## **EXHIBIT "1"**

#### **RESOLUTION NO. 39-2025**

RESOLUTION OF THE TOWNSHIP OF HANOVER, COUNTY OF MORRIS AND STATE OF NEW JERSEY, ADOPTING THE TOWNSHIP'S AFFORDABLE HOUSING PRESENT AND PROSPECTIVE NEED OBLIGATIONS FOR THE PERIOD OF JULY 1, 2025 THRU JULY 1, 2035 IN ACCORDANCE WITH P.L. 2024 C.2, AND RESERVING ALL RIGHTS

**WHEREAS**, the Township of Hanover (hereinafter "Township") has a demonstrated history of voluntary compliance with the <u>Mount Laurel</u> doctrine and the New Jersey Fair Housing Act, <u>N.J.S.A.</u> 52:27D-301, et seq. ("FHA"); and

WHEREAS, pursuant to In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1 (2015) (Mount Laurel IV), in July 2015, the Township filed a Declaratory Judgment Action in Superior Court, Law Division, Morris County, under Docket No. MRS-L-1635-15 ("2015 Action") seeking, amongst other things, a judicial declaration that the Township's Housing Element and Fair Share Plan (hereinafter "Fair Share Plan"), to be amended as necessary, satisfies its "fair share" of the regional need for low and moderate income housing pursuant to the "Mount Laurel doctrine;" and

WHEREAS, the Township's 2015 Action ultimately culminated in a Court-approved Housing Element and Fair Share Plan and a Final Judgment of Compliance and Repose, entered on May 3, 2021, which entitles the Township to immunity and precludes Mount Laurel lawsuits and exclusionary zoning litigation, including builder's remedy lawsuits, from being filed against the Township until after July 1, 2025; and

**WHEREAS**, on March 20, 2024, Governor Murphy signed into law, P.L. 2024, c.2, which among other things, amended various provisions of the FHA, abolished the Council on Affordable Housing ("COAH") and established the Affordable Housing Dispute Resolution Program ("Program"); and

**WHEREAS**, P.L. 2024, c.2, sets forth that Fourth Round period of affordable housing obligations shall run from July 1, 2025 through June 30, 2035 ("Fourth Round" or "Round Four"); and

**WHEREAS**, pursuant to P.L. 2024, c.2, the Township is located in Region 2, which is comprised of Essex, Morris, Union and Warren counties; and

WHEREAS, the amendments to the FHA require the Department of Community Affairs ("DCA") to prepare and publish a report on the calculations of the regional need and each municipality's present and prospective need affordable housing obligations for the Fourth Round within seven months of March 20, 2024; and

WHEREAS, on October 18, 2024 the DCA published its report on the calculations with respect to Statewide regional need and municipal present and

prospective need affordable housing obligations for the Fourth Round (the "DCA Report"); and

- **WHEREAS**, pursuant to P.L. 2024, c.2, the DCA has calculated the total statewide prospective need obligation to be 84,698 units, which equates to a statewide new construction obligation of over 8,400 affordable units per year; and
- **WHEREAS**, the DCA Report calculates the Township's non-binding Round 4 obligations as follows: 1) a Present Need or Rehabilitation obligation of "69"; and 2) a Prospective Need or New Construction Obligation of "544"; and
- **WHEREAS**, pursuant to <u>N.J.S.A.</u> 52:27D-304.1e of the FHA, the calculations in the DCA Report are not binding on municipalities; and
- **WHEREAS**, rather, pursuant to <u>N.J.S.A.</u> 52:27D-304.1 of the FHA, each municipality is required to determine its respective Fourth Round present and prospective need fair share obligations, and adopt a binding resolution describing the basis for the municipality's determination on or before January 31, 2025; and
- **WHEREAS**, P.L. 2024, c.2, each municipality shall determine its Fourth Round present and prospective need fair share obligations, with consideration of the calculations in the DCA Report, and in accordance with the formulas established in N.J.S.A. 52:27D-304.2 and -304.3 of the FHA using "necessary datasets that are updated to the greatest extent practicable"; and
- WHEREAS, the Township's Planner, Affordable Housing Planner, Municipal Attorney and Tax Assessor have reviewed the DCA Report along with the underlying data and data sets relied upon by the DCA in reaching its non-binding calculations for the Township, and have carefully considered and analyzed the most up-to-date land use approvals, environmental constraints and other site specific information, construction permits, and MOD-IV data maintained and on file with the Township with regard to the land capacity and equalized non-residential valuation allocation factors; and
- WHEREAS, the Township Construction Official has further performed a structural conditions survey of the Township's existing dwellings in accordance with the requirements of COAH's prior round regulations; and
- WHEREAS, based upon the above analysis and the structural conditions survey, the Township Affordable Housing Planner has determined that the estimate set forth in the DCA Report with respect to the Township's Present Need Obligation is incorrect, and based upon the structural conditions survey prepared by the Township's Construction Official, the Township's Present Need Obligation is more accurately reflected to be "10"; and

- **WHEREAS**, the Township has further determined that the DCA's non-binding calculation of the Township's prospective need obligation of "544" is incorrect and erroneous for multiple reasons; and
- WHEREAS, in particular, the Township Planner and Affordable Housing Planner have confirmed that the DCA arrived at the Township's land capacity factor using incorrect assumptions and inaccurate data to erroneously determine that approximately 94.65 acres of land within the Township is "developable"; and
- WHEREAS, using the most up-to-date localized data and information available to the Township, the Township Planner and Affordable Housing Planner have determined that only 15.11 acres of land within the Township is "developable" after consideration is given to preserved land, deed restrictions, environmental constraints and restrictions (including wetlands, wetland buffers, floodways, watercourses, and steep slopes), land use approvals, properties currently under construction of inclusionary development, construction permit data, and MOD-IV data, amongst other updated and verifiable localized data and information; and
- **WHEREAS**, the Township Affordable Housing Planner has further independently calculated the Township's Fourth Round Prospective Need affordable housing obligation based on the formulas, criteria, methodology and datasets required by sections 6 and 7 of P.L. 2024, c. 2 (N.J.S.A. 52:27D-304.2 and -304.3, and has arrived at a Fourth Round Prospective Need Obligation that accurately reflects the most up-to-date pertinent factual data specific to the Township; and
- **WHEREAS**, based upon the calculations of the Township Affordable Housing Planner, the Township has determined that its Fourth Round Prospective Need or New Construction obligation is 442; and
- WHEREAS, the Township Affordable Housing Planner has prepared a report setting forth this analysis, which includes a summary of all relevant factors and considerations and the basis for such opinions and conclusions, which are summarily incorporated by reference above and which is attached hereto as Exhibit "A"; and
- **WHEREAS**, N.J.S.A. 52:27D-304.1f(1)(b) provides that: "the municipality's determination of its fair share obligation shall have a presumption of validity, if established in accordance with sections 6 and 7 of P.L. 2024, c.2 ... [;]" and
- WHEREAS, the Township's calculation of its Present Need and Prospective Need obligations is/are entitled to a "presumption of validity" because it complies with Sections 6 and 7 of P.L. 2024, c.2; and
- WHEREAS, the Township, however, specifically reserves the right to adjust its Present Need and Prospective Need Obligations, including for any of the foregoing adjustments: 1) a structural conditions survey or similar exterior survey which accounts for a lower present need; 2) a Vacant Land Adjustment predicated upon a lack of vacant, developable and suitable land; 3) a Durational Adjustment (whether predicated

