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2025 HOUSING ELEMENT AND FAIR SHARE PLAN

TOWNSHIP OF HANOVER
MORRIS COUNTY, NEW JERSEY

PREPARED FOR:

TOWNSHIP OF HANOVER PLANNING BOARD
BA# 4152.16

The original document was appropriately signed and sealed on May 30, 2025 in accordance with Chapter 41 of Title 13 of the State Board of Professional Planners.

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EXECUTIVE SUMMARY

The following **2025 Housing Element and Fair Share Plan (HE&FSP)** of the Master Plan has been prepared for the Township of Hanover, Morris County, New Jersey.

This plan is designed to outline the manner in which the Township will address its affordable housing obligations. As discussed in greater detail herein, these obligations were derived from a variety of different sources including the Council on Affordable Housing (COAH), prior Court-approved Judgments of Compliance and Repose and settlement agreements with Fair Share Housing Center (FSHC), and most recently from Fourth Round obligation calculations provided by the Department of Community Affairs (DCA) as modified by a Structural Conditions Survey and trial court order.

These obligations are summarized as follows:

Table 1: Affordable Housing Obligations Summary

Category	Obligation
Present Need (Rehabilitation) Obligation	10
First & Second Round Obligation (1987-1999)	356
Third Round Obligation (1999-2025)	975
Fourth Round Obligation (2025-2035)	461

First & Second Round Obligation

The Township of Hanover has prepared a number of Housing Elements and Fair Share Plans over the years to address its affordable housing obligations. The Township was initially granted a judgment of compliance and repose to address a First Round obligation of 250 units (new construction) on September 24, 1984 by the Honorable Stephen Skillman, J.S.C. The 1984 Judgment of Compliance and Repose included the zoning of five sites to address the obligation.

In 1994, COAH issued new housing need numbers for the combined First and Second Round period between 1987 and 1999. Hanover was assigned a new construction obligation of 356 units and subsequently received substantive certification of its Second Round HE&FSP on August 4, 1999. The Township addressed this First and Second Round obligation through the components identified in Table 2 below, all of which have been completed.

Table 2: Plan Components Satisfying First & Second Round Obligation

Plan Component	Units	Bonus	Total	Status
<i>RCA:</i>				
City of Orange Twp.	9	--	9	Completed
<i>Inclusionary Development:</i>				
Hanover Hills	39	--	39	Completed
Sunrise at Hanover	32	--	32	Completed
Eden Mill Village	66	--	66	Completed
Oak Ridge at Hanover	50	--	50	Completed
Sterling Parc (rentals) – senior	44	14	58	Completed
<i>100% Affordable - Rentals:</i>				
Saddlebrook Court - family	15	15	30	Completed
<i>Special Needs/Supportive Housing:</i>				
21 Longview Dr. ARC	4	4	8	Completed
Saddlebrook Court	5	5	10	Completed
Horse Hill Rd. I ARC	6	6	12	Completed
Whippany Jewish Assoc.	4	4	8	Completed
Mountain Ave. ARC	5	5	10	Completed
Eden Lane ARC	6	6	12	Completed
Allegro School	6	6	12	Completed
Total	291	65	356	--

Third Round Obligation

On February 5, 2019, the Township and FSHC entered into a Settlement Agreement, which established a Third Round Obligation of 975 affordable units, inclusive of a 550-unit Third Round RDP and 425-unit Third Round Unmet Need. This agreement was subsequently amended on June 2, 2020 and again on March 2, 2021, but the obligations remained the same. The Township's Amended Third Round HE&FSP, adopted on February 9, 2021, is the culmination of these efforts and the Township was ultimately granted a Final Judgment of Compliance (Third Round JOR) on May 3, 2021.

Hanover's 2021 HE&FSP set forth various plan mechanisms to address the entirety of its Third Round RDP obligation, including a combination of credits from existing affordable units, proposed inclusionary housing units, alternative living arrangements, and rental bonus credits permitted in accordance with COAH's Round 2 rules. The plan components to address Hanover's Third Round RDP obligation are identified in Table 3 below. As shown, whereas 179 units and 129 rental bonus credits have been completed toward the Township's 550-unit Third Round RDP obligation, 233 units and 9 rental bonus credits still have yet to be fulfilled. All of these projects remain viable, however, and are discussed in more detail in the body of this plan.

Table 3: Plan Components Satisfying Third Round RDP

Plan Component	Units	Bonus	Total	Status
<i>100% Affordable - Rentals:</i>				
Saddlebrook Court - family	58	58	116	Completed
<i>Inclusionary Development:</i>				
Woodmont Knolls (rentals) - family	14	14	28	Completed
Sterling Parc (rentals) – family	8	8	16	Completed
Sterling Parc (rentals) – senior	12	4	16	Completed
Jewish Metrowest I (rentals) – senior	36	12	48	Completed
Silverman/Corporate Mailings (rentals) – family	20	20	40	Completed
Airport Road (rentals) – family	42	9*	51	Settlement
Completed River Park (rentals) - family	13	13*	26	Completed
Remaining River Park (rentals) - family	127	--	127	Settlement
JMF Affordable (190 Park Ave)(rentals) – senior	60	--	60	Settlement
<i>Special Needs/Supportive Housing:</i>				
Rose House	12	--	12	Completed
Horse Hill Rd. II ARC	6	--	6	Completed
River Park Supportive Housing	4	--	4	Settlement
Total	412	138	550	--

*: Although the 2021 HE&FSP assigned 22 rental bonus credits to Airport Road (up to the 25% bonus cap), the Township now assigns 13 of these rental bonus credits to completed family rental units at River Park.

The 2021 HE&FSP also identified the plan components to address Hanover's Third Round Unmet Need of 425 units. These plan components are summarized in Table 4 below.

Table 4: Third Round Unmet Need Components

Plan Component	# of Units
Whippany Village Inclusionary (family rentals)	9
Our Lady of Mercy Group Home (special needs)	4
Excess Airport Road Inclusionary (family rentals)	7
Excess River Park Inclusionary (family rentals)	75
Excess River Park Supportive Housing (special needs)	28
Care One Assisted Living (age-restricted)	4
Extensions of Controls (family for-sale)	137
Accessory Apartment Program (family rentals)	10
Mandatory Set-Aside Ordinance	Ongoing
Development Fee Ordinance	Ongoing

Fourth Round Obligation

Governor Murphy signed the A-40/S-50 Bill into law on March 20, 2024 after the Senate and Assembly adopted it. This legislation (FHA-2) amended the Fair Housing Act (FHA or the Act) by abolishing COAH and created a new process that involved the creation of a new entity known as the Affordable Housing Dispute Resolution Program (the Program), as well as the DCA and the

Administrative Office of the Courts (AOC).

FHA-2 directed DCA to report the Present Need (also referred to as the Rehabilitation obligation) and the Prospective Need (also known as the new construction obligation) 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 obligations generated by the report were advisory only and non-binding. For Hanover, the DCA Report identified a Present Need of 69 and a Prospective Round Four Need of 544.

Since the DCA report is non-binding, each municipality had the opportunity to study and define why its obligations should be different based on the standards in the Act. The Township conducted such an analysis and determined that the DCA had made errors in the Land Capacity Factor calculation, which is part of the formula that determines fair share obligations. The Township adopted a binding resolution on January 23, 2025 which identified a reduced Present Need obligation of 10 units based on the results of a Structural Conditions Survey conducted by the Township, as well as a reduced Prospective Need obligation of 442 units due to the Township's assessment of errors in DCA's report pertaining to Hanover's Land Capacity Factor. Ultimately, a trial court order issued on May 2, 2025 officially set the Township's Round Four Present Need at 10 and its Round Four Prospective Need at 461.

The January 23, 2025 resolution further noted that the Township reserved the right to seek an adjustment of its Fourth Round Prospective Need number based upon a lack of vacant, developable and suitable land. Accordingly, the Township undertook a detailed Vacant Land Analysis to determine if there were any changed circumstances since the 2019 HE&FSP that would warrant a recalibration of Hanover's RDP. At this time, the Township concludes that five properties represent a changed circumstance requiring a Fourth Round RDP obligation. Together, these five properties generate a total Fourth Round RDP obligation of 118 units

The Township proposes to address its 118-unit Fourth Round RDP obligation via a combination of completed extensions of affordability controls, planned inclusionary family rental units, and special needs bedrooms, plus eligible bonus credits, as summarized in Table 5 below.

Table 5: Plan Components Satisfying Fourth Round RDP

Plan Component	Units	Bonus	Total	Status
<i>Extensions of Affordability Controls:</i>				
Oak Ridge (for sale) – family	27	--	27	Completed
<i>Special Needs/Supportive Housing:</i>				
99 Mountain Morris ARC Group Home	6	6	12	Proposed
Bayer South Campus Group Home	5	5	10	Proposed
<i>Inclusionary Development:</i>				
Bayer South Campus Redevelopment (rentals) - family	51	18	69	Proposed
Total	89	29	118	--

The Township proposes to address its remaining 343-unit Fourth Round Unmet Need as identified in Table 6 below.

Table 6: Fourth Round Unmet Need Components

Plan Component	# of Units
Oak Ridge Extensions of Controls (family for-sale)	23
Excess Bayer South Campus Redevelopment (rentals)	29
JMF 100% Affordable (age-restricted rentals)	60
AH-2 Affordable Housing Overlay (age-restricted rentals)	27
Mandatory Set-Aside Ordinance	Ongoing
Development Fee Ordinance	Ongoing

In addition, Hanover proposes to amend its Township-wide Mandatory Set-Aside Ordinance to require a minimum 20 percent affordable housing set-aside for all inclusionary developments (as opposed to the existing language, which requires minimum set-asides of 15 percent where affordable units will be for rent or 20 percent where affordable units will be for sale). This amendment will bring the Township into compliance with the Highlands Council's rules for municipalities in the Highlands Region and will capture even more affordable housing opportunities as they become available in the Fourth Round.

Accordingly, the remainder of this 2025 HE&FSP is divided into the following sections:

❖ Section 1: Introduction

The first section of the 2025 HE&FSP provides an introduction to affordable housing. It summarizes what affordable housing is, offers an overview of the history of affordable housing in the state, and explains the role of a housing element and fair share plan.

❖ Section 2: Housing Element

Section 2 contains the Housing Element for the Township of Hanover. It offers a community overview of the Township, as well as background information regarding its population, housing, and employment characteristics. It also provides projections of the Township's housing stock and employment.

❖ Section 3: Fair Share Obligation

Next, Section 3 provides an overview of the Township's fair share obligation. It includes a brief history of the methodologies utilized to calculate affordable housing obligations throughout the state.

❖ Section 4: Fair Share Plan

Finally, Section 4 details the manner in which the Township has addressed its prior First, Second and Third Round obligations, how it will address its Fourth Round Prospective Need Obligation, and how same is consistent with the FHA, applicable COAH and UHAC regulations, and state planning initiatives.

SECTION I: INTRODUCTION

The following section provides an introduction to affordable housing. It summarizes what affordable housing is, offers an overview of the history of affordable housing in the state, and explains the role of a housing element and fair share plan.

A. WHAT IS AFFORDABLE HOUSING?

Affordable housing is income-restricted housing that is available for sale or for rent. Typically, affordable housing is restricted to very-low, low-, and moderate-income households. These categories are derived from median regional income limits established for the state. New Jersey is delineated into six different affordable housing regions. Hanover is located in Region 2, which includes Essex, Morris, Union and Warren counties.



Regional income limitations are updated every year, with different categories established for varying household sizes. Table 7 identifies the 2024 regional income limits by household size for Region 2. As shown, a three-person family with a total household income of no greater than \$93,180 could qualify for affordable housing in the Township’s region.

Table 7: 2024 Affordable Housing Region 2 Income Limits by Household Size

Income Level	2 Person	3 Person	4 Person	5 Person
Median	\$103,533	\$116,475	\$129,416	\$139,769
Moderate	\$82,826	\$93,180	\$103,533	\$111,816
Low	\$51,766	\$58,237	\$64,708	\$69,885
Very-Low	\$31,060	\$34,942	\$38,825	\$41,931

One of the most common forms of affordable housing is inclusionary development, in which a certain percentage of units within a multifamily development are reserved for affordable housing. Affordable housing can be found in a variety of other forms, including but not limited to: 100 percent affordable housing developments, deed-restricted accessory apartments, alternative living arrangements such as special need/supportive housing or group homes, assisted living facilities, and age-restricted housing.

B. WHAT IS THE HISTORY OF AFFORDABLE HOUSING IN NEW JERSEY?



The history of affordable housing in New Jersey can be traced back to 1975, when the Supreme Court first decided in *So. Burlington Cty. NAACP v. Township of Mount Laurel* (known as Mount Laurel I) that every developing municipality throughout New Jersey had an affirmative obligation to provide for its fair share of affordable housing. In a subsequent Supreme Court decision in 1983 (known as Mount Laurel II), the Court acknowledged that the vast majority of municipalities had not addressed their constitutional obligation to provide affordable housing.

As such, the Court refined this obligation to establish that every municipality had an obligation, although those within the growth area of the State Development and Redevelopment Plan (SDRP) had a greater obligation. The Court also called for the state legislature to enact legislation that would save municipalities from the burden of having the courts determine their affordable housing needs. The result of this decision was the adoption of the Fair Housing Act in 1985, as well as the creation of the New Jersey Council on Affordable Housing (COAH), which became the state agency responsible for overseeing the manner in which New Jersey's municipalities address their low- and moderate-income housing needs.

