



**State of New Jersey**  
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JON S. CORZINE  
*Governor*

JOSEPH V. DORIA, JR.  
*Commissioner*

LUCY I. VANDENBERG  
*Executive Director*

May 14, 2009

The Honorable James G. Armstrong  
Hardyston Township  
149 Wheatsworth Rd  
Hardyston, NJ 07419-

**RE: SUBSTANTIVE CERTIFICATION**

Dear Mayor Armstrong:

Congratulations!

Enclosed is a Resolution approved by the Council on Affordable Housing (COAH) granting third round substantive certification to Hardyston Township/Sussex County.

Pursuant to N.J.A.C. 5:96-6.3(e), Hardyston Township has 45 days from the grant of this substantive certification to adopt all implementing Fair Share Ordinances, or COAH's grant of substantive certification shall be void and of no force or effect.

If you have any questions, please contact Sean Thompson, COAH Principal Planner at (609) 292-1716. We appreciate the opportunity to work with you on your affordable housing planning and thank you for your ongoing commitment to affordable housing.

Sincerely,

Lucy Vandenberg, PP, AICP  
Executive Director

Encls

cc: Attached Service List  
Sean Thompson, COAH planner  
Sean Thompson, COAH manager of planning  
Kathy McGlinchy, COAH monitor



The Honorable James G. Armstrong  
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RESOLUTION GRANTING THIRD ROUND SUBSTANTIVE CERTIFICATION # 12-69

Hardyston Township, Sussex County

WHEREAS, Hardyston Township, Sussex County, petitioned the Council on Affordable Housing (COAH) for substantive certification of a Housing Element and Fair Share Plan addressing its total 1987-2018 affordable housing obligation on December 19, 2008; and

WHEREAS, Hardyston's petition was deemed complete on January 9, 2009; and

WHEREAS, pursuant to N.J.S.A. 52:27D-313 and N.J.A.C. 5:96-3.5, on January 14, 2009, Hardyston Township published notice of its petition in the New Jersey Herald, which is a newspaper of general circulation within the county; and

WHEREAS, no objections to the plan were received by COAH during the 45-day objection period, which ended March 4, 2009; and

WHEREAS, Hardyston Township's fair share plan addresses a total 1987-2018 affordable housing obligation of 240 units, consisting of a nine-unit rehabilitation share, 18-unit prior round obligation and a 213-unit projected growth share obligation; and

WHEREAS, COAH staff has reviewed the Township's Housing Element and Fair Share Plan; and

WHEREAS, the entire land area within the Township is located in Planning Areas (PAs) 4, 4B and 5B on the State Plan Policy Map (SPPM) with 8,254 acres in the Highlands Planning Area and 12,557 acres in the Highlands Preservation Area; and

WHEREAS, COAH staff conducted a site visit on April 9, 2009; and

WHEREAS, Hardyston Township proposes to address its nine-unit rehabilitation share with nine rehabilitation credits; and

WHEREAS, the Township proposes to address its 18-unit prior round obligation with three credits for three bedrooms in a supportive and special needs home administered by the Sussex County Association of Retarded Citizens (SCARC) and seven bedrooms in two supportive and special needs homes administered by the Willowglen Academy, five rental bonuses and three units from an approved inclusionary development known as Crystal Springs Village Center; and

WHEREAS, Hardyston proposes to address its 213-unit projected growth share obligation with 148 affordable family rental units from an approved inclusionary development known as Crystal Springs Village Center, 24 affordable units from an approved inclusionary development known as Ridgefield Commons, eight affordable units from an approved inclusionary development known as Indian Fields Phase IV and V, three affordable units from an approved inclusionary development known as Forest Knolls, four affordable units from an approved inclusionary development known as Emerald Estates, 21 units through a market to affordable program, eight bedrooms in supportive and special needs housing from a partnership with Start Easy Eagle Development Corp. (SEED Corp), and nine bedrooms in supportive and special needs housing with a yet to be identified not for profit organization, and 53 compliance bonuses; and

WHEREAS, Crystal Springs Village Center, Ridgefield Commons, Indian Fields Phase IV and V, Forest Knolls and Emerald Estates are all located in the Highlands Planning Area; and

WHEREAS, the Township has provided the documentation for each approved development (Crystal Springs Village Center, Ridgefield Commons, Indian Fields Phase IV and V, Forest Knolls and Emerald Estates) required pursuant to N.J.A.C. 5:97-6.4; and

WHEREAS, pursuant to N.J.A.C. 5:97-3.2(a)4, Hardyston has provided an implementation schedule for the eight bedroom and nine bedroom supportive and special needs

homes that demonstrates a realistic opportunity and sets forth a timetable for the submittal of all information and documentation required by N.J.A.C. 5:97-6.7; and

WHEREAS, the Township plan indicates that SEED and another not for profit organization will acquire, rehabilitate and convert existing single family detached and attached homes to supportive and special needs homes and will provide a schedule for the acquisition to begin in accordance with the municipality's implementation schedule; and

WHEREAS, the Township's mechanism checklist form includes a timetable for each step of the development process in accordance with N.J.A.C. 5:97-6.7(d)1 with certificates of occupancy being issued in October 2012 and as such, supporting documentation is required to be submitted to COAH two years before renovation and conversion begins, in March 2010; and

WHEREAS, pursuant to N.J.A.C. 5:96-6.2(a)2, on April 15, 2009 COAH issued a Compliance Report (attached as Exhibit A and incorporated by reference herein) recommending approval of Hardyston Township's petition for third round substantive certification; and

WHEREAS, there was a 14-day period to submit comments to the COAH Compliance Report pursuant to N.J.A.C. 5:96-6.2(b) and COAH received no comments.