upon lack of sewer or lack of water); and/or 4) an adjustment predicated upon regional planning entity formulas, inputs or considerations, including, but not limited to the Highlands Regional Master Plan and its build-out; and

WHEREAS, in addition to the foregoing, the Township specifically reserves all rights to revoke this resolution and Fourth Round commitment in the event of: (1) a successful challenge to P.L. 2024, c.2 as a result of the pending litigation entitled: Borough of Montvale et al, v. State of New Jersey, et al., Docket No.: MER-L-1778-24; (2) any other successful challenge to P.L. 2024, c.2, or any directive or regulation adopted pursuant thereto; and/or (3) any subsequent legislative or regulatory enactment which alters or changes the deadlines, calculations, methodology and/or other requirements of P.L. 2024, c.2; and

**WHEREAS**, the Township further specifically reserves the right to take a position that its Fourth Round Present or Prospective Need Obligations are lower than described herein in the event that a third party challenges the calculations provided for in this Resolution (a reservation of all litigation rights and positions, without prejudice); and

WHEREAS, in addition to the foregoing, nothing in P.L. 2024, c. 2 requires or can require an increase in the Township's Round 4 Present or Prospective Need Obligations based on a successful downward challenge of any other municipality in the region since the plain language and clear intent of P.L. 2024, c.2, is to establish, for example, unchallenged numbers by default as of March 1, 2025; and

**WHEREAS**, in light of the above, the Township Committee of the Township of Hanover finds that it is in the best interest of the Township to declare its obligations in accordance P.L. 2024, c.2 in accordance with this resolution.

**NOW, THEREFORE, BE IT RESOLVED** by the Township Committee of the Township of Hanover, in the County of Morris, and State of New Jersey as follows:

- 1. All of the Whereas Clauses set forth above are hereby incorporated into the operative clauses of this resolution by reference.
- 2. The Township Committee hereby commits to a Round 4 Present Need Obligation of 10 and the Round 4 Prospective Need Obligation of 442, as described in this resolution, and which such commitment to the Township's Fourth Round Affordable Housing Obligations be and is hereby subject to the Township's reservation of all rights it may have, as described in this Resolution or otherwise, to revoke, repeal, suspend, amend or modify this Resolution by further action of the Township, including but not limited to, the following:
  - a) The right to adjust, modify, cancel, withdraw or revoke the Township's commitment to its Round 4 Present Need and Prospective Need Obligations, and/or to otherwise revoke, repeal, suspend, amend, or

modify this Resolution should additional information or evidence become available or discoverable to the Township in the future;

- b) The right to adjust the Prospective Need Obligation based on lack of available vacant and developable land, sewer, water, and/or due to regional planning inputs formulas or considerations, including, but not limited to the Highlands Regional Master Plan and its build-out, or any combination of the above;
- c) All rights to revoke this Resolution in the event of a successful legal challenge to P.L. 2024, c.2, a legislative change to P.L. 2024, c. 2, or any successful challenge to any directive or regulation adopted pursuant to P.L. 2024, c.2, or any change or amendment to such directives or regulations;
- d) All rights to take a position that the Township's Fourth Round Present or Prospective Need Obligation(s) is/are lower than described herein in the event that a third-party challenges the calculations provided for in this Resolution; and/or
- e) All rights to take a position that the Township's Round 4 Present and/or Prospective Need Obligation(s) is/are lower than described herein in the event a third-party claims the Township's Round 4 Present or Prospective Need Obligations require an increase based on a reallocation or modification of the Regional Present or Prospective Need Obligations allegedly due from successful reduction of the allocated present and prospective need obligations assigned to another municipality in the Region.
- 3. The Township's calculation of Present and Prospective Need Obligations is/are entitled to a "presumption of validity" because the calculations comply with sections 6 and 7 of P.L. 2024, c.2.
- 4. In accordance with <u>N.J.S.A.</u> 52:27D-304.1, the Township hereby directs the Township Attorney to file an action with the Affordable Housing Dispute Resolution Program along with this Resolution and to take all necessary and proper steps to address any challenges to same by any interested parties.
- 5. The Township further commits to adopt its housing element and fair share plan pursuant to N.J.S.A. 52:27D-304.1f(2) based on this determination on or before June 30, 2025, and hereby further directs the Township Attorney, Township Affordable Housing Planner and Township Engineer to begin taking steps to prepare same.

- 6. A copy of this resolution, along with filing date of Township's action with the Program, shall be placed on the Township's website.
- 7. A copy of this resolution shall remain on file in the Township Clerk's office and available for public inspection.
  - 8. This resolution shall take effect immediately, according to law.

TOWNSHIP COMMITTEE TOWNSHIP OF HANOVER COUNTY OF MORRIS STATE OF NEW JERSEY

DATED: January 23, 2025

ATTEST:

Thomas "Ace" Gallagher, Mayor

Krista M. DiGiorgio, Township Clerk

#### CERTIFICATION

I, Krista M. DiGiorgio, Township Clerk of the Township of Hanover in the County of Morris and State of New Jersey, do hereby certify the foregoing to be a true copy of a resolution adopted by the Township Committee of said Township on the 23<sup>rd</sup> day of January, 2025, at a meeting, duly convened, of said Body.