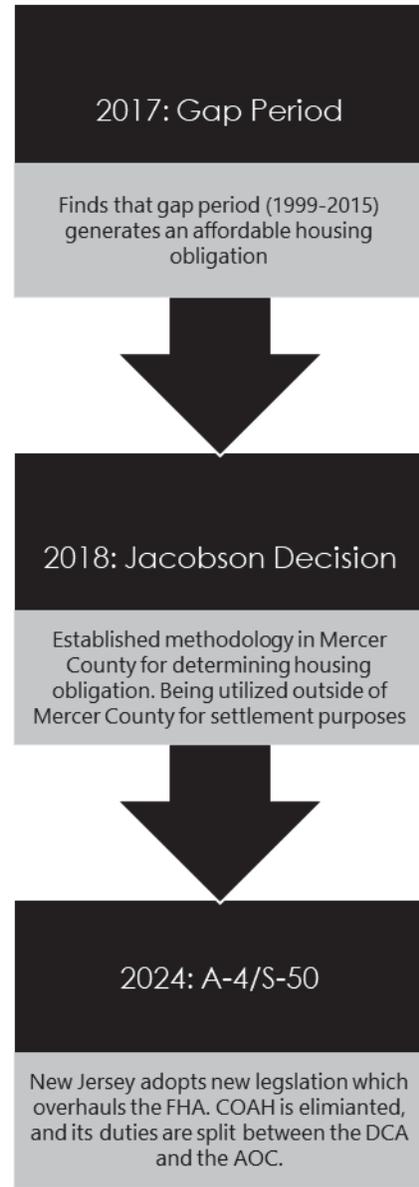
COAH proceeded to adopt regulations for the First Round obligation, which covered the years 1987 to 1993. It also established the Second Round housing-need numbers that cumulatively covered the years 1987 through 1999. Under both the First and Second Rounds, COAH utilized what is commonly referred to as the "fair share" methodology. COAH utilized a different methodology, known as "growth share," beginning with its efforts to prepare Third Round housing-need numbers. The Third Round substantive and procedural rules were first adopted in 2004.

These regulations were challenged and in January 2007, the Appellate Division invalidated various aspects of these rules and remanded considerable portions of the rules to COAH with the directive to adopt revised regulations.

In May 2008, COAH adopted revised Third Round regulations which were published and became effective on June 2, 2008. Coincident to this adoption, COAH proposed amendments to the rules they had just adopted, which subsequently went into effect in October 2008. These 2008 rules and regulations were subsequently challenged, and in an October 2010 decision, the Appellate Division invalidated the Growth Share methodology, and also indicated that COAH should adopt regulations pursuant to the Fair Share methodology utilized in Rounds One and Two. The Supreme Court affirmed this decision in September 2013, which invalidated much of the third iteration of the Third Round regulations and sustained the invalidation of growth share. As a result, the Court directed COAH to adopt new regulations pursuant to the methodology utilized in Rounds One and Two.

Deadlocked with a 3-3 vote, COAH failed to adopt newly revised Third Round regulations in October 2014. Fair Share Housing Center, who was a party in both the 2010 and 2013 cases, responded by filing a motion in aid of litigants' rights with the New Jersey Supreme Court. The Court heard the motion in January 2015 and issued its ruling on March 20, 2015. The Court ruled that COAH was effectively dysfunctional and, consequently, returned jurisdiction of affordable housing issues back to the trial courts where it had originally been prior to the creation of COAH in 1985.

This 2015 Court decision created a process in which municipalities may file a declaratory judgment action seeking a declaration that their HE&FSP is constitutionally compliant and receive temporary immunity from affordable housing builders' remedy lawsuits while preparing a new or revised HE&FSP to ensure their plan continues to affirmatively address their local housing need as may be adjusted by new housing-need numbers promulgated by the court or COAH.



Subsequently, the Supreme Court ruled on January 18, 2017 that municipalities are also responsible for obligations accruing during the so-called “gap period,” the period of time between 1999 and 2015. However, the Court stated that the gap obligation should be calculated as a never-before calculated component of Present Need, which would serve to capture Gap Period households that were presently in need of affordable housing as of the date of the Present Need calculation (i.e. that were still income eligible, were not captured as part of traditional present need, were still living in New Jersey and otherwise represented a Present affordable housing need).

On March 20, 2024, Governor Murphy signed the A4/S50 Bill into law, which amended the FHA for the Fourth Round and beyond. The amendments to the FHA (FHA-2) eliminated COAH and created a new entity to approve the plans known as the Affordable Housing Dispute Resolution Program (the Program), which consists of seven retired Mount Laurel Judges. FHA-2 also involved the DCA and AOC in the process.

The DCA was designated by the amended FHA as the entity responsible for calculating the state’s regional needs as well as each municipality’s present and prospective fair share obligations pursuant to the Jacobson Decision. However, the amended FHA makes it clear that these numbers are advisory and non-binding, and that each municipality must set its own obligation number utilizing the same methodology. The Program was tasked to handle any disputes regarding affordable housing obligations and plans, and to ultimately issue a Compliance Certification to approve a municipality’s HE&FSP, which would continue immunity from all exclusionary zoning lawsuits until July 30, 2035.

B. WHAT IS A HOUSING ELEMENT AND FAIR SHARE PLAN?

A Housing Element and Fair Share Plan (HE&FSP) serves as the blueprint for how a municipality will address its fair share of affordable housing. It is designed to help a community broaden the accessibility of affordable housing.

While technically a discretionary component of a municipal master plan, a HE&FSP is nevertheless an effectively obligatory plan element. As established by NJSA 40:55D-62.a of the Municipal Land Use Law (MLUL), a municipality must have an adopted HE&FSP in order to enact its zoning ordinance. Thus, from a public policy perspective, a HE&FSP is an essential community document. Moreover, without an approved HE&FSP, a municipality may be susceptible to a builder’s remedy lawsuit in which a developer could file suit to have a specific piece of property rezoned to permit housing at higher densities than a municipality would otherwise allow, provided a certain percentage of units are reserved as affordable.

The Municipal Land Use Law (MLUL) is the enabling legislation for municipal land use and development, planning, and zoning for the State of New Jersey.

The Fair Housing Act, as most recently amended pursuant to FHA-2, establishes the required components of a HE&FSP. These are summarized as follows:

1. An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low- and moderate-income households and substandard housing capable of being rehabilitated;
2. A projection of the municipality's housing stock, including the probable future construction of low- and moderate-income housing, for the next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
3. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
4. An analysis of the existing and probable future employment characteristics of the municipality;
5. A determination of the municipality's present and prospective fair share for low- and moderate-income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low- and moderate-income housing;
6. A consideration of the lands that are most appropriate for construction of low- and moderate-income housing and the existing structures most appropriate for conversion to, or rehabilitation for, low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to provide low- and moderate-income housing;
7. An analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission;
8. For a municipality located within the jurisdiction of the Highlands Water Protection and Planning Council, an analysis of compliance of the housing element with the Highlands Regional Master Plan of lands in the Highlands Preservation Area, and lands in the Highlands Planning Area for Highlands conforming municipalities; and
9. An analysis of consistency with the State Development and Redevelopment Plan, including water, wastewater, stormwater, and multi-modal transportation based on guidance and technical assistance from the State Planning Commission.

SECTION 2: HOUSING ELEMENT

The following section provides the housing element for the Township of Hanover. It offers a community overview of the Township, as well as background information regarding its population, housing, and employment characteristics. It also provides projections of the Township's housing stock and its employment.

A. COMMUNITY OVERVIEW

The Township of Hanover is located in the easterly portion of Morris County. It is bound to the north by the Township of Parsippany-Troy Hills, to the east by the Township of East Hanover to the south by the Borough of Florham Park, to the southwest by the Township of Morris, and to the northwest by the Borough of Morris Plains, all of which are also located in Morris County.

The Township, comprised of Cedar Knolls and Whippany, occupies an area of 10.8 square miles. It is located entirely within the Highlands Region, with the entirety of its land area located in the Highlands Planning Area.

Major regional traffic is carried through the Township on Interstate Route 287, as well as States Routes 10 and 24. Route 287 runs north-south and traverses the central portion of the municipality. Routes 10 and 24 run east-west across the northern and southern portions of the municipality, respectively.

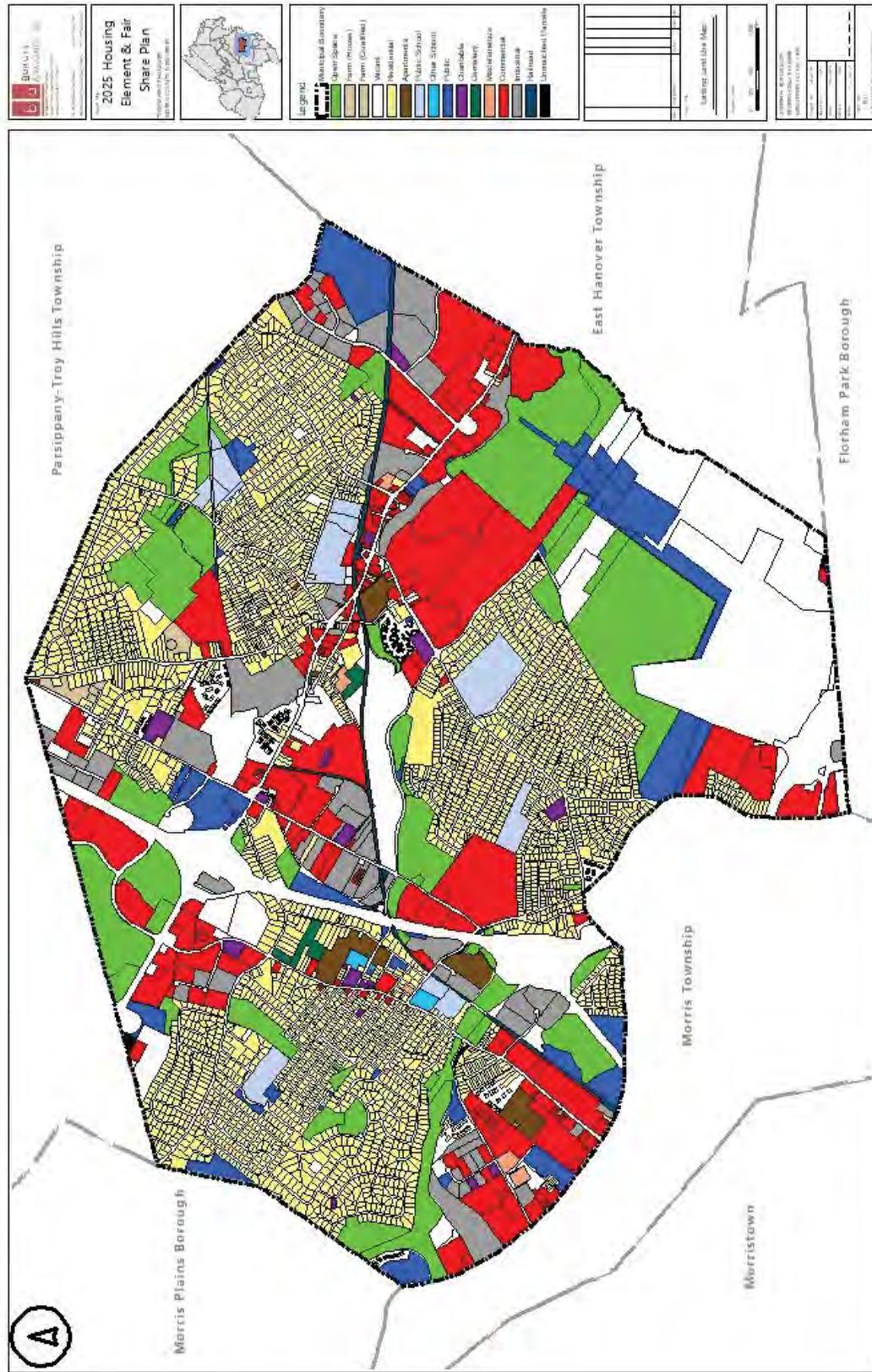
The Whippany Line of the Morristown and Erie Railway, a small freight line, traverses the Township. The line runs from Morristown and runs through East Hanover Township and Hanover Township to Roseland.

The community is characterized by a mixture of suburban residential neighborhoods, parkland and commercial & industrial businesses. The Morristown Airport is located in Hanover Township. It is the second largest corporate airport in New Jersey. Some of the businesses located in the Township include Bayer HealthCare and MetLife. Hanover also has five major hotels within its boundaries, including the Hanover Marriott Hotel, the Courtyard Hanover and Hyatt House. The Township's existing land uses, as determined by Township tax records, are illustrated on the accompanying Existing Land Use Map.