NOW THEREFORE BE IT RESOLVED that the Housing Element and Fair Share Plan submitted by the Hardyston Township comports to the standards set forth at N.J.S.A. 52:27D-314 and meets the criteria for third round substantive certification pursuant to N.J.A.C. 5:96-6.3; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11; and

BE IT FURTHER RESOLVED that the Township has submitted the necessary documentation for 148 affordable family rental units from an approved inclusionary

development known as Crystal Springs Village Center, 24 affordable units from an approved inclusionary development known as Ridgefield Commons, eight affordable units from an approved inclusionary development known as Indian Fields Phase IV and V, three affordable units from an approved inclusionary development known as Forest Knolls, four affordable units from an approved inclusionary development known as Emerald Estates, 21 units through a market to affordable program, eight bedrooms in supportive and special needs housing from a partnership with Start Easy Eagle Development Corp. (SEED Corp), and nine bedrooms in supportive and special needs housing with a not for profit organization, and 53 compliance bonuses; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.2(a), after having reviewed and considered all of the above, COAH hereby grants third round substantive certification to Hardyston Township; and

BE IT FURTHER RESOLVED that after receiving final substantive certification, pursuant to N.J.A.C. 5:96-6.3(e), Hardyston Township shall adopt all implementing fair share ordinances within 45 days of this grant of substantive certification; and

BE IT FURTHER RESOLVED if Hardyston Township fails to timely adopt its fair share ordinances, COAH's grant of substantive certification shall be void and of no force and effect; and

BE IT FURTHER RESOLVED that Hardyston shall submit all fair share ordinances to COAH upon adoption; and

BE IT FURTHER RESOLVED that Hardyston shall comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting Hardyston's actual growth pursuant to N.J.A.C. 5:97-2.5; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-10.1, COAH shall conduct biennial plan evaluations upon substantive certification of Hardyston's Housing Element and



Fair Share Plan to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing; and

BE IT FURTHER RESOLVED that if upon any biennial review the difference between the number of affordable units constructed or provided in Hardyston and the number of units required pursuant to N.J.A.C. 5:97-2.5 results in a pro-rated production shortage of 10 percent or greater, the Township is not adhering to its implementation schedule pursuant to N.J.A.C. 5:97-3.2(a)4, or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, the Council may direct the municipality to amend its plan to address the shortfall; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.3(b), Hardyston's substantive certification shall remain in effect until December 19, 2018; and

BE IT FURTHER RESOLVED that any changes to the facts upon which this substantive certification is based or any deviations from the terms and conditions of this substantive certification which affect the ability of Hardyston Township to provide for the realistic opportunity of its fair share of low and moderate income housing and which the Township fails to remedy, may render this certification null and void.

I hereby certify that this resolution was  
duly adopted by the Council on Affordable  
Housing at its public meeting on 5/14/09

  
\_\_\_\_\_  
Renee Reiss, Secretary  
Council on Affordable Housing

EXHIBIT A



**Council on Affordable Housing  
Compliance Report  
April 15, 2009**



**Municipality:** Hardyston Township  
**County:** Sussex County

**COAH Region:** 1  
**Planning Area:** 4, 4B and 5B  
**Special Resource Area:** Highlands

**Housing Element and Fair Share Plan Adopted:** December 2, 2008  
**Petition for 3<sup>rd</sup> Round Substantive Certification:** December 19, 2008  
**Completeness Determination:** January 9, 2009  
**Date of Publication:** January 14, 2009

**Objections Received:** No

**Petition Includes:**

**VLA:** No  
**GPA:** No  
**Waiver:** No                      **Section:** N/A

**Date of Site Visit:** April 9, 2009

**History of Approvals:**

	<b>COAH</b>	<b>JOC</b>	<b>N/A</b>
<b>First Round:</b>			x
<b>Second Round:</b>	November 7, 2001		
<b>Extended Certification:</b>			x

**Plan Preparer:** Susan Gruel, P.P., Heyer, Gruel & Associates

**Municipal Housing Liaison:** Carrine Piccolo, Township Assistant Planner

**Recommendation:** Grant Substantive Certification

**SUMMARY OF FAIR SHARE OBLIGATION**

Rehabilitation Share	9
Prior Round Obligation	18
Projected Growth Share Obligation (Net)	213