Krista M. DiGiorgio, Township Clerk

TOWNSHIP COMMITTEE VOTE	AYE	NAY	ABSTAINED	511000	ABSENI
CAHILL	/				
FERRAMOSCA	V				Ī
FRANCIOLI	1				
MIHALKO	V				Ī
GALLAGHER	1				
TOTAL	5	J			

## **EXHIBIT "A"**

## Fourth Round Present and Prospective Need Analysis

Township of Hanover Morris County, New Jersey



Community Planning Land Development and Design Landscape Architecture

Principals: Joseph H. Burgis PP, AICP Edward Snieckus, Jr. PP, LLA, ASLA David Novak PP, AICP

# Fourth Round Present and Prospective Need Analysis

Township of Hanover Morris County, New Jersey

Prepared for the Township of Hanover Mayor and Committee

BA# 4143.01

The original document was appropriately signed and sealed on January 16, 2025 in accordance with Chapter 41 of Title 13 of the State Board of Professional Planners

Joseph H. Burgis, AICP, PP Professional Planner #2450 Robyn K. Welch, AICP, PP Professional Planner #5971

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### **Executive Summary**

The following Present and Prospective Need Analysis has been prepared for the Township of Hanover in Morris County, New Jersey.

By way of background, Governor Murphy signed A-40/S-50 into law on March 20, 2024 after the Senate and Assembly adopted it. This legislation (hereinafter "Amended FHA" or "Act") overhauled the Fair Housing Act (FHA) by abolishing the Council on Affordable Housing (COAH) and created a new process that involved the Department of Community Affairs (DCA) and the Administrative Office of the Courts (AOC).

The Amended FHA directed the New Jersey Department of Community Affairs ("DCA") to report the present need (also referred to as the rehab obligation) and the prospective need for Round Four based upon the standards set forth in the Act. The DCA issued its report on October 18, 2024; and, in accordance with the Act, made clear that the report was advisory only. For Hanover, the DCA Report identifies a Present Need of 69 and a Prospective Round Four Need of 544.

Since the DCA report is non-binding, each municipality has the opportunity to study and define why its obligations should be different based on the standards in the Act. However, the municipality must adopt a binding resolution by January 31, 2025, identifying the present and prospective need obligation to which it is committing.

As to the Present Need (also known as the rehab obligation), the Act allows municipalities to rely on COAH standards that the Act has not eliminated. N.J.S.A 52:27D-311(m). Over each housing cycle, COAH permits municipalities to adjust their rehab obligation through a structural conditions survey. Accordingly, the Township conducted a structural conditions survey pursuant to NJAC 5:93-5.2(a) to more accurately reflect those units in need of rehabilitation. As a result of the structural conditions survey included herein, the Township's Present Need Obligation should be altered from 69 to 10 units.

As to the Round Four Prospective Need of 544 units that the DCA reported on October 18, 2024, the methodology used to determine a municipality's prospective fair share obligation requires an initial determination of the regional prospective need. The region that Hanover is in consists of all municipalities in Essex, Morris, Union and Warren counties. To determine a municipality's share of the regional need, the Act requires a calculation of three factors: (1) the equalized nonresidential valuation factor; (2) the income capacity factor; and (3) the land capacity factor. The Act then requires these three factors to be averaged and applied to the regional need to determine the share of the regional need for each municipality that is not a Qualified Urban Aid Municipality ("QUAM"). The Act therefore imposes no prospective need obligation on QUAMs; it instead distributes the obligation to the other municipalities in the respective housing region.

The Township does not dispute the DCA's calculation of the Equalized Nonresidential Valuation Factor or the Income Capacity Factor. However, the Township does dispute the

calculation of the Land Capacity Factor. More specifically, the Township accepts the DCA's invitation to examine the Land Capacity Factor and the lands that the DCA deemed developable for purposes of calculating this factor.

For the reasons set forth herein, the DCA calculation under the Land Capacity Factor analysis was overinclusive. Once appropriate corrections are made to the land that is developable, the Township's Prospective Need Obligation should be adjusted from the 544 figure the DCA reported to 442 units. With the findings in this report, the following summarizes the comparison of the three allocation factors as adjusted by the analysis provided herein.

Table 1: Summary of Adjusted Factors

	Equalized Nonresidential	Income Capacity	Land Capacity
	Valuation Factor	Factor	Factor
DCA Analysis	4.85%	1.34%	1.77%
Township Analysis	4.85%	1.34%	0,28%

Accordingly, the remainder of this report is divided into the following sections:

- Section 1: Present Need
- Section 2: Land Capacity Factor

All opinions and conclusions set forth herein are within a reasonable degree of professional planning certainty. We reserve the right to amend and supplement our findings, opinions and conclusions should additional information be made available at a later date.

## Section 1: Present Need Analysis

The following section reviews the Township's Present Need as calculated by the DCA. The DCA calculated a Present Need Obligation for Hanover of 69 units. The Township conducted a Structural Conditions Survey to more accurately identify its indigenous needs. This survey identified that 10 units are in need of rehabilitation.

#### 1.1: Present Need Background

As per the adopted legislation, a municipality's Present Need obligation shall be determined:

"by estimating the deficient housing units occupied by low- and moderate-income households in the region, following a methodology similar to the methodology used to determine third round municipal present need, through the use of most recent datasets made available through the federal decennial census and the American Community Survey, including the Comprehensive Housing Affordability Strategy dataset thereof."

The "Affordable Housing Obligations for 2025-2035 (Fourth Round) Methodology and Background" workbook released by the DCA (herein referred to as the "DCA Workbook" or the "Workbook") noted that the Present Need calculations used three factors to calculate present need: the number of housing units lacking complete kitchen facilities, the number of units lacking complete plumbing facilities, and the number of overcrowded units.

The analysis employed by DCA utilizes data from HUD's Comprehensive Housing Affordability Strategy (CHAS) dataset, which has municipal-level data on the number and percentage of low- and moderate-income households from a special tabulation of the US Census's American Community Survey (ACS) data. For a full explanation of how this data was utilized, see the DCA Workbook.

The DCA determined the Township's Present Need number is 69 units.

#### 1.2: Structural Conditions Survey

To more accurately reflect its substandard units in need of rehabilitation, the Township conducted a Structural Conditions Survey utilizing the available criteria established in N.J.A.C. 5:93-5.2 and N.J.A.C. 5:97-6.2, which reference "Appendix C" of the rules. As per NJAC 5:93-5.2:

"Each municipality shall be provided with the Council's estimate for substandard units occupied by low and moderate income households. This estimate shall be the municipality's indigenous need, unless the municipality or an objector performs the Council's Structural Conditions Survey (see Appendix C, incorporated herein by reference). Where the municipality or objector performs the Structural Conditions

Survey, the Council shall review the results of the data collected and shall modify the indigenous need if it determines a modification is warranted."

Appendix C of N.J.A.C. 5:93 identifies that the first step in the Structural Conditions Survey process is for the municipal Construction Official (or their designee) to conduct an exterior survey to determine the number of substandard units in the municipality.