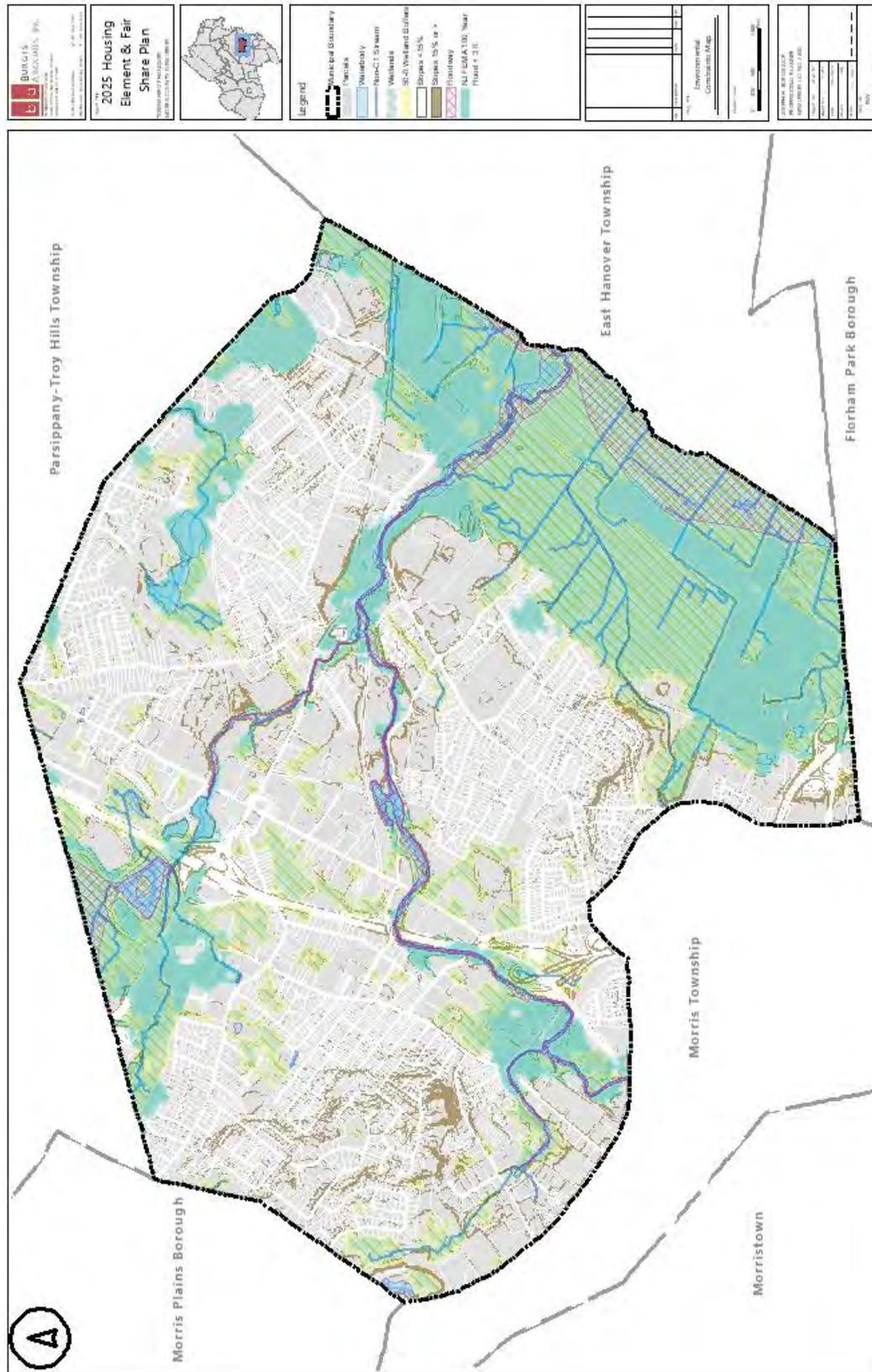
Environmentally constrained areas within the Township are identified on the accompanying Environmental Constraints Map. As shown, Hanover has extensive areas of wetlands, floodplains and flood hazard areas, streams, and steep slopes (defined as slopes greater than 15 percent).

The accompanying Sewer Service Area Map illustrates the areas within Hanover Township that are within the Sewer Service Area.

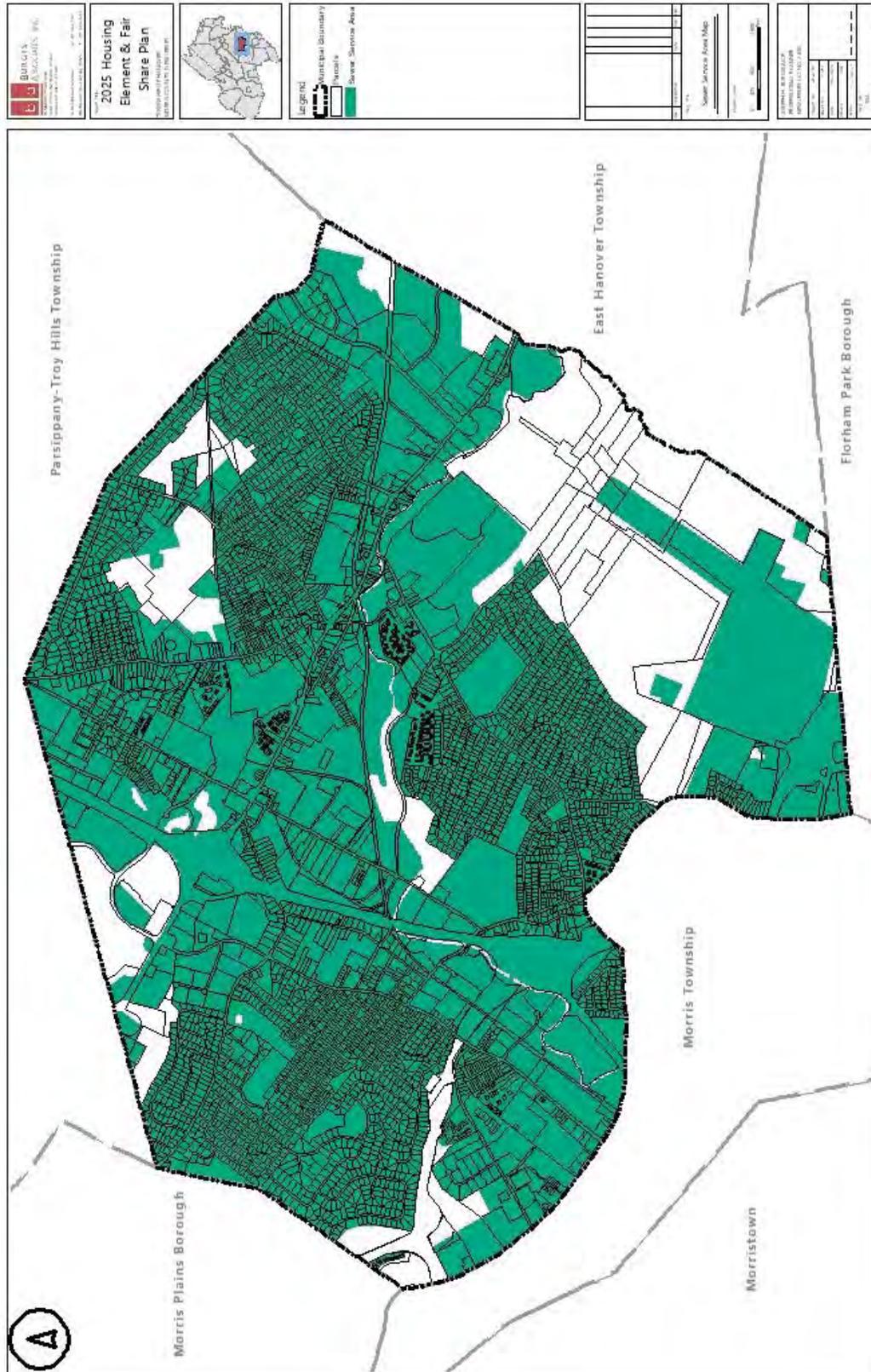
Map 1: Existing Land Use



Map 2: Environmental Constraints



Map 3: Sewer Service Area



B. INFORMATION REGARDING DATA SOURCES

The background information contained in Section 2.C entitled "Inventory of Municipal Housing Stock," Section 2.D entitled "Projection of Municipal Housing Stock," Section 2.E entitled "Demographic and Population Data," and Section 2.F entitled "Employment Characteristics and Projections" was obtained from a variety of publicly available data sources. These are summarized below:

<p>1. United States Decennial Census</p> <p>The US Census is described in Article I, Section 2 of the Constitution of the United States, which calls for an enumeration of the people every ten years for the apportionment of seats in the House of Representatives. Since the time of the first Census conducted in 1790, it has become the leading source of data about the nation's people and economy. Please note that all incomes reported in the Census are adjusted for inflation.</p>	<p>4. New Jersey Department of Community Affairs (DCA)</p> <p>The New Jersey Department of Community Affairs is a governmental agency of the State of New Jersey. Its function is to provide administrative guidance, financial support, and technical assistance to local governments, community development organizations, businesses, and individuals to improve the quality of life in New Jersey.</p>
<p>2. American Community Survey (ACS)</p> <p>The American Community Survey is a nationwide ongoing survey conducted by the US Census Bureau. The ACS gathers information previously contained only in the long form version of the decennial census, such as age, ancestry, educational attainment, income, language proficiency, migration, disability, employment, and housing characteristics. It relies upon random sampling to provide ongoing, monthly data collection. Please note that all incomes reported in the ACS are adjusted for inflation.</p>	<p>5. New Jersey Department of Labor and Workforce Development</p> <p>The New Jersey Department of Labor and Workforce Development is a governmental agency of the State of New Jersey. One of its roles is to collect labor market information regarding employment and wages throughout the state.</p>
<p>3. New Jersey Department of Health</p> <p>The New Jersey Department of Health is a governmental agency of the State of New Jersey. The department contains the Office of Vital Statistics and Registry, which gathers data regarding births, deaths, marriages, domestic partnerships, and civil unions.</p>	

C. INVENTORY OF MUNICIPAL HOUSING STOCK

This section of the Housing Element provides an inventory of the Township's housing stock, as required by the MLUL. The inventory details housing characteristics such as age, condition, purchase/rental value, and occupancy. It also details the number of affordable units available to low- and moderate-income households and the number of substandard housing units capable of being rehabilitated.

1. Number of Dwelling Units. As shown in the accompanying table, the Township's housing stock grew substantially between 1990 and 2000. Whereas there were 3,882 dwellings in 1990, there were 4,818 dwellings in 2000, representing a 24 percent increase. However, the rate of growth has fluctuated in subsequent decades, growing by 8 percent between 2000 and 2010, and by 16 percent between 2010 and 2020. Since 2020, the total number of dwellings actually shrank by 3 percent, from 6,046 units in 2020 to 5,861 units in 2023.

Table 8: Dwelling Units (1990 to 2023)

Year	Dwelling Units	Change (#)	Change (%)
1990	3,882	--	--
2000	4,818	936	24%
2010*	5,222	404	8%
2020*	6,046	824	16%
2023*	5,861	-185	-3%

Sources: U.S. Census; *American Community Survey 5-Year Estimates.

The following table provides additional detail regarding the tenure and occupancy of the Township's housing stock. As shown below, 80 percent of the Township's housing stock was estimated to be owner-occupied in 2023, up slightly from 79 percent in 2010. Over this same period, the percentage of vacant units decreased substantially, from 6 percent of all units in 2010 to just under 2 percent of all units in 2023.

Table 9: Housing Units by Tenure and Occupancy Status (2010 and 2023)

Characteristics	2010		2023	
	Number	Percent	Number	Percent
Owner-occupied	4,122	78.9%	4,659	79.5%
Renter-occupied	792	15.2%	1,095	18.7%
Vacant units	308	5.9%	107	1.8%
Total	5,222	100.0%	5,861	100.0%

Source: American Community Survey 5-Year Estimates.

2. Housing Characteristics. The following tables provide additional information on the characteristics of the Township's housing stock, including data on the number of units in the structure and the number of bedrooms. As shown below, the housing stock is predominantly characterized by single-family detached units, which represent 66 percent of all dwelling units. Single-family attached (townhouse) units represent the second most predominant housing type, at 12 percent. Sixty-nine (69%) percent of all units in Hanover have at least three bedrooms.

Table 10: Units in Structure (2010 and 2023)

Units in Structure	2010		2023	
	Number	Percent	Number	Percent
Single Family, detached	3,728	71.4%	3,858	65.8%
Single Family, attached	442	8.5%	703	12.0%
2	86	1.6%	125	2.1%
3 or 4	146	2.8%	156	2.7%
5 to 9	296	5.7%	465	7.9%
10 to 19	258	4.9%	285	4.9%
20 or More	266	5.1%	269	4.6%
Mobile Home	-	0.0%	-	0.0%
Other	-	0.0%	-	0.0%
Total	5,222	100.0%	5,861	100.0%

Source: American Community Survey 5-Year Estimates.

Table 11: Number of Bedrooms in Housing Units (2010 and 2023)

Bedrooms	2010		2023	
	Number	Percent	Number	Percent
None	24	0.5%	26	0.4%
One	293	5.6%	465	7.9%
Two	1,241	23.8%	1,330	22.7%
Three	1,620	31.0%	1,727	29.5%
Four	1,758	33.7%	1,962	33.5%
Five or More	286	5.5%	351	6.0%
Total	5,222	100.0%	5,861	100.0%

Source: American Community Survey 5-Year Estimates.

3. Housing Age. The following table details the age of the Township's housing stock. As shown, the majority (47 percent) of the Township's housing units were constructed prior to 1980. Approximately 20 percent of Hanover's housing stock was built in 2000 or later.

Table 12: Year Structure Built (2023)

Year Units Built	Number	Percent
2020 or Later	0	0.0%
2010 to 2019	549	9.4%
2000 to 2009	590	10.1%
1990 to 1999	974	16.6%
1980 to 1989	426	7.3%
1970 to 1979	897	15.3%
1960 to 1969	806	13.8%
1950 to 1959	1,199	20.5%
1940 to 1949	159	2.7%
1939 or earlier	261	4.5%
Total	5,861	100.0%

Source: American Community Survey 5-Year Estimates.

4. Housing Conditions. An inventory of the Township's housing conditions is presented in the following tables. Table 13 identifies the extent of overcrowding in the Township, defined as housing units with more than one occupant per room. The data indicates that the number of occupied housing units considered overcrowded has increased slightly since 2010, from 44 units (0.9 percent of all occupied units) in 2010 to 70 units (1.2 percent of all occupied units) in 2023.

Table 13: Occupants per Room (2010 and 2023)

Occupants Per Room	2010		2023	
	Number	Percent	Number	Percent
1.00 or less	4,870	99.1%	5,684	98.8%
1.01 to 1.50	44	0.9%	70	1.2%
1.51 or more	0	0.0%	0	0.0%
Total Occupied Units	4,914	100.0%	5,754	100.0%

Source: American Community Survey 5-Year Estimates.