**ACTUAL GROWTH and GROWTH SHARE through September 2008<sup>1</sup>**

Res Units (#)	Actual Res Growth Share	Jobs (#)	Actual Non-Res Growth Share	Actual TOTAL Growth Share
275	17 units	535	107 units	124 units

**COMPLIANCE PLAN SUMMARY**

Obligation	Credit/ Mechanism Type	# Units Completed	# Units Proposed	TOTAL
<b>Rehabilitation: 9 units</b>				
Credits	Post-April 1, 2000	9		9
<b>Rehabilitation Subtotal</b>				<b>9</b>
<b>NEW CONSTRUCTION:</b>				
<b>Prior Round: 18 units</b>				
Post 1986 Credits	SCARC	3		3
	Willowglen (1)	3		3
	Willowglen (2)	4		4
Proposed Mechanism(s)	Crystal Springs Village Center		3	3
Prior Round Bonus(es)	S/SN <sup>2</sup> - Rental	5		5
<b>Prior Round Subtotal</b>				<b>18</b>
<b>Growth Share: 213 units</b>				
Proposed Mechanism(s)	Crystal Springs Village Center		148	148
	Ridgefield Common		24	24
	Indian Fields Phase IV and V		8	8
	Forest Knolls		3	3
	Emerald Estates		4	4
	Market to Affordable		21	0

<sup>1</sup> This growth share number does not take into account allowable exclusions permitted under N.J.A.C. 5:97-2.5; therefore, the actual growth share may vary.

<sup>2</sup> S/SN means Supportive and Special Needs.

	Supportive/Special Needs Housing-SEED		8	8
	Supportive/Special Needs Housing		9	9
<b>Growth Share Bonus(es)</b>	Compliance	53		53
<b>Growth Share Subtotal</b>				<b>257</b>
<b>SURPLUS</b>				<b>44</b>

**HOUSING ELEMENT**

Pursuant to N.J.S.A. 40:55D-28(b), the Housing Element is a required section of the Municipal Master Plan. The Housing Element must be designed to achieve the goal of access to affordable housing to meet existing and future housing needs, with special attention given to low- and moderate-income households. The housing needs analysis must include demographic information on existing and projected housing stock and employment characteristics, a quantification of low- and moderate-income housing need, and a consideration of the lands within the municipality that are most appropriate to accommodate such housing. Hardyston’s Housing Element includes sufficient information regarding housing stock, demographic and employment characteristics and population trends pursuant to N.J.S.A. 52:27D-310.

Under N.J.A.C. 5:97-2.1(b), the Housing Element must also set forth the municipality’s fair share obligation, which is the sum of the rehabilitation share, the prior round obligation, and the growth share.

**A. Rehabilitation Share**

The rehabilitation share is the number of existing housing units within a municipality as of April 1, 2000, that are both deficient and occupied by households of low or moderate income. As indicated in Appendix B of N.J.A.C. 5:97, Hardyston has a rehabilitation share of nine units.

**B. Prior Round Obligation**

The prior round obligation is the cumulative 1987-1999 new construction obligation provided in Appendix C of N.J.A.C. 5:97. Hardyston has a prior round obligation of 18.

**C. Projected Growth Share**

The projected growth share is initially calculated based on household (residential) and employment (non-residential) 2004-2018 projections. Pursuant to Appendix F of N.J.A.C. 5:97, Hardyston has a residential projection of 611 units and a non-residential projection of 1451 jobs, which results in an initial projected growth share obligation of 213<sup>3</sup> affordable units.

**SUMMARY OF FAIR SHARE OBLIGATION**

Rehabilitation Share	9
Prior Round Obligation	18
Projected Growth Share Obligation (Net)	213

**I. FAIR SHARE PLAN**

A Fair Share Plan, as required under N.J.A.C. 5:97-3.1, describes the completed or proposed mechanisms and funding sources, if applicable, that will be utilized to specifically address a municipality's rehabilitation share, prior round obligation, and growth share obligation and includes the draft ordinances necessary to implement that plan. Affordable housing must be provided in direct proportion to the growth share obligation generated by the actual growth.

Hardyston's Fair Share Plan, and the supporting documentation incorporated by reference therein, address the requirements of N.J.A.C. 5:97-3.1 as follows:

**A. Plan to Address Rehabilitation Share**

**Rehabilitation Share Credits**

Hardyston is requesting credit for nine units rehabilitated subsequent to April 1, 2000. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

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<sup>3</sup> The number of *projected* residential COs (611) is divided by 5 to yield 122.20 units and the number of jobs is divided by 16 to yield 90.69 units Hardyston's total projected growth share is therefore 213 units (*res 122.20 + non-res 90.69*).