In regard to this first step, Hanover's Construction Official conducted an exterior survey of the Township on December 20, 2024. As per that survey, the Construction Official observed 10 units being in need of repair. See the completed survey form included in Appendix B of this report.

The second step in the process, per Appendix C of N.J.A.C. 5:93, is to estimate the number of those surveyed units found to be substandard that are occupied by low- and moderate-income households. In order to come up with this estimate, Appendix C states that "the Council will rely on census information that is available from the Public Use Micro-Data Sample (PUMS)." However, in calculating Round 4 Present Need obligations, the DCA did not rely on PUMS data for determining the percent of substandard units occupied by low- and moderate-income households in each municipality. Instead, the DCA relied on HUD's CHAS dataset for this estimate. The DCA's Fourth Round Methodology Report provides the reasoning behind this as follows:

"Previous approaches have calculated county-level LMI deficient housing shares from the American Community Survey Public Use Microdata Sample (PUMS) and used them to estimate the LMI-occupied portion of each municipality's deficient housing. However, this approach essentially assumes that the LMI share of deficient housing is uniform in a county, which is not the case. For example, data from HUD's Comprehensive Housing Affordability Strategy (CHAS) dataset show that for 2017-21, the LMI share of housing lacking complete plumbing or kitchen facilities in Atlantic County was 69.1 percent. However, in Brigantine, it was 100 percent. Using the county LMI deficient share for Brigantine would result in underestimating city present need, undercounting the number of deficient housing units actually occupied by LMI households.

Therefore, the analysis utilizes data from HUD's Comprehensive Housing Affordability Strategy (CHAS) dataset, which has municipality-level data on the number and percentage of LMI households from a special tabulation of Census Bureau American Community Survey (ACS) data. The latest CHAS data release at the time of calculation corresponds to the 2017-2021 5 Year Estimates. To ensure data year and source consistency, the LMI deficient housing calculation relies on 2017-2021 data."

Therefore, in order to conduct the second step in our Structural Conditions Survey, we relied on the CHAS data and DCA's methodology. The CHAS data for Hanover estimated the number of substandard units occupied by low- and moderate-income households was 100 percent. When applying this same percentage to the units identified as substandard by the Structural Conditions Survey, a total of 10 units are determined to need rehabilitation. As such, the Township of Hanover has estimated their Present Need to be 10 units.

## Section 2: Land Capacity Factor Analysis

The DCA issued the data and mapping that was the basis for the land capacity factor on November 25<sup>th</sup>, over a month after the DCA deadline to issue its non-binding numbers under the Amended FHA.

The following language is contained in the link to the DCA GIS data and the description section (https://njdca.maps.arcgis.com/home/item.html?id=12acdfe0a5104f8f8a2f604e96063e74):

"The land areas identified in this dataset are based on an [sic] the best available data using publicly available data enumerated in N.J.S.A. 52:27D-304.3c.(4) to estimate the area of developable land, within municipal and regional boundaries, that may accommodate development. It is important to note that the identified areas could be over or under inclusive depending on various conditions and that municipalities are permitted to provide more detailed mappings as part of their participation in the Affordable Housing Dispute Resolution Program." (emphasis added)

The areas identified as developable in the DCA's calculation of the Land Capacity Factor are indeed overinclusive. Accordingly, we believe that the land capacity allocation factor should be adjusted from 94.65 acres to 15.11 acres. When this correction is made, Hanover's Round Four Prospective Need number should be 442 instead of the 544-unit figure identified by DCA.

While the basis for removing land treated as developable in the DCA's calculation is set forth below, it is important to note that the analysis to correct the land allocation factor is different than the analysis used to determine a municipality's entitlement to a vacant land adjustment. While the analysis to correct the Land Capacity Factor focuses on developable land, the analysis to support a vacant land adjustment focuses on land suitable for inclusionary development. Therefore, just because a site was not removed for purposes of calculating the Land Capacity Factor has no bearing on whether it should be removed to calculate entitlement to a vacant land adjustment.

In this regard, the Township secured court approval of a vacant land adjustment in Round Three and will necessarily seek an adjustment in Round Four in conjunction with its preparation of a Housing Element and Fair Share Plan. Nothing herein should be construed as a waiver of those rights that are explicitly reserved.

An analysis of the lands identified by the DCA as being "developable" revealed several inaccuracies. In summary, these inaccuracies generally included lands which were: artifacts of error as described by the DCA; constrained by wetland transition area buffers; located on developed properties or inaccessible lots; located on open space or common element properties; located on properties presently under construction; and located on properties with active site plan approvals. Correcting these inaccuracies adjusts the Township's weighted land area from 94.65 acres to 15.11 acres. This results in an adjustment of the Township's calculated share of the region's land capacity from 1.77% to 0.28%.

#### 2.1: Basis of Calculation

As per the adopted legislation, a municipality's Land Capacity Factor shall be determined by:

"estimating the area of developable land in the municipality's boundaries, and regional boundaries, that may accommodate development through the use of the 'land use / land cover data' most recently published by the Department of Environmental Protection, data from the American Community Survey and Comprehensive Housing Affordability Strategy dataset thereof, MOD-IV Property Tax List data from the Division of Taxation in the Department of the Treasury, and construction permit data from the Department of Community Affairs and weighing such land based on the planning area type in which such land is located. After the weighing factors are applied, the sum of the total developable land area that may accommodate development in the municipality and in the region shall be determined. The municipality's share of its region's developable land shall be its land capacity factor. Developable land that may accommodate development shall be weighted based on the planning area type in which such land is located."

The legislation identifies the primary data sources and weighing factors to utilize in calculating a municipality's land capacity factor. However, unlike the equalized nonresidential valuation factor and the income capacity factor, the legislation did not establish a delineated process to combine the aforementioned data sources into one comprehensive and coherent formula.

The workbook released by the DCA established that department's interpretation on how to calculate the land capacity factor. In summary, that workbook identified the following steps:

- 1. First, the DCA divided the weighing regions established by the legislation by municipality.
- 2. Next, land use/land cover areas were used to identify vacant, developable lands. The workbook identifies the codes and descriptions of the land use/land cover data used in this process. In short, they include: cropland and pastureland; orchards/vineyards/nurseries/horticultural areas; deciduous forest areas; coniferous forest areas; plantations; mixed forest areas; old field areas; phragmites dominate old field areas; deciduous brush/shrubland; coniferous brush/shrubland; mixed deciduous/coniferous brush/shrubland; severe burned upland vegetation; and undifferentiated barren lands.
- 3. These initial vacant, developable lands were then refined to remove rights-of-way as well as developed properties. For the latter, the DCA utilized MOD-IV tax data and selected underlying tax parcels with property class codes for residential, commercial, industrial, apartment, railroad, and school.