Table 14 below presents other key characteristics of housing conditions, including the presence of complete plumbing and kitchen facilities and the type of heating equipment used. As shown, 98.8 percent of all occupied housing units in the Township had complete kitchen facilities in 2023, down from 99.8 percent in 2010. The percentage of occupied housing units with complete plumbing and standard heating facilities in 2023 was 99.8 percent and 99.7 percent, respectively. These percentages are down just slightly from 2010, when 99.9 percent of all occupied units had complete plumbing and 99.8 percent of all occupied units had standard heating facilities.

Table 14: Occupied Housing Units - Equipment and Plumbing Facilities (2010 and 2023)

Facilities	2010		2023	
	Number	Percent	Number	Percent
<u>Kitchen:</u>				
With Complete Facilities	4,905	99.8%	5,686	98.8%
Lacking Complete Facilities	9	0.2%	68	1.2%
<u>Plumbing:</u>				
With Complete Facilities	4,907	99.9%	5,740	99.8%
Lacking Complete Facilities	7	0.1%	14	0.2%
<u>Heating Equipment:</u>				
Standard Heating Facilities	4,906	99.8%	5,738	99.7%
Other Fuel	0	0.0%	8	0.1%
No Fuel Used	8	0.2%	8	0.1%
Total	4,914	100.0%	8,102	100.0%

Source: American Community Survey 5-Year Estimates.

5. Purchase and Rental Values. Table 15 shows that although the percentage of Hanover's rental housing stock with monthly rents of \$1,500 or more decreased between 2010 and 2023, shrinking from 99 percent of all renter-occupied units in 2010 to 87 percent of all renter-occupied units in 2023, the Township's median monthly rent grew by 51 percent over this same period, increasing from \$1,837 in 2010 to \$2,768 in 2023.

Table 15: Gross Rent of Specified Renter-Occupied Housing Units (2010 and 2023)

Rent	2010		2023	
	Number	Percent	Number	Percent
Less than \$500	10	1.4%	19	1.9%
\$500 to \$999	-	0.0%	79	7.7%
\$1,000 to \$1,499	-	0.0%	39	3.8%
\$1,500 to \$1,999	721	98.6%	88	8.6%
\$2,000 to \$2,499			43	4.2%
\$2,500 to \$2,999			456	44.5%
\$3,000 or more			301	29.4%
No cash rent	61	X	70	X
Total	731	100.0%	1,025	100.0%
Median Gross Rent	\$1,837		\$2,768	

Source: American Community Survey 5-Year Estimates.

Table 16 below shows that whereas only 52 percent of Hanover's owner-occupied units had a value of \$500,000 or more in 2010, approximately 74 percent of Hanover's owner-occupied units had a value of \$500,000 or more in 2023. The Township's median housing value grew by 21 percent during this period, increasing from \$513,600 in 2010 to \$619,800 in 2023.

Table 16: Value of Specified Owner-Occupied Housing Units (2010 and 2023)

Value Range	2000		2023	
	Number	Percent	Number	Percent
Less than \$50,000	33	0.8%	3	0.1%
\$50,000 to \$99,999	121	2.9%	95	2.0%
\$100,000 to \$149,999	54	1.3%	29	0.6%
\$150,000 to \$199,999	64	1.6%	29	0.6%
\$200,000 to \$299,999	179	4.3%	17	0.4%
\$300,000 to \$499,999	1,518	36.8%	1,017	21.8%
\$500,000 to \$999,999	2,101	51.0%	3,240	69.5%
\$1,00,000 or more	52	1.3%	229	4.9%
Total	4,122	100.0%	4,659	100.0%
Median Value	\$513,600		\$619,800	

Source: American Community Survey 5-Year Estimates.

6. Number of Units Affordable to Low- and Moderate-Income Households. Based on the Affordable Housing Professionals of New Jersey (AHPNJ) 2024 regional income limits, the median household income for a three-person household in COAH Region 2, Hanover's housing region comprised of Essex, Morris, Union and Warren counties, is \$116,475. A three-person moderate-income household, established at no more than 80 percent of the median income, would have an income not exceeding \$93,180. A three-person low-income household, established at no more than 50 percent of the median income, would have an income not exceeding \$58,237.

An affordable sales price for a three-person moderate-income household earning 80 percent of the median income is estimated at approximately \$255,000. An affordable sales price for a three-person low-income household earning 50 percent of the median income is estimated at approximately \$155,000. These estimates are based on the UHAC affordability controls outlined in N.J.A.C. 5:80-26.1 et seq. Approximately 3.7 percent of Hanover's owner-occupied housing units are valued at less than \$300,000, 3.3 percent are valued at less than \$200,000, and 2.7 percent are valued at less than \$150,000, according to the 2023 American Community Survey.

For renter-occupied housing, an affordable monthly rent for a three-person moderate-income household is estimated at approximately \$2,300. An affordable monthly rent for a three-person low-income household is estimated at approximately \$1,500. According to the 2023 American Community Survey, approximately 26.2 percent of Hanover's rental units have a gross rent less than \$2,500, 22 percent have a gross rent less than \$2,000, and 13.4 percent have a gross rent less than \$1,500.

7. Substandard Housing Capable of Being Rehabilitated. As discussed in more detail in Sections 3 of this plan, the Township of Hanover has undertaken a Structural Conditions

Survey, pursuant to COAH’s Round 2 rules, to provide an estimate of the number of units in Hanover that are in need of rehabilitation and are not likely to experience “spontaneous rehabilitation.” Per the results of the Structural Conditions Survey, Hanover’s rehabilitation share is determined to be 10 units. The Township’s rehabilitation share is further explored in Section 3, Fair Share Obligation, of this plan.

D. PROJECTION OF MUNICIPAL HOUSING STOCK

The COAH regulations require a projection of the community’s housing stock, including the probable future construction of low- and moderate-income housing, for the ten years subsequent to the adoption of the Housing Element. This projection shall be based upon an assessment of data which minimally must include the number of residential construction permits issued, approvals of applications for residential development, and probable residential development of lands. Each of these items are identified and outlined below.

1. Housing Units Constructed During the Last Ten Years. The table below provides data concerning residential building permits issued for new construction during the past ten years. During this period, a total of 290 residential building permits were issued for new construction, including 103 for one- and two-family residences and 187 for housing units within multi-family developments. A total of 63 residential demolition permits were issued during this period, all of which were for one- and two-family units. Therefore, the Township of Hanover experienced a net growth of 227 new units over the last ten years.

Table 17: Number of Residential Building Permits Issued For New Construction (2014 to 2023)

Year Issued	Permits				Demos	Net Growth
	1 & 2 Family	Multi-Family	Mixed-Use	Total		
2014	7	0	0	7	6	1
2015	20	0	0	20	4	16
2016	2	0	0	2	17	-15
2017	17	0	0	17	13	4
2018	5	0	0	5	3	2
2019	6	0	0	6	4	2
2020	1	1	0	2	5	-3
2021	6	165	0	171	5	166
2022	34	21	0	55	3	52
2023	5	0	0	5	3	2
Total	103	187	0	290	63	227

Source: New Jersey Department of Community Affairs (DCA) Construction Reporter.

2. Probable Residential Development of Lands. Considering the rate of residential growth experienced in Hanover over the past ten years, current economic uncertainty, and the

fact that there is a limited amount of vacant, developable parcels remaining in the Township, it is anticipated that Hanover will continue to see only modest net growth in one- and two-family residential development over the next ten years. The Township does, however, anticipate more multi-family residential development than Hanover has experienced over the past ten years due to projected construction of inclusionary residential development, as discussed in more detail in the Fair Share Plan section of this document.

E. DEMOGRAPHIC AND POPULATION DATA

The MLUL requires that the Housing Element of this plan provide data on the municipality's population, including population size, age and income characteristics.

1. Population Size. As seen in the table below, the Township has experienced growth in nearly every decade since 1920 (except in the 1980s), with the most growth occurring in the 1950s. The 2023 population estimate of 14,627 people, provided by the American Community Survey, suggests that Hanover has grown by approximately 7.4 percent since 2010.

Table 18: Population Growth (1920 to 2023)

Year	Population	Change (#)	Change (%)
1920	1,595	--	--
1930	2,516	921	58%
1940	2,812	296	12%
1950	3,756	944	34%
1960	9,329	5,573	148%
1970	10,700	1,371	15%
1980	11,846	1,146	11%
1990	11,538	-308	-3%
2000	12,898	1,360	12%
2010*	13,622	724	6%
2020*	14,371	749	5%
2023*	14,627	256	2%

Sources: U.S. Census, *American Community Survey 5-Year Estimates.

2. Age Characteristics. The Township's age characteristics, which are outlined in the table below, indicate an aging community. The largest population decline between 2010 and 2023 occurred in the population age 25 to 44, which decreased by approximately 22 percent during this period. Meanwhile, the Township experienced a marked increase in the population age 55 and over, which increased 40 percent between 2010 and 2023. Overall, the median age of Township residents increased from 41.1 in 2010 to 46.5 in 2023.

Table 19: Age Characteristics (2010 and 2023)

Age	2010		2023	
	Number	Percent	Number	Percent
Under 5 years	808	5.9%	841	5.7%
5 to 9 years	756	5.5%	621	4.2%
10 to 14 years	876	6.4%	927	6.3%
15 to 19 years	921	6.8%	818	5.6%
20 to 24 years	597	4.4%	832	5.7%
25 to 34 years	1,506	11.1%	1,139	7.8%
35 to 44 years	2,220	16.3%	1,778	12.2%
45 to 54 years	2,063	15.1%	2,241	15.3%
55 to 59 years	742	5.4%	1,330	9.1%
60 to 64 years	958	7.0%	1,063	7.3%
65 to 74 years	1,057	7.8%	1,648	11.3%
75 to 84 years	770	5.7%	930	6.4%
85 years and over	348	2.6%	459	3.1%
Total	13,622	100.0%	14,627	100%
Median Age	41.1		46.5	

Source: American Community Survey 5-Year Estimates.

3. Average Household Size. The average household size for the Township has fluctuated somewhat since 2000, but, overall, the Township's average household size has declined significantly since 1970. In 2023, the average household size was 2.51 people per household, down from 3.65 people per household in 1970.

Table 20: Average Household Size (1970 to 2023)

Year	Average Household Size
1970	3.65
1980	3.33
1990	3.03
2000	2.71
2010*	2.77
2020*	2.43
2023*	2.51

Sources: U.S. Census, *American Community Survey 5-Year Estimates.

4. Household Income. Detailed household income figures are shown in the table below. As shown, between 2010 and 2023, the percentage of Hanover households earning annual incomes of at least \$200,000 increased by 136 percent. During this period, the Township's median household income increased by approximately 58 percent, from \$100,962 in 2010 to \$169,681 in 2023.

Table 21: Household Income Distribution (2010 and 2023)

Income Category	2010		2023	
	Number	Percent	Number	Percent
Less than \$10,000	28	0.6%	153	2.7%
\$10,000 to \$14,999	102	2.1%	25	0.4%
\$15,000 to \$24,999	260	5.3%	132	2.3%
\$25,000 to \$34,999	236	4.8%	275	4.8%
\$35,000 to \$49,999	433	8.8%	147	2.6%
\$50,000 to \$74,999	648	13.2%	414	7.2%
\$75,000 to \$99,999	720	14.7%	410	7.1%
\$100,000 to \$149,999	1,040	21.2%	1,127	19.6%
\$150,000 to \$199,999	704	14.3%	1,017	17.7%
\$200,000 or more	743	15.1%	2,054	35.7%
Total	4,914	100.0%	5,754	100.0%
Median	\$100,962		\$159,681	

Source: American Community Survey 5-Year Estimates.

F. EMPLOYMENT CHARACTERISTICS AND PROJECTIONS

The MLUL requires that a Housing Element include data on employment levels in the community. The following tables present information on the Township's employment characteristics.

1. Employment Status. Table 22 provides information on the employment status of Township residents age 16 and over. As shown, the unemployment rate for Hanover's civilian labor force decreased between 2010 and 2023, from 4.1 percent in 2010 to 3.6 percent in 2023. Notably, the percentage of Hanover's population not in the labor force increased during this period, from 31.7 percent in 2010 to 34 percent in 2023.

Table 22: Employment Status - Population 16 & Over (2010 and 2023)

Employment Status	2010		2023	
	Number	Percent	Number	Percent
In labor force	7,457	68.3%	7,985	66.0%
Civilian labor force	7,457	68.3%	7,985	66.0%
Employed	7,154	65.6%	7,695	63.6%
Unemployed	303	2.8%	290	2.4%
% of civilian labor force	--	4.1%	--	3.6%
Armed Forces	0	0.0%	0	0.0%
Not in labor force	3,456	31.7%	4,109	34.0%
Total Population 16 and Over	10,913	100.0%	12,094	100.0%

Source: American Community Survey 5-Year Estimates.

2. Employment Characteristics of Employed Residents. The following two tables detail information on the employment characteristics of Hanover residents. Table 23 details employment by occupation and Table 24 details employment by industry. The majority (61 percent) of the Township's residents are employed in the management, business, science and arts occupations. Additionally, the amount of residents employed in education, health and social services has increased to more than one-quarter of the total population. The number of residents working in wholesale trade, retail trade and information has declined significantly since 2010.

Table 23: Employed Residents Age 16 and Over, By Occupation (2010 and 2023)

Occupation	2010		2023	
	Number	Percent	Number	Percent
Management, business, science, and arts	3,799	53.1%	4,691	61.0%
Service	778	10.9%	940	12.2%
Sales and office	1,814	25.4%	1,341	17.4%
Natural resources, construction, and maintenance	418	5.8%	391	5.1%
Production, transportation, and material moving	345	4.8%	332	4.3%
Total	7,154	100.0%	7,695	100.0%

Source: American Community Survey 5-Year Estimates.