**Rehabilitation Credits**

Rehabilitation Program	# Credits
Hardyston Township Rehabilitation Program	9
<b>TOTAL</b>	<b>9</b>

**B. Plan to Address Prior Round Obligation**

**Prior Round Obligation Credits**

Hardyston is addressing a portion of the prior round obligation with 10 post-1986 credits and five rental bonuses. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

**Post-1986 Credits**

Project/Development Name	Year Built or Approved	Type of Affordable Unit	# Units/Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
SCARC	1992	Supportive and Special Needs-rental (S/SN)	3 bedrooms	Non-age restricted rental		3
Willowglen (1)	1995	S/SN	3 bedrooms	Non-age restricted rental	1	4
Willowglen (2)	1995	S/SN	4 bedrooms	Non-age restricted rental	4	8
<b>TOTALS</b>			<b>10</b>		<b>5</b>	<b>15</b>

**Proposed Affordable Housing Mechanisms**

Hardyston proposes to address the remaining three-unit prior round obligation through the following mechanisms:

**Crystal Springs Village Center**

The Township's Fair Share Plan indicates that three of the 143 proposed affordable rental units at block 16/lots 8.01, 8.03, 3.05, 3.06 and 3.07 located in the Village Center District, known as Crystal Springs Village Center South address the remaining three unit prior round obligation. The site is approximately 42 acres, includes 587 units of residential development and 116,000 sq. ft. of non-residential development, and is located in PA 5 and in the Highlands Planning Area. The Township indicates that Sussex National Development Corp., applicant for block 16/lots 8.01, 8.03, 3.05, 3.06 and 3.07 and block 14, lots 22.01 and 24.01 located in the commercial recreation village center, received general development plan, preliminary site plan approval and minor subdivision for Crystal Springs Village Center from the Planning Board of Hardyston Township on November 29, 2007. In addition, the Township submitted an executed "Affordable Housing Developer's Agreement" with Crystal Springs Builders, LLC, dated July 2, 2007. Subsequently, Crystal Springs Builders, LLC, issued a letter, dated January 12, 2009, committing to construct eight additional affordable units at Crystal Springs Village Center South, for a total of 151 affordable units. The eight additional affordable units results from a developer's agreement, dated May 23, 2006, for another development known as Crystal Springs Grand Cascades Lodge, which is discussed further below. The Township indicates that Crystal Springs Builders will provide 151 affordable rental<sup>4</sup> units reserved for low- and moderate-income households, of which 11 of the low-income units will be available to households earning 35 percent or less of median income and four of the low-income units will be reserved and restricted to very-low income households with incomes at 30 percent or less of the median income. The Township has provided information pertaining to the site's availability and demonstrated that the site may be developed for low and moderate income housing in a manner consistent with the rules or regulations of all agencies with jurisdiction over the site. In addition, the Township has included the developer's agreement and planning board resolution with the

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<sup>4</sup> Pursuant to N.J.A.C. 5:80-26.3(d), at least 10 percent of all low- and moderate-income rental units shall be affordable to households earning no more than 35 percent of median income.



petition. The development will be served by public water by the Hardyston Township Municipal Utility Authority and public sanitary sewer by Sussex County Municipal Utilities Authority.

[Three rental units]

**Proposed Prior Round Affordable Housing Mechanisms**

Type/Name of Affordable Housing Mechanism	Type of Affordable Unit	# Units/Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Crystal Springs Village Center	Family rentals	3	Non-age restricted rental	0	3
<b>TOTALS</b>		<b>3</b>		<b>0</b>	<b>3</b>

**Prior Round Obligation Parameters**

Hardyston has satisfied the applicable Prior Round parameters as follows:

**Prior Round Rental Obligation:<sup>5</sup> 5 Units**

Development/Project Name	Type of Affordable Unit	# Units/Bedrooms
Willowglen (1)	S/SN	3
Willowglen (2)	S/SN	4
Crystal Springs Village Center	Non-age restricted rental	3
<b>TOTAL</b>		<b>10</b>

<sup>5</sup> Rental Obligation: 25 percent (prior round obligation) or .25(18)= 4.5 rounded to 5. N.J.A.C. 5:97-3.10(b)1

**Prior Round Rental Bonus Maximum<sup>6</sup>: 5 Units**

<b>Development/Project Name</b>	<b>Type of Bonus</b>	<b># Bonuses</b>
Willowglen (1)	Non-age restricted rental	1
Willowglen (2)	Non-age restricted rental	4
<b>TOTAL</b>		<b>5</b>

**C. Plan to Address Projected Growth Share**

**Proposed Affordable Housing Mechanisms**

Hardyston proposes to address its 213-unit growth share obligation through the following mechanisms:

**Crystal Springs Village Center**

The Township's Fair Share Plan indicates that 148 of the 151 proposed affordable rental units at block 16/lots 8.01, 8.03, 3.05, 3.06 and 3.07 located in the Village Center District, known as Crystal Springs Village Center South address a portion of the projected growth share obligation. The Township requests 53 compliance bonuses. Pursuant to N.J.A.C. 5:97-3.17, Hardyston is eligible to receive two units of credit for each affordable unit to be built on-site and included in a development that received preliminary or final subdivision or site plan approval, or was the subject of an executed redevelopment agreement, between December 20, 2004 and June 2, 2008.

