preparing a regional master

plan for the Highlands Region. The essence of this legislation is protection of Highlands water resources upon which an estimated 8 million people in NJ and Pennsylvania are dependent for their water supply. This legislation also calls for the protection of Highlands natural resources and divides the Region into two management areas: the Preservation Area, which includes strict land use controls; and the Planning Area, within which conformance with a Highlands Regional Master Plan called for in the Act is voluntary. The Act designated Far Hills within the Planning Area portion of the Highlands Region.

NJDEP Stormwater Management Rules

- In 2005, the NJDEP adopted long-awaited stormwater management rules, which resulted in the requirement for municipalities to adopt an individual Stormwater Management Plan, and established new standards for stormwater treatment and discharge. In addition, these rules established a 300' buffer around all Category 1 (C-1) waters in the State. Mandatory stormwater management ordinances were also required to be adopted by all NJ municipalities. Also in 2005, Far Hills Borough amended its Master Plan to include a Stormwater Management Plan Element as required under the regulations. The Borough Council subsequently enacted stormwater management ordinances as required.

NJ Council on Affordable Housing

- The Council on Affordable Housing (COAH) proposed and adopted new rules for the provision of affordable housing (Third Round rules) in December 2005. The Borough prepared and submitted a new Housing Plan Element and Fair Share Plan (HPE/FSP) to COAH in January 9, 2007. Later in January 2007, the Appellate Division of the NJ Superior Court issued a decision invalidating portions of COAH's Third Round rules, which suspended the COAH certification process, and along with that suspension, any review of the Borough's amended Housing Element and Fair Share Plan. The Court ordered COAH to undertake revised rule-making, which results in the need for municipalities in the COAH process to revise housing elements and fair share plans once new rules are adopted. Thus, the Borough must once again amend its HPE/FSP accordingly.
- In January 2008, the NJ Council on Affordable Housing (COAH) published proposed revised 3rd Round rules in the NJ Register. In May 2008, COAH adopted the revised 3rd round rules. In June 2008, COAH published amendments to the regulations adopted in May 2008.

NJDEP Water Quality Management Planning Rules

- In July 2008, new rules governing Water Quality Management Planning became effective. The new rules designated the State's 21 Counties as the lead agencies for wastewater management planning. Under these rules, each municipality becomes a chapter in the County's Water Quality Management Plan. Municipalities are no longer eligible to prepare, adopt and amend local wastewater management plans.

Flurry of Highlands RMP, COAH & NJ Fair Housing Act Amendments

- In July 2008, the Highlands Council adopted the Highlands Regional Master Plan (RMP), which sets forth goals, policies and strategies for water and natural resource protection, including land use policies which designate an overlay zoning program for all lands in the Highlands region. The RMP divides the region into two areas identified as the “preservation area” and the “planning area”. In the Preservation Area, the Highlands Act requires that all municipalities conform to the RMP. Planning Area municipalities may conform to the RMP, but are not required to do so. Far Hills Borough is designated entirely within the “Planning Area”.
- In July 2008, the NJ Legislature passed Assembly Bill A-500 and identical Senate Bill S-1578, which amend the Fair Housing Act. A-500 eliminated Regional Contribution Agreements (RCA’s) as an affordable housing technique for all municipalities, except those included within the Pinelands Region, Hackensack Meadowlands, municipalities included under the jurisdiction of the Fort Monmouth Economic Revitalization Planning Authority (FMERPA), and the Highlands Region. A-500 imposed a mandatory 2.5% nonresidential development fees in all municipalities statewide. A-500 eliminated growth share ordinances, which had enabled municipalities to pass on the responsibility for constructing affordable housing to the developer, or alternatively collect payments in lieu of construction based upon the actual cost to construct affordable housing in a municipality.
- In September 2008:
 - Governor Corzine allowed Highlands Regional Master Plan, which was adopted by the Highlands Council in July, to take effect.
 - The Governor signed Highlands Executive Order 114 (EO-114) requiring Highlands Council and COAH to coordinate revised 3rd round Highlands’ municipal fair share calculations for Highlands municipalities. EO-114 also directed the NJDEP to coordinate water supply and wastewater management planning with the NJ Highlands Regional Master Plan, and perhaps most significantly, directs that the NJDEP may not issue approvals for additional water supply and wastewater management facilities in areas of the Highlands (i.e. watersheds) that are in a water supply deficit. Portions of Far Hills are deemed to be in a water supply deficit in the Highlands RMP.
 - The Governor signed A-500 into law.
- In September 2008, COAH adopts rule amendments; introduced new rule amendments addressing public comments on the June 2008 proposed rules; however; COAH’s proposed rule amendments are silent on A-500 provisions (requiring additional rules amendments). COAH is silent on EO-114, which requires COAH and Highlands Council to establish procedures to coordinate the calculation of revised affordable housing obligations for Highlands municipalities with the Highlands RMP Conformance schedule (extension to December 2009).