Table 24: Employed Residents Age 16 and Over, By Industry (2010 and 2023)

Industry	2010		2023	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing, hunting and mining	0	0.0%	0	0.0%
Construction	420	5.9%	426	5.5%
Manufacturing	933	13.0%	891	11.6%
Wholesale trade	262	3.7%	59	0.8%
Retail trade	704	9.8%	399	5.2%
Transportation, warehousing and utilities	179	2.5%	408	5.3%
Information	333	4.7%	191	2.5%
Finance, insurance, real estate, rental and leasing	833	11.6%	721	9.4%
Professional, scientific, management, administrative and waste management services	1,133	15.8%	1,396	18.1%
Educational, health and social services	1,477	20.6%	2,035	26.4%
Arts, entertainment, recreation, accommodation and food services	303	4.2%	556	7.2%
Other services (except public administration)	204	2.9%	201	2.6%
Public administration	373	5.2%	412	5.4%
Total	7,154	100.0%	7,695	100.0%

Source: American Community Survey 5-Year Estimates.

3. Employment Projections. A projection of the Township’s probable future employment characteristics is based on an assessment of historic employment trends, the number of non-residential construction permits issued, and probable non-residential development of lands. Each of these items are identified and outlined below.
- a. Historic Employment Trends. The table below provides data on Hanover’s average annual employment since 2014. As shown, total covered employment fluctuated greatly during this period. Job losses in 2014 and 2015 were fully recovered by 2019. Although the Township lost jobs again in 2020 due to the impact of COVID-19 and the ensuing economic contraction, job growth has been steady since 2020, increasing approximately 5.7 percent on average per year.

Table 25: Covered Employment Trends (2014 to 2023)

Year	Number of Jobs	Change in Number of Jobs	Percent Change
2014	15,982	--	--
2015	14,171	-1,811	-12.8%
2016	13,702	-469	-3.4%
2017	14,597	895	6.1%
2018	15,084	487	3.2%
2019	16,816	1,732	10.3%
2020	16,436	-380	-2.3%
2021	17,337	901	5.2%
2022	18,535	1,198	6.5%
2023	19,622	1,087	5.5%

Sources: New Jersey Department of Labor and Workforce Development

- b. Non-Residential Square Footage Constructed During the Last Ten Years. The table below provides data concerning the amount of non-residential square footage authorized by building permits between 2010 and 2023. During this period, building permits were issued for nearly 1.5 million square feet of non-residential space. Over 70 percent of this space was for storage, and 16 percent of this was office space. Approximately 9 percent was retail space. Since 2014, the Township has issued permits for an average of 151,000 square feet of non-residential space per year.

Table 26: Non-Residential Space Authorized by Building Permits (sq. ft.) (2014 to 2023)

Year Issued	Office	Retail	A-2	A-3	Institutional	Industrial	Hazardous	Storage	Total
2014	32,648	0	0	0	0	620	0	38,934	72,202
2015	50,705	0	19,032	0	0	0	0	148,715	218,452
2016	110,696	0	0	0	0	0	0	0	110,696
2017	8,680	0	0	0	0	0	0	332,337	341,017
2018	24,111	117,573	0	39,532	0	0	0	332,337	513,553
2019	994	0	3,523	0	9,000	0	0	19,665	33,182
2020	10,593	0	0	0	0	0	0	18,222	28,815
2021	78	0	0	1,950	0	5,332	0	103,520	110,880
2022	0	4,008	2,250	0	0	0	0	72,553	78,811
2023	0	0	0	0	0	0	109	1	110
Total	238,505	121,581	24,805	41,482	9,000	5,952	109	1,066,284	1,507,718

Source: New Jersey Department of Community Affairs (DCA) Construction Reporter.

- c. Probable Non-Residential Development of Lands. The Township experienced an average of approximately 151,000 square feet of new non-residential space per year over the past decade, the vast majority of which was for new warehouse and storage space. While the Township anticipates that it will continue to experience strong non-residential growth over the next ten-year period, especially in warehouse and storage uses, it is expected that this growth will slow somewhat due to market conditions, limited available land, and the loss of existing non-residential developments to inclusionary residential developments.
- d. Probable Future Employment Characteristics. As detailed in Table 25 above, employment levels in Hanover have fluctuated over the past decade. However, since 2020, the number of jobs in the Township has increased by an average of approximately 5.7 percent per year. It is anticipated that Hanover may continue to experience annual employment growth over the next decade, but perhaps at a slower pace due to the trend toward warehouse and storage uses, which typically employ fewer people than office and retail uses, as well as due to the limited availability of land loss of existing non-residential developments to inclusionary residential developments.

SECTION 3: FAIR SHARE OBLIGATION

The following section provides an overview of the Township's fair share obligation. It includes a brief overview of the methodology utilized to calculate affordable housing obligations throughout the state.

A. SUMMARY OF FAIR SHARE OBLIGATION

On March 20, 2024, Governor Murphy signed the A4/S50 Bill into law, which amended the Fair Housing Act (FHA-2) for the Fourth Round and beyond.

FHA-2 now designates the Department of Community Affairs (DCA) as the entity responsible for calculating the state's regional needs. Specifically, NJSA 52:27D-304.2 establishes the methodology to be utilized by the DCA to determine the state's regional prospective needs of low- and moderate-income housing for the ten-year period spanning from July 1, 2025 to June 30, 2035. In summary, the projected household change for this period is estimated by establishing the household change experienced in each region between the most recent federal decennial census and the second-most recent decennial census. This household change, if positive, is then to be divided by 2.5 to estimate the number of low- and moderate-income homes needed to address low- and moderate-income household change in the region for the next ten years. According to the DCA, this methodology resulted in a statewide prospective need of 84,698 low- and moderate-income units.

Furthermore, the DCA is also the entity responsible for calculating each municipality's present and prospective fair share obligations. However, FHA-2 makes clear that these calculations are advisory and non-binding, and that each municipality may set its own obligation number utilizing the same methodology.

On January 23, 2025, the Township of Hanover adopted Resolution No. 39-2025, which established its affordable housing obligations for the Fourth Round. A copy of this resolution is located in Appendix A of this plan. As noted in that resolution, the Township did not accept DCA's Present Need calculation of 69 units, opting instead to conduct a Structural Conditions Survey pursuant to COAH's Round 2 rules, the results of which identified a reduced Present Need obligation of 10 units. This is discussed in greater detail herein below.

As also noted in Resolution No. 39-2025, the Township did not accept DCA's Prospective Need calculation of 544 units, opting instead to conduct its own analysis of Hanover's Land Capacity Factor. The results of that analysis found that DCA arrived at the Township's Land Capacity Factor based, in part, on incorrect assumptions and erroneous data and that – based on an accurate calculation of the Township's vacant, developable land – the Township's Prospective Need number for Round 4 should be 442 units. Ultimately, a trial court order issued on May 2, 2025 officially set the Township's Round Four Present Need at 10 and its Round Four Prospective Need at 461. A copy of the trial court order is included in Appendix B of this plan.

Resolution No. 39-2025 also noted that the Township reserves the right to conduct a Vacant Land Adjustment (VLA) to determine its Realistic Development Potential (RDP). This too is discussed in greater detail herein below.

Table 27: Summary of Fair Share Obligation

Affordable Obligation	Units
Present Need (Rehabilitation)	10
Prospective Need	461

B. STRUCTURAL CONDITIONS SURVEY

As noted above, the DCA identified a Present Need (rehabilitation) obligation of 69 units for Hanover Township. 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. A copy of the completed survey is located in Appendix C of this plan.

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 Comprehensive Housing Affordability Strategy (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 be in need of rehabilitation. As such, the Township has estimated their Present Need to be 10 units.

C. REALISTIC DEVELOPMENT POTENTIAL

The Township of Hanover is a fully developed community and is therefore entitled to adjust its Prospective Need obligation in accordance with a procedure set forth in the FHA. Specifically, N.J.S.A. 52:27D-310.1 permits the Township to perform a VLA analysis to determine its Realistic Development Potential (RDP).

A VLA analysis requires an identification of vacant sites and underutilized sites in a municipality . Municipalities are required to consider all privately- and municipally-owned vacant parcels, as well as underutilized sites such as driving ranges, farms in SDRP Planning Areas 1 and 2, nurseries, golf courses not owned by their members, and non-conforming uses.

However, municipalities are also permitted to eliminate a site or a portion of a site based on a variety of factors, including: lands dedicated for public uses other than housing since 1997; park lands or open space; vacant contiguous parcels in private ownership of a size which would accommodate fewer than five housing units; historic and architecturally important sites listed on the State Register of Historic Places or the National Register of Historic Places; preserved architectural lands; sites designated for active recreation; and environmentally sensitive lands.

1. Third Round RDP

The Township's Third Round Prospective Need obligation was adjusted by a VLA, which determined the Township's RDP. As set forth in Hanover's Third Round Settlement Agreement with FSHC, as amended, and 2021 HE&FSP, the Township's VLA determined that it had sufficient vacant land to address an RDP of 550 units. The Township's Third Round RDP of 550 units was ultimately approved by a court in Hanover's Third Round JOR. A copy of the Township's Third Round VLA is included at Appendix D of this plan.

2. Fourth Round RDP

Hanover continues to lack vacant, developable land and is entitled to rely on its previous VLA which established its RDP. This is informed by COAH regulations regarding same at N.J.A.C. 5:97-5.1(c) and (d), which state that:

A vacant land adjustment that was granted as part of a (previous) round certification or judgment of compliance shall continue to be valid provided the municipality has implemented all of the terms of the substantive certification or judgment of compliance. If the municipality failed to implement the terms of the substantive certification or judgment of compliance, the Council may reevaluate the vacant land adjustment.

Further, a municipal RDP obligation is considered "fixed" and shall not be revisited absent a changed circumstance. FSHC vs Twp. of Cherry Hill, 173 NJ 303 (2002) is the leading case that required a possible recalibration of an RDP based upon "changed circumstances."

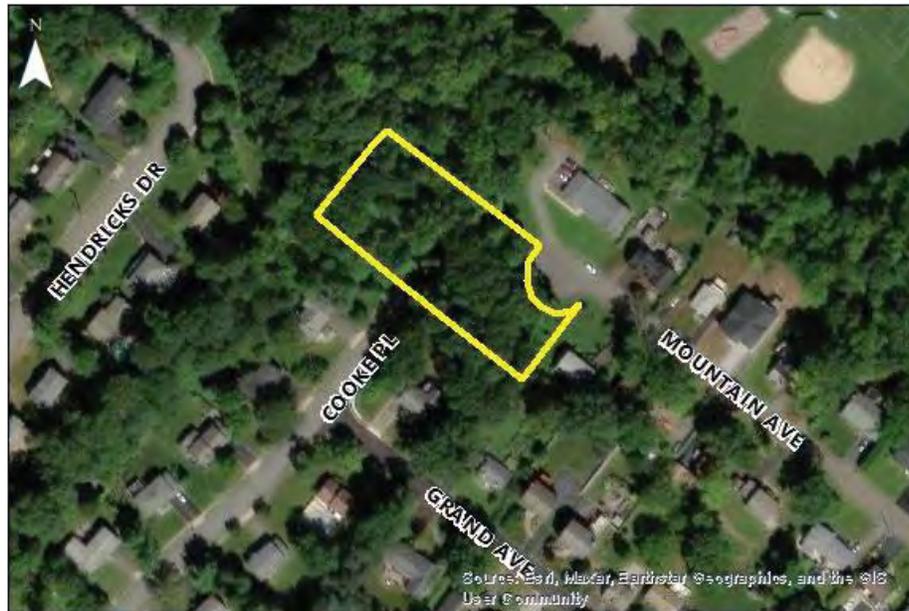
As such, we undertook a detailed analysis of potential changed circumstances in the Township in order to evaluate whether any such changed circumstance would warrant a recalibration of the RDP. This analysis included a review of all development applications in Hanover since 2019 and a review of all vacant lots in private and public ownership (Class 1 and Class 15), as well as all farm qualified (Class 3B) properties within SDRP Planning Areas 1 and 2 in the Township.

At this time, we have determined that five properties represent a changed circumstance requiring a Fourth Round RDP obligation. These five properties are as follows:

a. *Bayer South Campus Redevelopment Area*

The Bayer South Campus (Bayer) site encompasses a 91-acre area comprised of Block 5801 Lot 1.06 (commonly known as 85 Whippany Road) and a portion of Lot 1.03 (commonly known as 100 Bayer Boulevard). This area is developed with surface parking and accessory structures associated with the Bayer Corporation US Headquarters office building situated on the balance of Lot 1.03. In June 2024, the Township designated this site as a Condemnation Area in Need of Redevelopment and, in February 2025, the Township adopted a Redevelopment Plan for the site. This Redevelopment Plan allows the tract to be developed with mixed-use development, including up to 400 multi-family and townhouse residential units plus an additional 5-bedroom special needs/supportive housing group home. As such, the Township now anticipates that this property can accommodate up to 405 dwelling units, which, at a 20 percent set-aside, equates to an RDP of 81 units. The Township therefore assigns this property a Fourth Round RDP obligation of 81 units.

b. 99 Mountain Avenue



The Township owns a 1.06-acre parcel at 99 Mountain Avenue (Block 905 Lot 16.01) which is presently undeveloped. The Township is currently working with Morris ARC to develop a 6-bedroom group home on this lot for individuals with special needs. These special needs bedrooms will contribute 6 credits toward the Township’s Fourth Round Unmet Need. Considering this changed circumstance, the Borough assigns the 99 Mountain Avenue site a Fourth Round RDP obligation of 1.2 units, based on a 20 percent set-aside applied to the 6-unit development.

c. Clara Realty, Inc.