As noted above, the site is located in PA 5 and is in the Highlands Planning Area. The development received general development plan, preliminary site plan approval and minor subdivision approval on November 29, 2007, and the Township executed an "Affordable Housing Developer's Agreement" with Crystal Springs Builders, LLC. Subsequently, Crystal Springs Builders, LLC, issued a letter dated January 12, 2009, committing to construct eight additional affordable units at Crystal Springs Village Center South. The eight additional

<sup>6</sup> No rental bonuses shall be granted for rental units in excess of the prior round rental obligation, therefore, PR Rental Bonus Maximum = PR Rental Obligation N.J.A.C. 5:97-3.5

affordable units results from a developer's agreement, dated May 23, 2006, for another development known as Crystal Springs Grand Cascades Lodge, which is discussed further below. The Township indicates that Crystal Springs Builders will provide 151 affordable rental units reserved for low- and moderate-income households, of which four of the low-income units will be reserved and restricted to very-low income households. In addition, the Township has provided information pertaining to the site's availability and demonstrated that the site may be developed for low and moderate income housing in a manner consistent with the rules or regulations of all agencies with jurisdiction over the site. The Township has included the developer's agreement and planning board resolution with the petition. The development will be served by public water by the Hardyston Township Municipal Utility Authority and public sanitary sewer by the Hardyston Township Municipal Utilities Authority. **[148 affordable rental units and 53 compliance bonuses]**

#### **Crystal Springs Grand Cascades Lodge**

On May 23, 2006, the Township executed an "Affordable Housing Developer's Agreement" with Crystal Springs Builders, LLC, which stipulates that Crystal Springs Builders will provide eight affordable rental units off-site. As noted above, Crystal Springs Builders, LLC, issued a letter committing to construct eight additional affordable units at Crystal Springs Village Center South to satisfy its off-site requirement.

#### **Ridgefield Commons**

The Township's Fair Share Plan proposes 24 affordable units at block 67/lot 2.01 located in the MIDD-3 zone, known as Ridgefield Commons, to address a portion of the projected growth share obligation. The site is located in PA 4B and in the Highlands Planning Area. The Township indicates that Pottersville Properties Development Corp., applicant for block 67/lot 2.01, located in the commercial recreation village center, received amended preliminary site plan approval from the Planning Board of Hardyston Township on May 25, 2006 for 191 market rate units and 24 affordable units. In addition, the Township executed an "Amendment to Developer's Agreement Pottersville Properties Development, LLC" with Pottersville Properties

Development, LLC, which stipulates that Pottersville Properties Development will provide 24 affordable units within the Ridgefield Commons Development. In addition, the Township has provided information pertaining to the site's availability and demonstrated that the site may be developed for low and moderate income housing in a manner consistent with the rules or regulations of all agencies with jurisdiction over the site. In addition, the Township has included the developer's agreement and planning board resolution with the petition. The development will be served by public water system by the Wallkill Water Company and public sanitary sewer by Wallkill Sewer Company. **[24 affordable for-sale units]**

#### **Indian Fields (Phases IV and V)**

The Township's Fair Share Plan proposes eight affordable units, four at block 67.30/lot 1 (Phase IV) and four at Block 67.29/lot 1 (Phase V) located in the Indian Fields development. The site is located in PA 4B and in the Highlands Planning Area. The Township indicates that HFH Development Corporation, applicant for block 67.03/lot 1 and block 67.29/lot 1, received amended preliminary and final major subdivision and amended preliminary and final plan approval for Phase IV and Phase V from the Planning Board of Hardyston Township on October 27, 2005 and November 13, 2006, respectively. Both phases include 28 market rate and four affordable units for a total of 56 market rate and eight affordable units.

The Township has provided information pertaining to the site's availability and demonstrated that the site may be developed for low and moderate income housing in a manner consistent with the rules or regulations of all agencies with jurisdiction over the site. The Township has included the developer's agreement and planning board resolution with the petition. The development will be served by public water by the Hardyston Township Municipal Utility Authority and public sanitary sewer by Hardyston Township Municipal Utility Authority. **[Eight affordable for-sale units]**

#### **Forest Knolls**

The Township's Fair Share Plan proposes three affordable units within a proposed residential development at block 72/lots 5.01 and 21. The site is located in PA 4B and in the

Highlands Planning Area. The Township indicates that Petar Bubalo and Andrea Zeibekis, applicant for block 72/lots 5.01 and 21, received preliminary and final major subdivision from the Planning Board of Hardyston Township on February 28, 2008 to subdivide 130.9 acres into 26 lots, of which 23 will be for market rate units and one lot will be reserved for three affordable units in a two-story multifamily building. The approval requires the applicant to execute a developer's agreement with the Township for the three affordable units. At the time the Township petitioned a developer's agreement had not been executed.