- Construction permit data was then analyzed to capture more recent development
  activities that may not have otherwise been reflected by the land use/land cover
  data or MOD-IV tax data.
- 5. Other limiting factors were utilized to remove initial vacant, developable lands. These include: open space, preserved farmland, category 1 waterways and wetlands (and associated buffers based on special area restrictions), steep slopes exceeding 15 percent, and open waters.
- 6. Due to limitations resulting from inconsistencies between data sources, the resulting mapping included instances of small land areas caused by an incongruous alignment of geospatial layers. To eliminate these "slivers" of leftover land, the DCA eliminated any feature part with an area of less than 2,500 square feet. This presumed that a 25' by 100' foot area could be a developable property.
- 7. Finally, the resulting land area for each municipality was summed with the resulting land areas for all other municipalities within each housing region to then determine the municipal percentage of land capacity for the housing region.

#### 2.2: Analysis of Calculation

The calculation conducted by the DCA determined that the Township has 94.65 acres of developable land which accounts for a 1.77% share of the region's land capacity factor. Overall, the Township finds the general methodology utilized by the DCA to calculate its land capacity factor acceptable. However, an analysis of the DCA's resultant mapping discovered the following:

- 1. Several of the lands identified as "developable" by the DCA represent slivers which "are considered artifacts of error that are common when overlaying polygons and vectors from non-coincident data sources." The DCA initially tried to eliminate these slivers by deleting any feature parts with an area of less than 2,500 square feet. However, areas less than the minimum 25' width threshold identified by DCA for developability were nevertheless identified as developable.
- 2. Several other lands identified by the DCA as "developable" are either fully or partially constrained by wetland transition area buffers, despite DCA specifically identifying these features as factors for removal in their methodology.
- 3. Many lands identified as "developable" by the DCA are located on properties with development. To eliminate "developable" lands on developed properties, the DCA had removed any lands where the underlying tax parcels had property class codes for residential, commercial, industrial, apartments, railroad, and school. However, the property classifications identified by the DCA did not account for houses of worship, properties developed with nonprofit facilities, and properties developed with public facilities.

- 4. Several lands identified as "developable" by the DCA were in fact located on open space, common elements for homeowner's associations, or properties containing infrastructure (e.g. detention basins, flood collection areas, rights-of-way, etc.).
- 5. Some "developable" areas did not account for areas restricted by the regulatory floodway of streams and other mapped watercourses.
- 6. There were several instances of lands identified as "developable" by the DCA being located on properties which are presently under construction. This is likely due to a lag in construction permit reporting.
- 7. Finally, some lands identified as "developable" by the DCA are located on properties with active site plan approvals and/or are identified as Third Round RDP compliance sites in the Township's Housing Element and Fair Share Plan, and therefore are no longer available for development.

These discrepancies are summarized in Table 2 utilizing the Land Capacity Analysis and are detailed in the mapping in Appendix A of this report. Removing these lands would adjust the Township's weighted land area from 94.65 acres to 15.11 acres. This results in an adjustment of the Township's calculated share of the region's land capacity from 1.77% to 0.28%.

The methodology used to identify and exclude parcel types listed in this analysis is consistent with the published DCA Workbook. The data, data sources, methodology, criteria and formulas relied upon in completing this analysis and arriving at these opinions, including the calculation of the Township's Prospective Need Obligation, was performed in accordance with sections 6 and 7 of P.L. 2024, c. 2 (N.J.S.A. 52:27D-304.2 and N.J.S.A. 52:27D-304.3).

Irrespective of the land capacity factor analysis established herein, the Township reserves the right to conduct a vacant land adjustment (VLA) to determine its realistic development potential (RDP) at a later date.

Table 2: Summary of Land Capacity Factor Analysis – Hanover

Map ID #	Shapefile Object ID*	Initial Weighted Area* (acres)	Developable?	Comments	Weighted Area Recalculated (acres)
0	32134	0.9666	No	190 Park Ave - 3rd Round RDP Compliance Site (not developable for 4th Round).	0.0000
1	32135	0.1194	No	Public utility owned by SE Morris Cnty Mun Util Auth (well field, "Black Brook Wells").	0.0000
2	32136	0.6383	No	Parcel not accessible (no street access).	0.0000
3	32137	0.4535	No	Fully constrained by floodway and 50-ft wetland buffers (though 150-ft buffers apply per NJDEP). Owned by Morristown Airport.	0.0000
4	32138	0.3608	No	Not vacant. Developed with Morristown Airport and associated buildings, runways, driveways, parking areas, etc. Also, 0.169 ac constrained by 50-ft wetland buffers (though 150-ft buffers apply per NJDEP).	0.0000
5	32139	1.0281	No	Airport Rd/Alfieri - 3rd Round RDP Compliance Site (not developable for 4th Round).	0.0000
6	32140	0.2064	No	Airport Rd/Alfieri - 3rd Round RDP Compliance Site (not developable for 4th Round).	0.0000
7	32141	0.7228	No	Not vacant. Developed with Morristown Airport and associated buildings, runways, driveways, parking areas, etc. Also, 0.494 ac constrained by 50-ft wetland buffers.	0.0000
8 ,	32142	0.1163	No	Not vacant. Developed with Morristown Airport and associated buildings, runways, driveways, parking areas, etc.	0.0000
9	32143	3.1762	No	Not vacant. Developed with Morristown Airport and associated buildings, runways, driveways, parking areas, etc. Also, 0.661 ac constrained by 50-ft wetland buffers	0.0000
10	32144	1.4896	No	Not vacant. Developed with Morristown Airport and associated buildings, runways, driveways, parking areas, etc.	0.0000
11	32145	0.3523	Yes		0.3523
12	32146	0.1023	No	Public utility. Town of Morristown Sewer Plant. Also, sliver less than 25' wide.	0.0000
13	32147	1.5609	No	Not vacant. Developed with Morris County Library building, parking, etc.	0.0000
14	32148	0.2882	No	Portion on Block 2007 Lot 3 is not vacant (owned and used in common with adjacent Lot 2; contains contractor yard, storage	0.0000