The Clara Realty, Inc. site encompasses an area of 0.99 acres and is comprised of three parcels identified by Township tax records as Block 4201 Lot 1 (64 Parsippany Road), Lot 2 (20 Mt. Pleasant Avenue) and Lot 3 (16 Mt. Pleasant Avenue), all of which are owned by Clara Realty, Inc. Although the parcels are developed with an existing dwelling, parking area, and store with apartments, the Township Planning Board has tentatively agreed to a concept plan for the site which would allow it to be redeveloped with mixed-use development including 10 new apartment units, subject to the Township Committee amending the zoning on the property. Considering this changed circumstance, the Township assigns the Clara Realty, Inc. site a Fourth Round RDP obligation of 2 units, based on a 20 percent set-aside applied to the 10 units anticipated to be developed thereon.

d. *41 Ridgedale Avenue*



The 4.446-acre site located at 41 Ridgedale Avenue (Block 2701 Lot 25.01) is owned by Monarch Developers, LLC (Monarch). The site is developed with a former restaurant building, a parking area and two dwellings. In August 2022, Monarch was granted preliminary and final site plan approval, as well as 'c' variance relief, by the Hanover Township Planning Board to construct a 160-unit age-restricted independent/assisted living/memory care facility on the premises. That approval, however, has expired and no extensions have been granted. Instead, Monarch (through its affiliate JMF Properties) has expressed interest in redeveloping the site with an inclusionary multi-family development.

Although multi-family development is not permitted on this property, the Township nevertheless takes the conservative position that this is a changed circumstance warranting an RDP obligation. For the purposes of determining RDP,

the Township has assigned a presumptive density of 13 units per acre (consistent with the maximum permitted density in the adjacent R-M Residential-Multifamily Zone) and a 20 percent set-aside to this property, resulting in a Fourth Round RDP obligation of 11.6 units.

e. *80 South Jefferson Road*



The property located at 80 South Jefferson Road encompasses an area of 8.47 acres (excluding a portion of the lot within the right-of-way) and is identified by Township tax records as Block 2403 Lot 2. According to NJDEP environmental mapping and FEMA/NJ ADAPT flood data, approximately 3.0 acres of the property are constrained with wetlands, flood hazard areas, and the Whippany River, which runs along the northern boundary of the site. It is developed with a three-story office building and surface parking. Although the tax records indicate that the property is owned by Toback Realty, LLC, a letter from Bisgaier Hoff to the Township dated April 7, 2025 identifies the owner of the property as JMF Properties (JMF). According to JMF, the office building has a vacancy rate of over 90 percent and JMF has expressed interest in redeveloping the site with an inclusionary multi-family development.

Although multi-family development is not permitted on this property, the Township nevertheless takes the conservative position that this is a changed circumstance warranting an RDP obligation. For the purposes of determining RDP, the Township has assigned a presumptive density of 13 units per gross acreage on the property (which equates to a net density of 20 units per acre when subtracting out the environmental constraints) and a 20 percent set-aside, resulting in a Fourth Round RDP obligation of 22 units.

Based on the above changed circumstances, which generate 81 units, 1.2 units, 2 units, 11.6 units and 22 units, respectively, for the purposes of calculating Fourth Round RDP, we find that Hanover has a total Fourth Round RDP obligation of 118 units (117.8 units rounded up). The Township's proposal to satisfy this obligation is set forth in the following Section 4, Fair Share Plan.

SECTION 4: FAIR SHARE PLAN

The following Fair Share Plan outlines the components and mechanisms the Township will utilize to address its affordable housing obligations.

A. PLAN SUMMARY

The Fair Share Plan identifies the manner in which the Township's fair share affordable housing obligations are to be addressed. These obligations are summarized as follows:

Table 28: Affordable Housing Obligations Summary

Category	Obligation	RDP	Unmet Need
Present Need (Rehabilitation) Obligation	10	--	--
First & Second Round Obligation (1987-1999)	356	--	--
Third Round Obligation (1999-2025)	975	550	425
Fourth Round Obligation (2025-2035)	461	118	343

As detailed herein, the Housing Element and Fair Share Plan can accommodate the entirety of the community's affordable housing obligation through 2035 in a manner that affirmatively addresses affordable housing need, while at the same time addressing planning concerns and maintaining the overall character of the community.

B. PLAN COMPONENTS

This section of the plan details the projects, mechanisms and funding sources which will be used to meet the Township's affordable housing obligations, as discussed above. The Plan Components Map included at the end of this plan illustrates the location of all developments identified herein.

1. Present Need (Rehabilitation) Obligation

As established in Section 3 of this plan, Hanover has a Present Need (Rehabilitation) obligation for the Fourth Round of 10 units. The Township will address this obligation by continuing to contract with Rehabco, Inc. to administer Hanover's municipal Home Improvement Program, which is available to both owners and renters. The Township will utilize funds from the Township's affordable housing trust fund to fund this program.

In addition to the municipal Home Improvement Program, the Township will continue to participate in the Morris County Housing Rehabilitation Program to help address its rehabilitation share, to the extent that funding is available for the County program. Participation in the program is established through an interlocal agreement and utilizes Community Development Block Grant (CDBG) funds.

In order to satisfy its rehabilitation obligation, the Township of Hanover will commit to spend an average of at least \$25,000 per unit. This will require a total contribution of \$250,000. Pursuant to COAH's rules that allow municipalities to utilize money collected from development fees for this purpose, the Township shall set aside the required

\$250,000 from its affordable housing trust fund account to be made available to income-qualified households to participate in the program. As of January 31, 2025, that account contains a balance of \$5,086,187, thus demonstrating sufficient funding for the Township's Rehabilitation Program. A copy of the Township's Fourth Round Spending Plan is included at Appendix E of this plan.

2. First and Second Round Obligation

Hanover's First and Second Round obligation is 356 units. The Township has addressed the entirety of this obligation with a combination of RCAs completed under the Prior Round JOR, units from both inclusionary and 100 percent affordable developments, special needs/supportive housing units, and rental bonus credits permitted in accordance with COAH's Round 2 rules. These components are identified in the table below, with more detail on each development provided in Section 4.C.

Table 29: Plan Components Satisfying First & Second Round Obligation

Plan Component	Units	Bonus	Total	Status
<i>RCA:</i>				
City of Orange Twp.	9	--	9	Completed
<i>Inclusionary Development:</i>				
Hanover Hills	39	--	39	Completed
Sunrise at Hanover	32	--	32	Completed
Eden Mill Village	66	--	66	Completed
Oak Ridge at Hanover	50	--	50	Completed
Sterling Parc (rentals) – senior	44	14	58	Completed
<i>100% Affordable - Rentals:</i>				
Saddlebrook Court - family	15	15	30	Completed
<i>Special Needs/Supportive Housing:</i>				
21 Longview Dr. ARC	4	4	8	Completed
Saddlebrook Court	5	5	10	Completed
Horse Hill Rd. I ARC	6	6	12	Completed
Whippany Jewish Assoc.	4	4	8	Completed
Mountain Ave. ARC	5	5	10	Completed
Eden Lane ARC	6	6	12	Completed
Allegro School	6	6	12	Completed
Total	291	65	356	--

3. Third Round RDP

As discussed in Section 3 of this plan, Hanover's Third Round RDP obligation is 550 units. The Township's 2021 HE&FSP, which was prepared pursuant to a 2019 Settlement Agreement with FSHC (as amended through 2021) and granted a Third Round JOR in 2021, identified various plan mechanisms to address the entirety of its Third Round RDP

obligation, including a combination of credits from existing affordable units, proposed inclusionary housing units, special needs/supportive housing units, and rental bonus credits permitted in accordance with COAH's Round 2 rules. These components are identified in Table 30 below. As shown, whereas 179 units and 129 rental bonus credits have been completed toward the Township's 550-unit Third Round RDP obligation, 233 units and 9 rental bonus credits still have yet to be fulfilled. All of these projects remain viable, however, and are discussed in more detail in Section 4.C.

Table 30: Plan Components Satisfying Third Round RDP

Plan Component	Units	Bonus	Total	Status
<i>100% Affordable - Rentals:</i>				
Saddlebrook Court - family	58	58	116	Completed
<i>Inclusionary Development:</i>				
Woodmont Knolls (rentals) - family	14	14	28	Completed
Sterling Parc (rentals) – family	8	8	16	Completed
Sterling Parc (rentals) – senior	12	4	16	Completed
Jewish Metrowest I (rentals) – senior	36	12	48	Completed
Silverman/Corporate Mailings (rentals) – family	20	20	40	Completed
Airport Road (rentals) – family	42	9*	51	Settlement
Completed River Park (rentals) - family	13	13*	26	Completed
Remaining River Park (rentals) - family	127	--	127	Settlement
JMF Affordable (190 Park Ave)(rentals) – senior	60	--	60	Settlement
<i>Special Needs/Supportive Housing:</i>				
Rose House	12	--	12	Completed
Horse Hill Rd. II ARC	6	--	6	Completed
River Park Supportive Housing	4	--	4	Settlement
Total	412	138	550	--

*: Although the 2021 HE&FSP assigned 22 rental bonus credits to Airport Road (up to the 25% bonus cap), the Township now assigns 13 of these rental bonus credits to completed family rental units at River Park.

4. Fourth Round RDP

As established in Section 3 of this plan, Hanover has a Fourth Round RDP obligation of 118 units. The Township will satisfy the entirety of this 118-unit Fourth Round RDP obligation with a combination of completed extensions of affordability controls, planned inclusionary family rental units, and special needs bedrooms, plus bonus credits permitted in accordance with FHA-2. These plan components are summarized in Table 31 below.

Table 31: Plan Components Satisfying Fourth Round RDP

Plan Component	Units	Bonus	Total	Status
<i>Extensions of Affordability Controls:</i>				
Oak Ridge (for sale) – family	27	--	27	Completed
<i>Special Needs/Supportive Housing:</i>				
99 Mountain Morris ARC Group Home	6	6*	12	Proposed
Bayer South Campus Group Home	5	5*	10	Proposed
<i>Inclusionary Development:</i>				
Bayer South Campus Redevelopment (rentals) - family	51	18**	69	Proposed
Total	89	29	118	--

* Based on 1.0 bonus credit for each unit special needs/supportive housing unit, per FHA-2.

** : 0.5 bonus credit per unit constructed on land previously utilized for office/commercial, per FHA-2 (up to 25% bonus cap).

We note that FHA-2 includes language which requires VLA municipalities to satisfy at least 25 percent of their Fourth Round RDP obligation through redevelopment. Specifically, amended Section 1 of P.L.1995, c.231 (C.52:27D-310.1) of FHA-2 states:

Any municipality that receives an adjustment of its prospective need obligations for the fourth round or subsequent rounds based on a lack of vacant land shall as part of the process of adopting and implementing its housing element and fair share plan identify sufficient parcels likely to redevelop during the current round of obligations to address at least 25 percent of the prospective need obligation that has been adjusted, and adopt realistic zoning that allows for such adjusted obligation, or demonstrate why the municipality is unable to do so.

For the Fourth Round, Hanover’s “prospective need obligation that has been adjusted” (i.e., its RDP obligation) is 118 units. As such, the Township has a redevelopment obligation of 30 units, as 25 percent of 118 is 30. As identified in Table 31 above, the Township’s 118-unit Fourth Round RDP will be satisfied with 51 family rental units and 5 group home bedrooms to be constructed at the Bayer South Campus site, which is a portion of the Bayer Corporate Headquarters that has been designated as an Area in Need of Redevelopment and has been rezoned via adoption of a Redevelopment Plan to allow for mixed-use development inclusive of inclusionary housing. The requirement to satisfy 25 percent of the RDP with redevelopment through realistic zoning is therefore also satisfied with these 56 units, representing 47 percent of the RDP obligation.

C. DEVELOPMENT SITES

Each of the Township’s existing affordable housing sites identified in Section B. is discussed in more detail below. The Plan Components Map included at the end of this plan illustrates the location of all developments identified herein.

1. Hanover Hills. The Hanover Hills inclusionary development was created as part of Hanover's First and Second Round plan for affordable housing compliance, and were part of the Township's combined First and Second Round Housing Element and Fair Share Plan that received substantive certification from COAH pursuant to N.J.S.A. 52:27D-313 and N.J.A.C. 5:93 on August 4, 1999. It is located on Ridgedale Avenue and encompasses an area of 13.2 acres. The property is identified by municipal tax records as Block 1502 Lot 21. The development, which was completed in 1994, contains a total of 165 units, including 39 affordable family for-sale units.

As detailed in Section B. above, the Township assigns credit for all 39 of the affordable units to Hanover's First and Second Round obligation. In addition, the Township assigns additional credit toward the Township's Third Round Unmet Need for all 39 of the affordable units, since all of the initial 30-year affordability controls were set to expire before the end of the Third Round, but the Township has taken action to extend the affordability control period for each of the affordable units by resolution adopted on July 12, 2018 for an additional 30-year period running from the date the initial affordability control period was set to expire, as discussed further in Section D. below.

Aerial 1: Hanover Hills



2. Sunrise at Hanover. The Sunrise at Hanover inclusionary development was created as part of Hanover's First and Second Round plan for affordable housing compliance, and were part of the Township's combined First and Second Round Housing Element and Fair Share Plan that received substantive certification from COAH pursuant to N.J.S.A. 52:27D-313 and N.J.A.C. 5:93 on August 4, 1999. It is located on Parsippany Road at Sunrise Drive and encompasses an area of 14.3 acres. The property is identified by municipal tax records as Block 9101 Lot 17. The development, which was completed in the Fall of 1989, contains a total of 155 units, including 32 affordable family for-sale units.