The Township has provided information pertaining to the site's availability and demonstrated that the site may be developed for low and moderate income housing in a manner consistent with the rules or regulations of all agencies with jurisdiction over the site. The Township has included the February 28, 2008 planning board resolution and a report from its engineer with the petition. The development is not in an area served by public sewer or public water service. The development will be served by on-site septic and on-site wells. **[Three affordable for-sale units]**

#### **Emerald Estates**

The Township's Fair Share Plan proposes three affordable units within a proposed residential development at block 63/lots 26 and 27. The site is located in PA 4B and in the Highlands Planning Area on Wheatsworth Road in Hardyston. The Township indicates that CSJ Investments, applicant for block 63/lots 26 and 27, received preliminary and final major subdivision from the Planning Board of Hardyston Township on September 27, 2007 to subdivide 193.44 acres into 29 single family market rate lots, and one lot reserved for four affordable units. In addition, the Township executed an "Developer's Agreement" with CSJ Investments., which stipulates that CSJ Investments will provide 29 single family market rate lots, and one lot reserved for four affordable units in a two story multifamily building within the Emerald Estates development.

The Township has provided information pertaining to the site's availability and demonstrated that the site may be developed for low and moderate income housing in a manner consistent with the rules or regulations of all agencies with jurisdiction over the site. In addition,

the Township has included the September 27, 2007 planning board resolution and the Developer's Agreement with the petition. The development is not in an area served by public sewer or public water service. The development will be served by on-site septic and on-site wells. **[Four affordable for-sale units]**

#### **Market to Affordable**

Hardyston proposes to utilize a Market to Affordable program to address 21 units of its projected growth share obligation, which is 10 percent of the fair share obligation pursuant to N.J.A.C. 5:97-6.9(b)4. In accordance with N.J.A.C. 5:97-6.9(b)3, the Township proposes to provide approximately \$2.6 million or \$124,000 per unit to write-down the cost of up to 21 market units and offer them in sound condition at affordable prices to moderate income households.

N.J.A.C. 5:97-6.9(d) requires that the municipality demonstrate that there are sufficient for-sale market units within the municipality for a viable program. Hardyston has submitted documentation, which lists unrestricted, non-affordable properties in Hardyston Township in selected price ranges. Several homes in the Township fall within the \$80,000 to \$180,000 range that would be eligible for the write-down/buy-down program. The Township proposes to purchase existing townhouse and condo units and then re-sell the units to income eligible households at low and moderate income sales prices in accordance with COAH's rules and the Uniform Housing Affordability Controls (UHAC).

N.J.A.C. 5:97-6.9(b)3, requires that Hardyston provide at least \$20,000 per unit to subsidize the cost of the buy-down. The Township will make a total of \$2.6 million (\$124,000 per unit) available to 21 moderate-income eligible households.

Hardyston Township has not designated an agent to administer the program, nor has it provided an operating manual or marketing plan for the market to affordable program, and therefore, COAH cannot grant advance credit for this mechanism for addressing the Township's affordable housing obligation. However, the Township may be eligible to receive credit when

Hardyston submits the required information and/or the Township implements the program consistent with COAH's regulations. **[Zero credits at this time]**

### **Supportive and Special Needs Housing- SEEDS Corp**

Hardyston proposes to partner with the Start Easy Eagle Development Corp. (SEED Corp.) to create eight bedrooms to address a portion of its projected Growth Share Obligation. The Township indicates that it is in discussions with SEED to acquire, rehabilitate and convert three or four existing single family detached and attached homes to a supportive and special needs home(s).

Pursuant to N.J.A.C. 5:97-3.2(a)4, Hardyston has provided an implementation schedule that demonstrates a realistic opportunity and sets forth a timetable for the submittal of all information and documentation required by N.J.A.C. 5:97-6.7. The Township's mechanism checklist form includes a timetable for each step of the development process in accordance with N.J.A.C. 5:97-6.7(d)1 with certificates of occupancy being issued in October 2012. As such, supporting documentation is required to be submitted to COAH two years before renovation and conversion begins, in March 2010.

Hardyston provided an adopted resolution, dated December 2, 2008, of intent to bond or appropriate funds from general revenue, in the event the Township's housing trust fund does not have sufficient funds to finance the rental units. **[Eight bedrooms]**

### **Supportive and Special Needs Housing**

Hardyston proposes to partner with another unidentified not for profit to create nine bedrooms to address a portion of its projected Growth Share Obligation. The Township indicates that it will coordinate with a not for profit organization to acquire, rehabilitate and convert four or five existing single family detached and attached homes to a supportive and special needs home(s).

Pursuant to N.J.A.C. 5:97-3.2(a)4, Hardyston has provided an implementation schedule that demonstrates a realistic opportunity and sets forth a timetable for the submittal of all information and documentation required by N.J.A.C. 5:97-6.7. The Township's mechanism

checklist form includes a timetable for each step of the development process in accordance with N.J.A.C. 5:97-6.7(d)1 with certificate's of occupancy being issued in October 2012. As such, supporting documentation is required to be submitted to COAH two years before renovation and conversion begins, in March 2010.