Map ID #	Shapefile Object ID*	Initial Weighted Area* (acres)	Developable?	Comments	Weighted Area Recalculated (acres)
				facilities). Portion on Block 2007 Lot 4 is <2,500 sq ft threshold to qualify as developable.	
15	32149	0.1254	No	Not vacant (owned and used in common with adjacent Lot 2; contains contractor yard, storage facilities).	0.0000
16	32150	0.1281	No	Sliver less than 25' wide. Also, 0.053 ac constrained by 50-ft wetland buffers.	0.0000
17	32151	0.2104	Partial	2,331 sf constrained by 50-ft wetland buffers, but remainder is developable.	0.1569
18	32152	0.1337	No	All but 97.5 sf constrained by 50-ft wetland buffers (remainder is <2,500 sq ft threshold to qualify as developable).	0.0000
19	32153	0.8520	No	Public utility. Town of Morristown Sewer Plant. Also, 0.459 ac constrained by 50-ft wetland buffers.	0.0000
20	32154	0.1387	Yes		0.1387
21	32155	0.6366	No	Not vacant. Block 1802 Lot 3 is public utility (Town of Morristown Sewer Plant) and Block 2104 Lot 9 is owned by M&E Railroad and used as a transfer facility. Also, 0.477 ac constrained by 50-ft wetland buffers.	0.0000
22	32156	1.6429	No	Not vacant. Developed with Greater Morristown YMCA.	0.0000
23	32157	2.2976	No	Not vacant. Lot is owned by M&E Railroad and used as a transfer facility. "State of New Jersey Encroachment Line" indicated on tax map. Also, constrained by 50-ft wetland buffers and floodway.	0.0000
24	32158	0.2511	No	Not vacant. Developed with Greater Morristown YMCA.	0.0000
25	32159	0.8913	No	Not vacant. Class B Commercial.  Developed with parking lot and maintenance/utility buildings associated with Bayer Campus.	0.0000
26	32160	0.0978	No	Fully constrained by 50-ft wetland buffers. Lot owned by NJDOT. No street access.	0.0000
27	32161	0.8196	No	Parcel not accessible (no street access). Also, 5,318 sf constrained by Patriots Path easement and 901 sf is sliver <25' wide.	0.0000
28	32162	0.1572	No	All but 142.4 sf constrained by 50-ft wetland buffers (remainder is <2,500 sq ft threshold to qualify as developable).	0.0000

Map ID #	Shapefile Object ID*	Initial Weighted Area* (acres)	Developable?	Comments	Weighted Area Recalculated (acres)
29	32163	0.3745	No	Not vacant. Class B Commercial.  Developed with parking lot and maintenance/utility buildings associated with Bayer Campus. Also, site-specific NJDEP LOI available for site shows 150' wetland buffers constrain majority of area.	0.0000
30	32164	0.0796	No	Sliver less than 25' wide. Also, 0.031 ac constrained by wetland buffers and area shown as vacant is located in a 30' wide drainage easement.	0.0000
31	32165	1.4381	No	Not vacant. Class B Commercial.  Developed with parking lot and maintenance/utility buildings associated with Bayer Campus.	0.0000
32	32166	0.1084	Partial	2,011.69 sf portion is sliver <25' wide, but remainder (2,708.04 sf) is developable.	0.0622
33	32167	0.0596	No	Sliver less than 25' wide.	0.0000
34	32168	4.8448	No	Not vacant. Class B Commercial.  Developed with parking lot and maintenance/utility buildings associated with Bayer Campus.	0.0000
35	32169	0.1356	No	Not vacant. Developed with Greater Morristown YMCA.	0.0000
36	32170	0.1146	No	Not vacant. Developed with Greater Morristown YMCA.	0.0000
37	32171	0.3005	No	Not vacant. Developed with Greater Morristown YMCA. Also, 0.227 ac constrained by 50-ft wetland buffer.	0.0000
38	32172	0.3273	Yes		0.3273
39	32173	0.8753	No	Public utility owned by SE Morris Cnty Mun Util Auth.	0.0000
40	32174	0.3315	No	Site-specific NJDEP LOI available for property. LOI shows wetlands/ buffer constraining entire developable area.	0.0000
41	32175	0.1022	Yes		0.1022
42	32176	0.2204	No	Dedicated open space (on ROSI).	0.0000
43	32177	0.6566	No	Not vacant. Developed with local chapter of Salaam Shriners' building, parking, etc.	0.0000
44	32178	0.8599	Partial	All but 0.484 ac constrained by 50-ft wetland buffers (remainder developable).	0.4845
45	32179	1.0728	No	Not vacant. Fully developed with inclusionary housing (Sliverman/Corporate Mailings).	0.0000

Map ID #	Shapefile Object ID*	Initial Weighted Area* (acres)	Developable?	Comments	Weighted Area Recalculated (acres)
46	32180	0.6644	No	Public utility owned by Hanover Sewerage Authority (sewerage treatment).	0.0000
47	32181	0.0988	No	All but 0.044 ac constrained by 50-ft wetland buffers (remainder is <2,500 sq ft threshold to qualify as developable).	0.0000
48	32182	0.2425	No	All but 0.060 ac constrained by 50-ft wetland buffers (remainder is <25' wide).	0.0000
49	32183	0.0642	No	Not vacant. Fully developed with inclusionary housing (Sliverman/Corporate Mailings).	0.0000
50	32184	0.1752	No	Not vacant. Fully developed with inclusionary housing (Sliverman/Corporate Mailings).	0.0000
51	32185	0.0726	No	Not vacant. Existing water tank.	0.0000
52	32186	0.0808	No	Sliver less than 25' wide. In floodway.	0.0000
53	32187	0.2484	No	Site Plan Approval for River Park - 3rd Round RDP Compliance Site (not developable for 4th Round). Also, 0.145 ac is < 25' wide and/or wetland buffer.	0.0000
54	32188	0.0712	No	Site Plan Approval for River Park - 3rd Round RDP Compliance Site (not developable for 4th Round).	0.0000
55	32189	0.0782	No	All but 21 sf constrained by 50-ft wetland buffers & floodway (remainder is <2,500 sq ft threshold to qualify as developable). Also, Site Plan Approval for River Park - 3rd Round RDP Compliance Site.	0.0000
56	32190	0.1473	No	Fully constrained by 50-ft wetland buffers.	0.0000
57	32191	0.1389	No	Partially in floodway. Remainder <25' wide and <2,500 sf threshold to qualify as developable.	0.0000
58	32192	0.1363	No	Sliver less than 25' wide. Owned by M & E Railroad. No street access/frontage.	0.0000
59	32193	0.1362	No	Public utility owned by Hanover Sewerage Authority (sewerage treatment).	0.0000
60	32194	0.1732	No	Owned by M&E Railroad. Used by railroad for storage of rail cars, etc. No street access.	0.0000
61	32195	1.9556	Yes		1.9556
62	32196	0.0745	No	Fully constrained by 50-ft wetland buffers.	0.0000
63	32197	1.7322	No	Public utilities owned by JCP&L and NJDOT (power station and maintenance bldg).	0.0000