As detailed in Section B. above, the Township assigns credit for all 32 of the affordable units to Hanover's First and Second Round obligation. In addition, the Township assigns additional credit toward the Township's Third Round Unmet Need for all 32 of the affordable units, since all of the initial 30-year affordability controls were set to expire before the end of the Third Round, but the Township has taken action to extend the affordability control period for each of the affordable units by resolution adopted on July 12, 2018 for an additional 30-year period running from the date the initial affordability control period was set to expire, as discussed further in Section D. below.

Aerial 2: Sunrise at Hanover



3. Eden Mill Village. The Eden Mill Village inclusionary development was created as part of Hanover's First and Second Round plan for affordable housing compliance, and were part of the Township's combined First and Second Round Housing Element and Fair Share Plan that received substantive certification from COAH pursuant to N.J.S.A. 52:27D-313 and N.J.A.C. 5:93 on August 4, 1999. It is located on Eden Lane and encompasses an area of 24.7 acres. The property is identified by municipal tax records as Block 4402 Lot 14. The development, which was completed in 1992, contains a total of 298 units, including 66 affordable family for-sale units.

As detailed in Section B. above, the Township assigns credit for all 66 of the affordable units to Hanover's First and Second Round obligation. In addition, the Township assigns additional credit toward the Township's Third Round Unmet Need for all 66 of the affordable units, since all of the initial 30-year affordability controls were set to expire before the end of the Third Round, but the Township has taken action to extend the affordability control period for each of the affordable units by resolution adopted on July 12, 2018 for an additional 30-year period running from the date the initial affordability control period was set to expire, as discussed further in Section D. below.

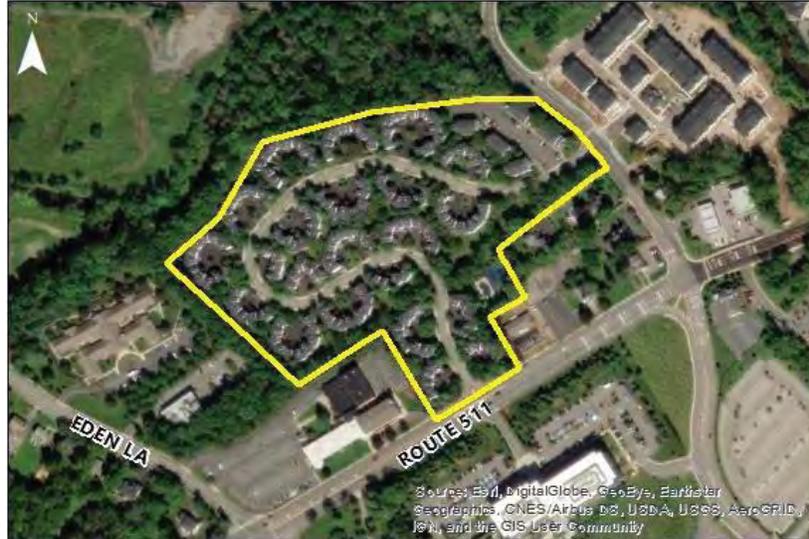
Aerial 3: Eden Mill Village



4. Oak Ridge at Hanover. The Oak Ridge at Hanover inclusionary development was created as part of Hanover's First and Second Round plan for affordable housing compliance, and were part of the Township's combined First and Second Round Housing Element and Fair Share Plan that received substantive certification from COAH pursuant to N.J.S.A. 52:27D-313 and N.J.A.C. 5:93 on August 4, 1999. It is located on Whippany Road and encompasses an area of 17.4 acres. The property is identified by municipal tax records as Block 4301 Lot 2. The development, which was completed in 1996, contains a total of 210 units, including 50 affordable family for-sale units.

As detailed in Section B. above, the Township assigns credit for all 50 of the affordable units to Hanover's First and Second Round obligation. In addition, the Township assigns additional credit toward the Township's Fourth Round Prospective Need obligation for all 50 of the affordable units, since the initial 30-year affordability controls for these units were originally set to expire before the end of the Fourth Round, but the Township has already taken measures to will extend the affordability controls on each of these affordable units. Specifically, the Township has taken action to extend the affordability control period for each of the affordable units by resolution adopted on July 12, 2018 for an additional 30-year period running from the date the initial affordability control period was set to expire. In addition, to date, the owners of record of 27 of these 50 affordable units have executed a deed restriction that has been recorded in the Office of the Morris County Clerk to reflect the Township's prior extension of the affordability control period for an additional 30-year term. The Township assigns credit for these 27 extensions toward Hanover's Fourth Round RDP obligation, and assigns credit for the remaining 23 extensions toward Hanover's Fourth Round Unmet Need.

Aerial 4: Oak Ridge



5. Sterling Parc. The Sterling Parc (previously known as Cedar Glen at Hanover) inclusionary development was created as part of Hanover's First and Second Round plan for affordable housing compliance. It is located on Ridgedale Avenue and encompasses an area of 22.7 acres. The property is identified by municipal tax records as Block 2701 Lot 23 and Block 2503 Lot 6. The development, which was approved in 1996 but not completed until 2002, contains a total of 316 units, including 64 affordable rental units. These 64 affordable units consist of 56 age-restricted affordable rental units and 8 affordable family rental units.

As detailed in Section B. above, the Township assigns credit for 44 of the age-restricted affordable rental units to Hanover's First and Second Round obligation, and assigns credit for the remaining 12 age-restricted affordable rental units plus the 8 affordable family rental units to Hanover's Third Round RDP obligation. In addition, pursuant to COAH's Round 2 rules, the family rental units are eligible for 2:1 rental bonus credits, while the age-restricted rental units are eligible for 1.33:1 rental bonus credits. As such, the Township also assigns 14 rental bonus credits toward the First and Second Round obligation, and 12 rental bonus credits toward the Third Round RDP obligation.

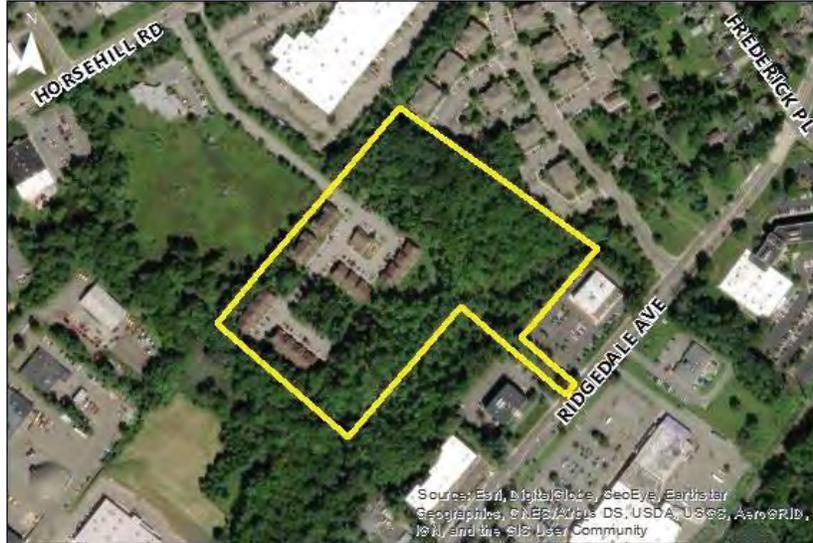
Aerial 5: Sterling Parc



6. Saddlebrook Court. The 100 percent affordable Saddlebrook Court development (now known as The Willows at Cedar Knolls) was approved by the Hanover Planning Board in 2011 during the Third Round Gap Period. It is located at 220 Ridgedale Avenue and encompasses an area of 15.3 acres. The property is identified by municipal tax records as Block 1702 Lot 12.02. The development, which was completed in 2014, contains a total of 73 affordable family rental units and 5 special needs/supportive housing bedrooms.

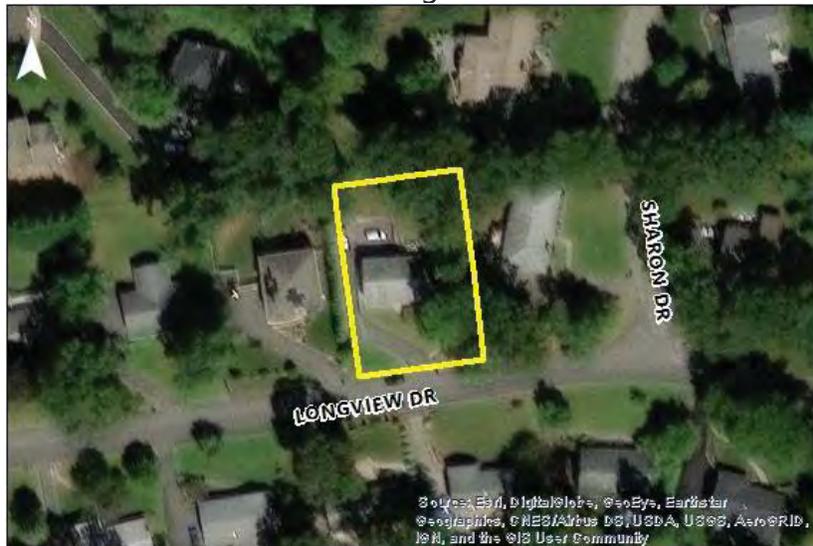
As detailed in Section B. above, the Township assigns credit for 15 of the affordable family rental units plus all 5 of the special needs/supportive housing bedrooms to Hanover's First and Second Round obligation, and assigns credit for the remaining 58 affordable family rental units to Hanover's Third Round RDP obligation. In addition, the family rental units and special needs/supportive housing bedrooms are all eligible for 2:1 rental bonus credits, pursuant to COAH's Round 2 rules. As such, the Township also assigns 20 rental bonus credits toward the First and Second Round obligation, and 58 rental bonus credits toward the Third Round RDP obligation.

Aerial 6: Saddlebrook Court



7. 21 Longview Dr. ARC. The 21 Longview Dr. ARC group home was part of Hanover's First and Second Round plan for affordable housing compliance. It is located at 21 Longview Drive and encompasses an area of 0.34 acres. The property is identified by municipal tax records as Block 5302 Lot 21. The 21 Longview Dr. ARC group home contains 4 special needs bedrooms. As detailed in Section B. above, the Township assigns credit for all 4 bedrooms to Hanover's First and Second Round obligation. In addition, special needs/supportive housing bedrooms are eligible for 2:1 rental bonus credits, pursuant to COAH's Round 2 rules. As such, the Township also assigns 4 rental bonus credits toward the First and Second Round obligation.

Aerial 7: 21 Longview Dr. ARC



8. Horse Hill Rd. I ARC. The Horse Hill Rd. I ARC group home was part of Hanover's First and Second Round plan for affordable housing compliance. It is located at 32 Horsehill Road and encompasses an area of 3.2 acres. The property is identified by municipal tax records as Block 601 Lot 5. The Horse Hill Rd. I ARC group home contains 6 special needs bedrooms. As detailed in Section B. above, the Township assigns credit for all 6 bedrooms to Hanover's First and Second Round obligation. In addition, the special needs/supportive housing bedrooms are eligible for 2:1 rental bonus credits, pursuant to COAH's Round 2 rules. As such, the Township also assigns 6 rental bonus credits toward the First and Second Round obligation.

Aerial 8: Horse Hill Rd. I ARC



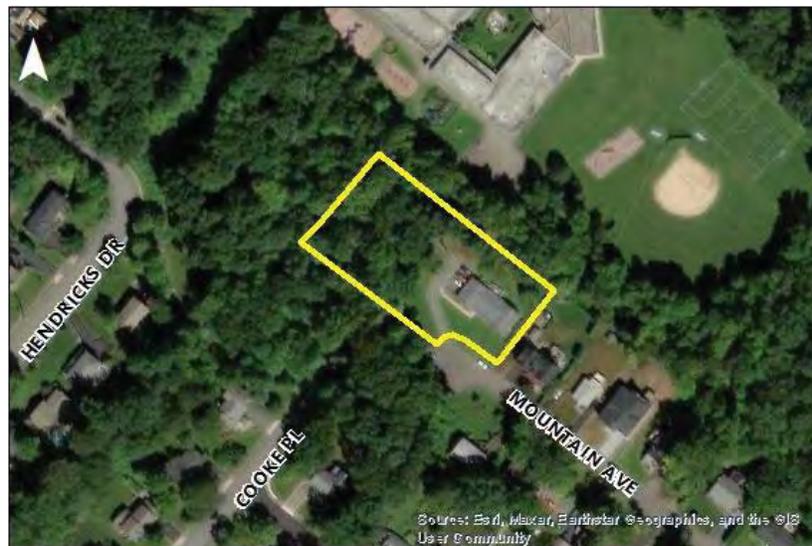
9. Whippany Jewish Association. The Whippany Jewish Association group home was opened and licensed in 2010 during the Third Round Gap Period. It is located at 18 Jeffrie Trail and encompasses an area of 0.4 acres. The property is identified by municipal tax records as Block 5304 Lot 12. The Whippany Jewish Association group home contains 4 special needs bedrooms. As detailed in Section B. above, the Township assigns credit for all 4 bedrooms to Hanover's First and Second Round obligation. In addition, the special needs/supportive housing bedrooms are eligible for 2:1 rental bonus credits, pursuant to COAH's Round 2 rules. As such, the Township also assigns 4 rental bonus credits toward the First and Second Round obligation.