Hardyston provided an adopted resolution, dated December 2, 2008, of intent to bond or appropriate funds from general revenue, in the event the Township's housing trust fund does not have sufficient funds to finance the rental units. **[Nine bedrooms]**

**Proposed Growth Share Affordable Housing Mechanisms**

Type/Name of Affordable Housing Mechanism	Type of Affordable Unit	# Units/Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Crystal Springs Village Center	Family rental	148	Compliance	53	201
Ridgefield Common	For sale	24			24
Indian Fields Phase IV and V	For sale	8			8
Forest Knolls	For sale	3			3
Emerald Estates	For sale	4			4
Market to Affordable	For sale	21			0
Supportive/Special Needs Housing- SEED	SSN	8			8
Supportive/Special Needs Housing- Municipal Partnership with Not for Profit	SSN	9			9
<b>TOTALS</b>		<b>225</b>			<b>257</b>
<b>SURPLUS</b>					<b>44</b>

**Growth Share Parameters**

Hardyston has satisfied the applicable Growth Share parameters as follows:



**Growth Share Rental Obligation:<sup>7</sup> 54 Units**

Development/Project Name	Type of Affordable Unit	# Units
Crystal Springs Village Center	Family rental	148
Supportive/Special Needs Housing- SEED	SSN	8
Supportive/Special Needs Housing	SSN	9
<b>TOTAL</b>		<b>165</b>

**Growth Share Family Rental Requirement<sup>8</sup> : 27 Units**

Development/Project Name	Type of Affordable Unit	# Units
Crystal Springs Village Center	Family rental	148
<b>TOTAL</b>		<b>148</b>

**Growth Share Minimum Family Requirement<sup>9</sup> : 80 Units**

Development/Project Name	Type of Affordable Unit	# Units
Crystal Springs Village Center	Family rental	148
<b>TOTAL</b>		<b>148</b>

<sup>7</sup> Projected Growth Share Rental Obligation:  $.25(\text{Projected Growth Share})$  or  $.25(213) = 53.25$  or 54 units N.J.A.C. 5:97-3.10(b)3

<sup>8</sup> Projected Growth Share Family Rental Requirement:  $.5(\text{Projected Growth Share Rental Requirement})$  or  $.5(54) = 27$  units N.J.A.C. 5:97-3.4(b)

<sup>9</sup> Projected Growth Share Family Requirement:  $.5(\text{Units Addressing the Growth Share Obligation- Compliance Bonus})$  or  $.5(213-53) = 80$  units N.J.A.C. 5:97-3.9

**Very Low Income Minimum Requirement<sup>10</sup> : 21 Units**

Development/Project Name	Type of Affordable Unit	# Units
Crystal Springs Village Center	Very Low Income Family rental	4
Supportive/Special Needs Housing- SEED	SSN	8
Supportive/Special Needs Housing	SSN	9
<b>TOTAL</b>		<b>21</b>

**Bonus Maximum<sup>11</sup>: 53 Bonuses**

Development/Project Name	Type of Bonus	# Bonuses
Crystal Springs Village Center	Compliance	53
<b>TOTAL</b>		<b>53</b>

**Actual Growth Share Obligation**

The actual growth share obligation will be based on permanent certificates of occupancy issued within the municipality for market-rate residential units and newly constructed or expanded non-residential developments in accordance with Appendix D of N.J.A.C. 5:97. At plan evaluation review pursuant to N.J.A.C. 5:96-10, COAH will compare the actual growth share obligation with the actual number of affordable units constructed.

The New Jersey Department of Community Affairs (NJ DCA) *Construction Reporter* indicates that between January 1, 2004 and September 2008, Hardyston has issued certificates of occupancy for 275 housing units and also for the nonresidential square footage equivalent of 535 jobs, yielding an actual growth share obligation through September 30, 2008, of 124 affordable

<sup>10</sup> Growth Share Very Low Income Requirement:  $.13(213-53)$  or  $.13(160) = 20.8$  or 21 units pursuant to P.L.2008, c.46

<sup>11</sup> Projected Bonus Maximum:  $.25(\text{Projected Growth Share})$  or  $.25(213) = 53$  units N.J.A.C. 5:97-3.17

units.<sup>12</sup>

**D. Summary of Plan to Address Fair Share Obligation**

**REHABILITATION SHARE SUMMARY**  
**Rehabilitation Share: 9 Units**

Program Name	# Credits
Hardyston Township Rehabilitation Program	9
<b>TOTAL</b>	<b>9</b>

**PRIOR ROUND SUMMARY**  
**Prior Round Obligation: 18 Units**

	Name of Mechanism	# Units/ Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
<b>Post 1986 Credits</b>	SCARC	3 bedrooms			3
	Willowglen (1)	3 bedrooms	S/SN- rental	1	4
	Willowglen (2)	4 bedrooms	S/SN- rental	4	8
<b>Proposed Mechanism(s)</b>	Crystal Springs Village Center	3			3
	<b>Subtotal</b>	<b>13</b>		<b>5</b>	
			<b>TOTAL</b>		<b>18</b>

<sup>12</sup> The number of residential COs (275) is initially divided by 5 to yield 17 units and the number of jobs (535) is initially divided by 16 to yield 107 units. Hardyston's total actual growth share is therefore 124 units (*res 17 + non-res 107*). **Note:** This number does not take into account allowable exclusions permitted under N.J.A.C. 5:97-2.5; therefore, the actual growth share may vary.