Highlands Extension of COAH Deadline to Petition for Third Round

- In September 2008, the Highlands Council issued guidance to Highlands municipalities concerning EO114, establishing procedures for Highlands municipalities to extend the 3rd Round deadline from December 31, 2008 to December 8, 2009 - without COAH concurrence.

- In November 2008 as a result of EO114 signed by Governor Corzine, COAH and the NJ Highlands Council signed a joint memorandum of understanding, which establishes the basis for Highlands municipalities to defer petitioning COAH for Third Round Substantive Certification of their updated Round Three Housing Plan Element and Fair Share Plan. The deferral includes an extension of time within which Highlands municipalities must petition COAH for third Round Substantive certification, provided that a municipality adopts the following two resolutions:
 - A resolution of Notice of Intent to Conform to the Highlands Regional Master Plan by December 8, 2009. For Planning Area municipalities, such as Far Hills Borough, this Notice of Intent to Conform to the RMP is nonbinding. However the Notice of Intent requires that the Borough conduct an investigation into whether the Borough will choose to conform to the Highlands Regional Master Plan. Part of this evaluation will include a Highlands Council modeled build-out assessment to determine whether COAH's growth projection for the Borough should be adjusted in accordance with the proposed Highlands Plan and regulations; and
 - A resolution notifying COAH that the Borough is extending the deadline to petition COAH for Third Round Substantive Certification of its updated Third Round Housing Plan Element and Fair Share Plan in accordance with COAH's waiver procedures established for Highlands municipalities.

Far Hills Borough adopted these two resolutions, which result in an extension of time to prepare its updated Third Round Housing Plan Element and Fair Share Plan. The Notice of Intent to Conform to the Highlands RMP is nonbinding on the Borough and will enable the Borough to evaluate the impact of Highlands regulations relative to the development potential of the Borough under the Highlands RMP. If at any time the Borough chooses not to conform to the Highlands RMP, the Borough will be required to petition COAH for Third Round Substantive Certification in accordance with N.J.A.C. 5:97-1 et seq. as constituted on December 31, 2008 and utilizing COAH's growth projections for household and employment growth from which the Borough's third round affordable housing obligation is derived.

COAH – Highlands Scarce Resource Restraint Order

An ancillary effect of the Borough availing itself of the time to prepare its updated Third Round Housing Plan Element and Fair Share Plan is that municipal actions regarding development approvals is subject to a Scarce Resource Restraint Order. COAH adopted the Scarce Resource Restraint Order after the Borough adopted its two resolutions for an extension to petition COAH for Third Round Substantive Certification. This order limits the municipality's approval authority to the following:

- single-family or duplex units on existing lots,
- any residential development that includes at least a 20 percent set-aside on-site for affordable housing; or
- any activity that is formally determined to be exempt from the Highlands Act; or is formally granted a waiver under the Highlands Act or the RMP;

The Scarce Resource Restraint Order is to remain in full force and effect in every Highlands municipality, irrespective of whether or not the December 31 deadline was extended, until such time as

the municipality receives substantive certification from COAH or demonstrates to COAH that appropriate measures have been taken to preserve scarce land, water, and sewer resources and those resources have been dedicated on a priority basis for the production of affordable housing. COAH provided municipalities with additional guidance on the application of the order to local Boards clarifying a range of activities and that are approvable under the order in December 2008.

The summary of ‘significant changes in the assumptions, policies, and objectives forming the basis for the master plan or development regulations’ described above is a series of far-reaching changes in a complex web of State regulations that will require the Borough to evaluate the potential impacts that these changes may have on Far Hills’s Master Plan and development regulations. Unfortunately, Far Hills’ location within the region, including a railroad station positions the Borough under State and Highlands Regional planning policies as a location that may be appropriate to accommodate regional growth. There are certain requirements in these regulations where Borough action may be warranted.

One area for investigation is the Borough’s affordable housing obligation, which is subject to the rash of revised rules that have been issued and adopted by COAH in 2008. Another important area of consideration is formulating a response to existing and potentially emergent wastewater treatment needs in the Borough under the Highlands Regional Master Plan, the directives of EO-114 and NJDEP’s new Water Quality Management Planning Rules (N.J.A.C. 7:15-1 et seq.).

Despite the fact that the Borough’s sewer service area is nearly built-out with a limited supply of land that is available for new development, the existing density and distribution of population and land uses could potentially be significantly effected by all of the State planning and regulatory changes listed in the summary above. It is expected that the Borough’s efforts to manage change in the future will require familiarity with and potentially conforming to the new regulatory landscape.

Two areas requiring the Borough’s focus are the new COAH regulations and the Highlands Regional Master Plan. With regard to COAH, a remaining Prior Round affordable housing obligation is identified for the Borough, and a prospective Third Round obligation has been assigned. The Borough’s initially assigned affordable housing obligation will likely require consumption of the few remaining undeveloped areas within the village and sewer service area in the Borough. EO-114 and COAH and the NJ Highlands Council’s November 2008 memorandum of understanding provides an opportunity to adjust the Borough’s affordable housing obligation once the Highlands carrying capacity estimates are taken into consideration. These investigations will be required in 2009.

d. The specific changes recommended for the master plan or development regulations, if any, including underlying objectives, policies and standards, or whether a new plan or regulations should be prepared.