Map ID #	Shapefile Object ID*	Initial Weighted Area* (acres)	Developable?	Comments	Weighted Area Recalculated (acres)
64	32198	0.4716	No	Not vacant. Under construction (Pine Plaza/Hanover Towne Center).	0.0000
65	32199	0.7897	Partial	3,187.31 sf portion is <25' wide, but remainder (0.716 ac) developable.	0.7164
66	32200	0.2456	No	Not vacant. Developed with single-family residence of LDS Church district supervisor.	0.0000
67	32201	0.6145	No	Not vacant. Developed with office/storage building, parking, etc.	0.0000
68	32202	0.0733	Yes		0.0733
69	32203	0.0601	No	Not vacant. Under construction (Pine Plaza/Hanover Towne Center).	0.0000
70	32204	0.1727	No	All but 386 sf constrained by 50-ft wetland buffers and/or floodway (remainder <2,500 sf threshold to qualify as developable).	0.0000
71	32205	1.8238	Yes		1.8238
72	32206	0.0977	No	Fully constrained by 50-ft wetland buffers.	0.0000
73	32207	0.9582	No	Not vacant. NJDOT maintenance building.	0.0000
74	32208	0.1189	Partial	0.105 ac developable, but remainder part of dedicated open space (on ROSI)	0.1052
75	32209	1.1759	No	Not vacant. Under construction (Pine	0.0000
				Plaza/Hanover Towne Center).	
76	32210	0.0694	No	Fully constrained by 50-ft wetland buffers.	0.0000
77	32211	0.6153	Partial	All but 0.4155 ac constrained by 50-ft wetland buffers (remainder developable).	0.4155
78	32212	0.8605	Partial	3,600 sf constrained by SMCMUA easement, but remainder developable.	0.7778
79	32213	0.4798	Yes		0.4798
80	32214	0.2477	Yes		0.2477
81	32215	0.5193	No	Not vacant. Developed with group home.	0.0000
82	32216	0.2340	Yes		0.2340
83	32217	0.4874	No	Not vacant. Lot is used for parking, driveway for Mountview Road School.	0.0000
84	32218	0.2797	No	Not vacant. Lot is used for parking, driveway for Mountview Road School.	0.0000
85	32219	0.2812	Partial	All but 5,166.6 sf constrained by 50-ft wetland buffers (remainder developable).	0.1186
86	32220	1.8233	No	Public utility owned by SE Morris Cnty Mun Util Auth.	0.0000
87	32221	0.2602	No	Sliver less than 25' wide.	0.0000
88	32222	6.1194	No	Public utility owned by SE Morris Cnty Mun Util Auth.	0.0000

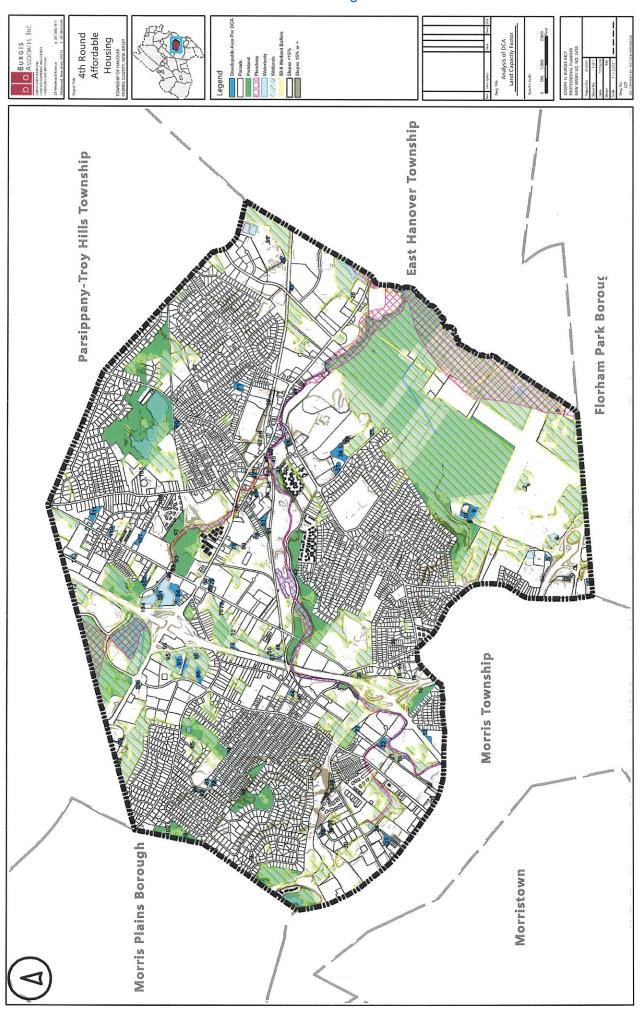
Map ID #	Shapefile Object ID*	Initial Weighted Area* (acres)	Developable?	Comments	Weighted Area Recalculated (acres)
89	32223	3.8211	No	Part of Community Park on adjacent Block 185 Lot 9.02 in Morris Plains, which is listed on Morris Plains' ROSI.	0.0000
90	32224	1.1319	Partial	Portion on Block 8601 Lot 10 (0.64 ac) lacks street frontage and is in different ownership, but remaining portion on Block 8601 Lot 7.02 is developable.	0.4886
91	32225	3.2338	No	Public utility owned by SE Morris Cnty Mun Util Auth.	0.0000
92	32226	0.0588	No	Not developable. Contains recreation fields (Veterans Park). Conservation easement and deed restrictions exist for entire property. Contaminated fill, cap areas.	0.0000
93	32227	1.3110	No	Not developable. Contains recreation fields (Veterans Park). Conservation easement and deed restrictions exist for entire property. Contaminated fill, cap areas.	0.0000
94	32228	3.8179	No	Not vacant. Developed with community center/Recreation Department building and parking. Also, site-specific NJDEP LOI available for property, which shows wetlands/ buffers constrain all but 0.91 ac.	0.0000
95	32229	0.5959	No	Public utility owned by SE Morris Cnty Mun Util Auth. Also, fully constrained by 50-ft wetland buffers.	0.0000
96	32230	0.3445	No	Not vacant. Developed with community center/Recreation Department building and parking.	0.0000
97	32231	6.2091	No	Not developable. Conservation easement and deed restrictions exist for entire property. Contaminated fill, cap areas.	0.0000
98	32232	0.1026	Yes		0.1026
99	32233	0.0678	No	Sliver less than 25' wide. Public utility owned by SE Morris Cnty Mun Util Auth. ("Todd Well")	0.0000
100	32234	0.2394	Yes		0.2394
101	32235	1.7603	Partial	Block 3001 Lot 7 not vacant. Developed with community center/Recreation Department building and parking. Developable area on Block 3002 Lot 6 is partially constrained by 50-ft wetland buffers, but remaining 0.23 ac is developable.	0.2268