**GROWTH SHARE SUMMARY**  
**Projected Growth Share Obligation: 213 Units**

	<b>Name of Mechanism</b>	<b># Units/Bedrooms</b>	<b>Bonus Type</b>	<b># Bonuses</b>	<b>Total Units/Bedrooms + Bonuses</b>
<b>Proposed Mechanisms</b>	Crystal Springs Village Center	148	Compliance	53	201
	Ridgefield Common	24			24
	Indian Fields Phase IV and V	8			8
	Forest Knolls	3			3
	Emerald Estates	4			4
	Market to Affordable	21			0
	Supportive/Special Needs Housing-SEED	8			8
	Supportive/Special Needs Housing-Municipal Partnership with Not for Profit	9			9
	<b>Subtotal</b>	<b>225</b>		<b>53</b>	
<b>TOTAL</b>					<b>257</b>
<b>SURPLUS</b>					<b>44</b>

**II. FAIR SHARE DOCUMENT REVIEW**

**A. Development Fee Ordinance**

Hardyston Township, Sussex County ("Hardyston" or "Township") received second round substantive certification on November 7, 2001. Hardyston received approval for a development fee ordinance on June 9, 2000, which was adopted by the Township on July 18, 2000. In compliance with N.J.A.C. 5:94-6.14, Hardyston Township submitted an amended development fee ordinance increasing its development fees, pursuant to N.J.A.C. 5:94-6.6(a) and

6.7(a). On December 19, 2008, the Township submitted a draft amendment to the development fee ordinance for COAH's review and approval with its third round petition. The amended development fee ordinance will be reviewed by COAH in a separate report.

**B. Third Round Spending Plan**

Hardyston's prior round spending plan was approved by COAH on October 23, 2001. A revised third round spending plan was submitted by Hardyston with the Township's third round petition for COAH's review and approval. The spending plan will be reviewed by COAH in a separate report.

**C. Affordable Housing Ordinance/Affordable Housing Administration**

Hardyston has submitted a revised draft affordable housing ordinance that comports with the requirements of the Uniform Housing Affordability Controls (UHAC), N.J.A.C. 5:80-26.1 et seq., which was amended on December 20, 2004. The draft proposed ordinance has also been amended to include the compliance with barrier free subcode of the State Uniform Construction Code Act (N.J.S.A. 52:27D-119 et seq.) and the accessibility requirements of N.J.S.A. 52:27D-123.15. The draft ordinance must be adopted within 45 days of COAH's grant of substantive certification and submitted to COAH immediately upon adoption.

An ordinance establishing the position of a municipal housing liaison and a resolution appointing a municipal housing liaison were adopted by the Township on October 17, 2006. On May 20, 2008 Hardyston Township appointed Carrine Piccolo to the position of Municipal Housing Liaison by resolution.

Hardyston is responsible for the continued re-sale and re-rental of existing affordable units and the initial sale and rental of newly constructed affordable units within the Township and must identify an experienced administrative entity for that purpose by contract, agreement or letter. Hardyston must designate an administrative entity and submit a written operating manual for administering affordable units within the Township in accordance with N.J.A.C. 5:80-26.14(b), in accordance with N.J.A.C. 5:97-6.4(k) and N.J.A.C. 5:97-6.7(e).

#### **D. Affirmative Marketing Plan**

Hardyston has submitted an affirmative marketing plan that comports with the requirements of the UHAC and ensures the units in the Hardyston's 1987-2018 Fair Share Plan and all future affordable housing units will be affirmatively marketed to the region upon initial sale/rental and re-sale/re-rental. Once approved by COAH, the affirmative marketing plan must be adopted by resolution by the Hardyston within 45 days of COAH's grant of substantive certification and submitted to COAH.

### **III. MONITORING**

Hardyston must comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting the Hardyston's actual growth pursuant to N.J.A.C. 5:97-2.5. Pursuant to N.J.A.C. 5:96-10.1, COAH will conduct biennial plan evaluations upon substantive certification of Hardyston's Housing Element and Fair Share Plan. The purpose of the plan evaluation is to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing. If upon any biennial review the difference between the number of affordable units constructed or provided in Hardyston and the number of units required pursuant to N.J.A.C. 5:97-2.5 results in a pro-rated production shortage of 10 percent or greater or the Township is not adhering to its implementation schedule pursuant to N.J.A.C. 5:97- 3.2(a)4, or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, the Council may direct the municipality to amend its plan to address the shortfall.

### **IV. RECOMMENDATION**

COAH staff recommends that Hardyston be granted third round substantive certification. Hardyston must adopt all necessary implementing ordinances within 45 days of the grant of

substantive certification and submit certified copies of the adopted ordinances to COAH within seven days of the adoption.