Highlands Regional Master Plan (RMP)

The Borough should evaluate the potential impact of the Highlands RMP development regulations and consider whether the Borough should conform local ordinances to the RMP. This process has been started by the Borough adopting a Resolution of a Notice of Intent to Conform to the Highlands RMP,

which has been submitted to the Highlands Council. As part of this evaluation, the Borough could investigate local wastewater treatment area designations. and determine whether the sewer service area in the Borough should be expanded. Under the Highlands RMP, the Highlands Council is authorized to recommend to the NJDEP any amendments to local Water Quality Management Plans and adjustments in sewer service areas that the Council deems to be consistent with the RMP.

NJ Council on Affordable Housing (COAH)

During 2008, the Planning Board and Borough Council conducted exhaustive investigations into formulating a response to the Borough's affordable housing obligations. It was found that the Borough's limited land and sewer capacity constraints significantly narrowed options for addressing the obligation without introducing unwanted growth impacts to neighborhoods in the Borough.

The Borough should continue to investigate opportunities to provide affordable housing. These continuing planning efforts should be conducted in tandem with investigating the potential impact of conforming to the Highlands RMP development regulations. An amended Housing Plan Element and Fair Share Plan (HPE/FSP) must be adopted prior to December 8, 2009, which is the period of extension beyond December 31, 2008, which the Borough has secured to amend the Third Round HPE/FSP and re-petition COAH for Third Round Substantive Certification. The Borough should consider the recommendations set forth in the zone and district regulations section below as they relate to addressing the Borough's affordable housing obligation.

The Borough should investigate opportunities for housing for the elderly, particularly residents of the Borough that could benefit from housing targeted at the needs of the elderly.

Zone & District Regulations Recommendations

R-5, R-9, NO and VC Zones –

Within these sewer service zones, conduct a review of existing bulk standards, including building setbacks, permitted building height and allowable coverage to determine whether these standards should be adjusted in anticipation of future land use changes within the Village area.

Review permitted nonresidential development options and amend development standards where necessary to better protect adjoining residences wherever nonresidential development is permitted adjacent to existing residences and residential neighborhoods. Where nonresidential/residential mixed use is permitted, consider requiring that the residential component include affordable housing and amend district regulations accordingly.

Review permitted residential apartment development options and amend regulations with incentives to encourage affordable housing conversions and accessory apartment creation within the existing single-family residential housing stock.

Review bulk standards applicable to the VC Zone and particularly the Fire Station and amend bulk, height, coverage standards and parking requirements to incentivize redevelopment of this site in a manner that is consistent with (1) adaptive reuse of the building, and (2) maintaining the Station's 'landmark' status in the Village.

R-3 Zone –

In conjunction with the Borough's affordable housing obligation, conduct a review of the R-3 zone to determine whether and to what degree this zone should accommodate a portion of the Borough's affordable housing obligation. If the zone is found to be an acceptable candidate for accommodating a portion of the Borough's affordable housing obligation, identify an alternative minimum lot for this zone and/or a density standard to permit the development of a moderate amount of affordable housing.

Ordinance Section 803.F. –

Review and amend where necessary the specific performance standards to establish more prescriptive standards to preserve existing scenic conditions to the maximum extent possible. Ordinance standards such as the placement of buildings & structures, enhanced setback requirements, buffering and preferred building and structure materials should be added to clarify the application of the scenic ordinance standards.

Amend the Borough's Stormwater Management Plan and stormwater management ordinances in accordance with NJDEP requirements.

e. The recommendations of the planning board concerning the incorporation of redevelopment plans adopted pursuant to the "Local Redevelopment and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et al.) into the land use plan element of the municipal master plan, and recommended changes, if any, in the local development regulations necessary to effectuate the redevelopment plans of the municipality.

Local Redevelopment and Housing Law

Redevelopment Planning in accordance with the Statute identified above involves a local planning process of investigation into the physical conditions of areas and sites within the municipality to identify and characterize 'blighted conditions' or other that may warrant the use of extraordinary municipal actions, such as condemnation of sites to address such conditions. The process includes public hearings, a recommendation by the Planning Board to designate a Redevelopment Area, and a governing body designation of a Redevelopment Area by local ordinance. Then, a Redevelopment Plan is prepared and adopted by the Planning Board, which is in turn adopted by the governing body. The Redevelopment Plan then serves to identify specific actions that are to be taken and implementation measures. The Plan, once adopted by the governing body would function as a zoning overlay ordinance that supersedes underlying zoning designations.

The Far Hills Borough Planning Board does not recommend any areas of the Borough for investigation or investigation under the Redevelopment statute.