Map ID #	Shapefile Object ID*	Initial Weighted Area* (acres)	Developable?	Comments	Weighted Area Recalculated (acres)
102	32236	4.6598	No	Part of Community Park on adjacent Block 185 Lot 9.02 in Morris Plains, which is listed on Morris Plains' ROSI.	0.0000
103	32237	1.0081	No	Not vacant. Developed with municipal community garden.	0.0000
104	32238	0.0780	No	1,191 sf constrained by 50-ft wetland buffers and/or is <25' wide (remainder is <2,500 sq ft threshold to qualify as developable).	0.0000
105	32239	0.4734	Partial	0.283 ac developable, but remainder is sliver less than 25' wide.	0.2832
106	32240	0.6178	Yes		0.6178
107	32241	2.1226	No	Not vacant. Developed with Ukrainian Catholic Church and Cultural Center. Also, tax maps show wetlands and modified wetland buffer within area identified as developable.	0.0000
108	32242	0.1335	No	Not vacant. Under construction for a hotel and related improvements. Also, 0.09 ac constrained by 50-ft wetland buffers (remainder is <2,500 sq ft).	0.0000
109	32243	0.5867	No	NJDOT Right-of-Way.	0.0000
110	32244	1.0793	Yes		1.0793
111	32245	2.7129	Partial	0.386 ac of Block 9304 Lot 7.04 constrained by conservation easement, but remainder is developable.	2.3266
112	32246	0.2266	No	Fully constrained by 50-ft wetland buffers.	0.0000
113	32247	0.6791	Partial	0.635 ac developable, but remainder is sliver less than 25' wide.	0.6346
114	32248	0.5392	Yes		0.5392
			TOTAL		15.1098

<sup>\*</sup> Object ID and area computations identified were obtained from the NJDCA published Vacant and Developable Land Analysis.

## Appendix A: Land Capacity Factor Analysis Map

The following map shows in more detail the specific mapping of the various land capacity areas as identified in the DCA analysis provided through the Land Capacity Analysis for P.L. 2024, c.2. They are obtained from the web based ArcGIS online mapping utilizing feature layers (hosted) by NJDCA and incorporating other layer features available through NJDEP and ArcGIS Online services.



## Appendix B: Structural Conditions Survey

The following is the structural conditions survey performed by the Hanover Township Construction Official, Mr. Sean Donlon.

#### **EXTERIOR HOUSING SURVEY**

Municipality: Hanover

County: Morris

Date of Survey: December 20, 2024

Performed By: Sean G. Donlon

Title:

**Construction Code Official** 

#### Areas of municipality surveyed:

With local knowledge, focused on areas that are known to or may be in need of rehabilitation:

- Route 10, Whippany, Ridgedale Avenue corridors
- Older/established neighborhoods
- Pockets of homes between new developments
- Properties with outstanding property maintenance notices/violations

#### Areas of municipality not surveyed:

Used local knowledge on areas most likely not in need:

- Industrial/Commercial areas with no residential units
- Newer housing developments
- Newer condo/townhouse developments
- Areas with high priced homes (Trailwoods, Bee Meadow, Hansch (high-school area)

#### Reason(s) for not surveying these areas:

- Areas with no residential units
- Certain areas with well-maintained/higher priced houses
- Newer areas with homeowner associations
- Condos/Townhouses/Apartment Complexes Contracting with Management Companies

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DATE December 20, 2024

MUNICIPALITY Hangver			COUNTY Morris								DATE Dec	DATE December 20, 2024	924
						MAJOR SYSTEMS	STEMS		ONIM	MINOR SYSTEMS			
					One major s	ructure is in c	One major system is required to indicate that the structure is in need of repair	ne that the	Two minor systems : the structure	ninor systems are required to indicate that the structure is in need of tepair	dicate that		
						Weath	Westvertration						
			- Lambert Const.									Structure	
Speet Address	Biock/Lot	Number of Dwelling Units	Tenure of Units Le. owner occupied/ rental/ mixed occupancy	Year Bulk	Foundation	Siding and Walls	Windows and Poors	Roof and Chimney	Eaves/Soffits/ Gutters/Leader	Ralis/Stains/St aps/Porch	Fig.	in Need of Repair (Mark "Yes" or "No")	If Yes, Provide Details
964 St 10 Whitney N. 167981	9001/2	1	UnoccupiedVacant	1900		×	×	×	×	×		Yes	Very Pear Condition
254 St 10 Maintain N I 07984	5001 <i>1</i> 12	9	2 Rental	1928		×	×	× -	×			Yes	Peer Condition
To the second second				* Cf00*	<b>*</b>	×	×			×		Yes	Poor Condition
348 Kt 10 Willippany, NJ 61 501	110011		- Contract						247			Y	Window/Door Deteriorating
886 Rt 10 Whippany, NJ 07981	9001/7		Rental	1955			^						
911 Rt 10 Whippany, NJ 07981	4001/3		1 Rental	1958								W.	
915 Rt 10 Whippany, NJ 07981	4001/2		Rental	1902								Š	
907 Rt 10 Whippany, NJ 07981	40014		Rental	1940								3	
441 Rt 10 Whippany, NJ 07981	5907/5	N	2 Rental	1785								No	
45 N. Jefferson Rd Whippany, NJ 07981	3002/15	.3	7 Owner Occupied	1900		×	×	×	×	00%		Yes	Poor Condition
10 Grave Pl Whitmany NJ 07681	7903/8		Owner Occupied	13 132 132	<u> </u>	×	×					ž	Window/Door Deteriorating
07981	9202/14	_	Owner Occupied	1920	7	×						26	
<b>ت</b> نب	4101/12	_	1 Unoccupied/Vacant	1910		×	×					18	Under Renovation by Owner
72 Mt Pleasant Ave Whippany, NJ 07981	8803/10		Unoccupied/Vacant	1910								- No	
	3101/7	٠	1 Rental	1950			×				2821	76	

page 1 of 1

I verify that I have conducted this exterior housing survey according to COAH criteria

Bre

Print Name and Title: Sean G. Donkon/Construction Code Official

Unioca Tourship

Construction official