Aerial 9: Whippany Jewish Association



10. Mountain Ave. ARC. The Mountain Ave. ARC group home was part of Hanover’s First and Second Round plan for affordable housing compliance. It is located at 100 Mountain Avenue and encompasses an area of 1.39 acres. The property is identified by municipal tax records as Block 908 Lot 10.01. The Mountain Ave. ARC group home contains 5 special needs bedrooms. As detailed in Section B. above, the Township assigns credit for all 5 bedrooms to Hanover’s First and Second Round obligation. In addition, the special needs/supportive housing bedrooms are eligible for 2:1 rental bonus credits, pursuant to COAH’s Round 2 rules. As such, the Township also assigns 5 rental bonus credits toward the First and Second Round obligation.

Aerial 10: Mountain Ave. ARC



11. Eden Lane ARC. The Eden Lane ARC group home was opened and licensed in 2002 during the Third Round Gap Period. It is located at 60 Eden Lane and encompasses an area of 0.89 acres. The property is identified by municipal tax records as Block 2601 Lot 1. The Eden Lane ARC group home contains 6 special needs bedrooms. As detailed in Section B. above, the Township assigns credit for all 6 bedrooms to Hanover's First and Second Round obligation. In addition, the special needs/supportive housing bedrooms are eligible for 2:1 rental bonus credits, pursuant to COAH's Round 2 rules. As such, the Township also assigns 6 rental bonus credits toward the First and Second Round obligation.

Aerial 11: Eden Lane ARC



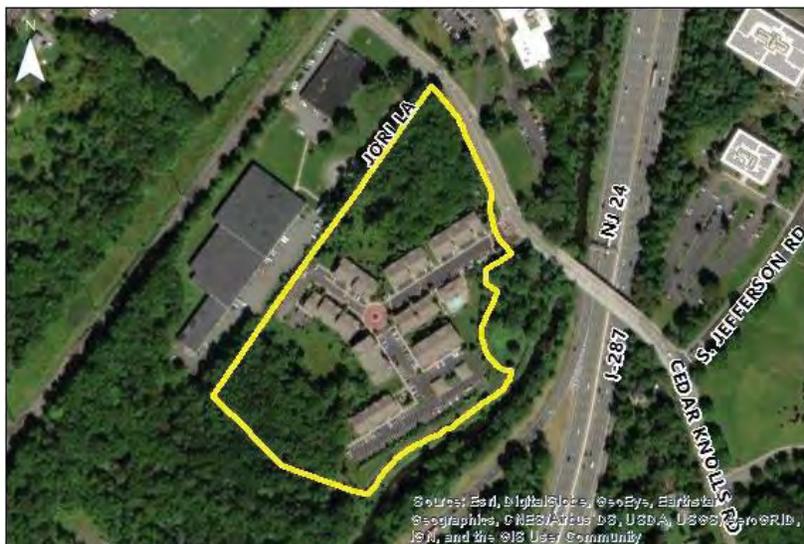
12. Allegro School. The Allegro School group home was opened and licensed in 2010 during the Third Round Gap Period. It is located at 20 Elm Place and encompasses an area of 0.5 acres. The property is identified by municipal tax records as Block 2503 Lot 6.02. The Allegro School group home contains 6 special needs bedrooms. As detailed in Section B. above, the Township assigns credit for all 6 bedrooms to Hanover's First and Second Round obligation. In addition, the special needs/supportive housing bedrooms are eligible for 2:1 rental bonus credits, pursuant to COAH's Round 2 rules. As such, the Township also assigns 6 rental bonus credits toward the First and Second Round obligation.

Aerial 12: Allegro School



13. Woodmont Knolls. The Woodmont Knolls (previously known as Cedar Knolls Mews) inclusionary development was approved by the Hanover Planning Board in 2008 during the Third Round Gap Period. It is located at 225 Cedar Knolls Road and encompasses an area of 14.6 acres. The property is identified by municipal tax records as Block 2302 Lot 2. The development, which was completed in 2014, contains a total of 126 units, including 14 affordable family rental units. As detailed in Section B. above, the Township assigns credit for all 14 affordable family rental units to Hanover's Third Round RDP obligation. In addition, the units are eligible for 2:1 rental bonus credits, pursuant to COAH's Round 2 rules. As such, the Township also assigns 14 rental bonus credits toward the Third Round RDP obligation.

Aerial 13: Woodmont Knolls



14. Jewish Metrowest I. The Jewish Metrowest I inclusionary development (also known as Lester Senior Housing) was created as part of Hanover's First and Second Round plan for affordable housing compliance. It is located on Ridgedale Avenue and encompasses an area of 38 acres. The property is identified by municipal tax records as Block 4001 Lot 9. The development, which was approved in 1998 but not completed until 2001, contains a total of 180 senior independent and assisted living units, including 36 age-restricted affordable rental units. As detailed in Section B. above, the Township assigns credit for all 36 age-restricted affordable rental units to Hanover's Third Round RDP obligation. In addition, the units are eligible for 1.33:1 rental bonus credits, pursuant to COAH's Round 2 rules. As such, the Township also assigns 12 rental bonus credits toward the Third Round RDP obligation.

Aerial 14: Jewish Metrowest I



15. Rose House. The Rose House group home was opened and licensed in 2011 during the Third Round Gap Period. It is located at 290 Cedar Knolls Road and encompasses an area of 0.85 acres. The property is identified by municipal tax records as Block 2501 Lot 17. The Rose House group home contains 12 special needs bedrooms. As detailed in Section B. above, the Township assigns credit for all 12 bedrooms to Hanover's Third Round RDP obligation. Because affordability controls are in effect for only 20 years, the bedrooms are not eligible for 2:1 rental bonus credits pursuant to COAH's Round 2 rules.

Aerial 15: Rose House



16. Horse Hill Rd. II ARC. The Horse Hill Rd. II ARC group home was part of Hanover's First and Second Round plan for affordable housing compliance. It is located at 30 Horsehill Road and encompasses an area of 3.2 acres. The property, which also contains the Horse Hill Rd. I ARC group home, is identified by municipal tax records as Block 601 Lot 5. The Horse Hill Rd. II ARC group home contains 6 special needs bedrooms. As detailed in Section B. above, the Township assigns credit for all 6 bedrooms to Hanover's Third Round RDP obligation. Because affordability controls are in effect for only 20 years, the bedrooms are not eligible for 2:1 rental bonus credits pursuant to COAH's Round 2 rules.

Aerial 16: Horse Hill Rd. II ARC



17. Silverman/Corporate Mailings. The Silverman/Corporate Mailings inclusionary development (also known as 26 Parsippany Road) was created as part of Hanover's Third Round plan for affordable housing compliance. It is located at 26 Parsippany Road, which encompasses an area of 11.73 acres. It is identified by municipal tax records as Block 4204 Lot 1. The development, which was approved in 2019 and completed in 2023, contains a total of 129 family rental units, including 20 affordable family rental units. As detailed in Section B. above, the Township assigns credit for all 20 affordable units toward Hanover's Third Round RDP obligation. In addition, the units are eligible for 2:1 rental bonus credits, pursuant to COAH's Round 2 rules. As such, the Township also assigns 20 rental bonus credits toward the Third Round RDP obligation.

Aerial 17: Silverman/Corporate Mailings



18. Airport Road. In April of 2019, the Township entered into a Settlement Agreement with Michael Alfieri of 25-35 Airport Road, LLC and 45 Airport Road, LLC in order to resolve Alfieri's intervention in the Township's 2015 Declaratory Judgment action. This Settlement Agreement was later amended in May 2020. Alfieri is the owner of approximately 25 acres of property along Airport Road. It is identified by municipal tax records as Block 4901 Lots 2, 17 and 19.

The property is currently developed with an office building, but was rezoned on November 14, 2019, pursuant to the terms of the initial Airport Road Settlement Agreement, to allow it to be redeveloped with an inclusionary multifamily rental development at a density of 11 units per acre and a minimum 15 percent set-aside for affordable housing, resulting in approximately 42 affordable family rental units. On October 8, 2020, pursuant to the terms of the amended Airport Road Settlement Agreement, the Township amended the zoning applicable to the site to allow for additional development – up to 325 total units – which, at a 15 percent set-aside, will yield up to 49 affordable family rental units.

Although the owner/developer applied to the Hanover Township Planning Board for Preliminary and Final Site Plan approval and was deemed administratively complete in 2021, that application is still pending. The developer concurrently applied to the NJDEP for determination of the wetlands extent and classification. The NJDEP determination limited the developable area of the site more than previously conceived, requiring a redesign of the development and further amendment to the applicable zoning to increase the maximum building height. Said zoning amendment (Ordinance 18-2025), a copy of which is included in Appendix F of this plan, was introduced on May 8, 2025 and is pending adoption.

Although this plan component has not yet been constructed, the site continues to present a realistic opportunity for the production of affordable housing. Specifically, the site remains:

- a. *Approvable*. The Township has zoned the site for inclusionary development with a required set-aside for affordable housing, an application for preliminary site plan approval has been filed, and the Board has deemed the application to be administratively complete. Due to the NJDEP wetland determination cited above and the subsequent need to amend the zoning regulations, the development application has been delayed. However, the zoning amendment to permit the redesigned development has been introduced and is currently pending adoption.
- b. *Available*. There are no known title issues or encumbrances which would prohibit the development of this site.
- c. *Developable*. The site has access to appropriate water infrastructure and has adequate sewer treatment capacity. Due to limitations on the sewage conveyance capacity in the area, however, the development will need to include a pump station and extension of the force main in order to connect to the sanitary sewer system.
- d. *Suitable*. The site is adjacent to compatible land uses and has access to appropriate streets. Additionally, although the site is partially constrained by environmentally sensitive features, including wetlands, state open waters and flood hazard area, the property continues to be able to accommodate the level of development contemplated herein based on the proposed redesign of the project and amendments to applicable zoning.

As detailed in Section B. above, the Township assigns credit for 42 of the 49 affordable units to be generated from this development toward Hanover's Third Round RDP obligation, and assigns credit for the 7 remaining affordable housing units toward Hanover's Third Round Unmet Need. In addition, the 42 units assigned to Third Round

RDP are eligible for 2:1 rental bonus credits, pursuant to COAH's Round 2 rules, up to the 25 percent cap. As such, the Township also assigns 9 rental bonus credits (which is the maximum permitted per N.J.A.C. 5:93-5.15.d) toward the Third Round RDP obligation.

Aerial 18: Airport Road



19. River Park. In February of 2019, the Township entered into a Settlement Agreement with River Park Business Center, LLC, in order to resolve River Park's intervention in the Township's 2015 Declaratory Judgment action. This Settlement Agreement was later amended in May 2020. River Park is the owner of property situated along the Whippany River between Parsippany Road, Eden Lane, South Jefferson Road, the Morristown & Erie railroad line and Legion Place, which encompasses an area of 81.17 acres. It is identified by municipal tax records as Block 3801 Lots 2.01, 2.02, 2.03 and 2.04 and Block 4101 Lot 1 and was occupied by the Whippany Paper Board Company until 1980.

In accordance with the initial River Park Settlement Agreement, on August 8, 2019, the Hanover Township Committee declared by resolution that the site be designated a 'non-condemnation area in need of redevelopment' and, on December 12, 2019, the Hanover Township Committee adopted a Redevelopment Plan for certain portions of the site (inclusive of Block 4101 Lot 1, Block 4301 Lot 6¹, and the eastern portion of former Lot 2 in Block 3801), allowing for mixed-use development to include 967 units of inclusionary residential development (including 140 affordable family rental units, consisting of 50 percent two-bedroom units and 50 percent three-bedroom units) and 32 bedrooms² of affordable special needs/supportive housing in a separate building.

¹ Block 4301 Lot 6 is owned by the Morris County Parks Commission.

² Although both the initial River Park Settlement Agreement and FSHC Settlement Agreement identify 30 special needs/supportive housing bedrooms on this site, the River Park Redevelopment Plan increased the number of special needs/supportive housing bedrooms to 32 in order to offset the shortfall of special needs bedrooms at the Our Lady of Mercy group home, which is discussed in Section D. below.

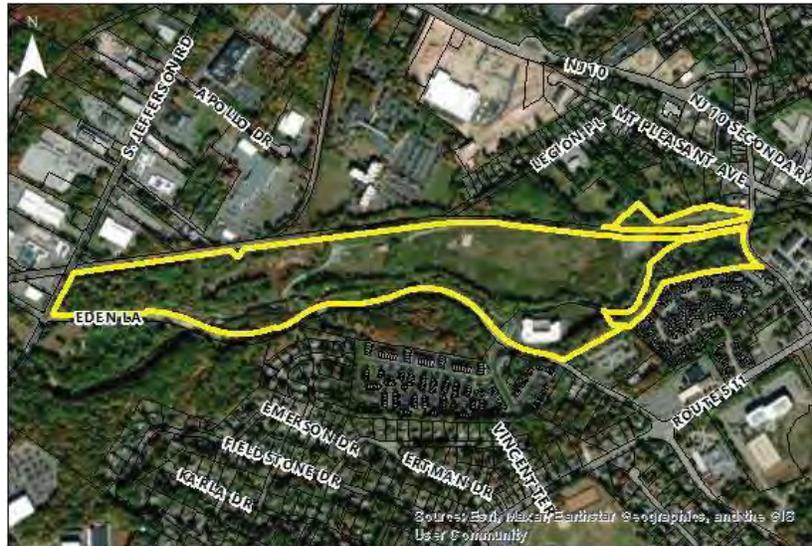
On October 8, 2020, pursuant to the terms of the amended River Park Settlement Agreement, the Township adopted an Amended and Restated Redevelopment Plan which allows for development of the eastern portion of the tract as contemplated above, while also allowing the western portion of the tract to be developed with additional mixed-use development for the purposes of addressing the Township's Third Round Unmet Need. This is discussed in more detail in Section D. below.

On March 23, 2021, River Park was granted Preliminary and Final Site Plan approval for 81 units of inclusionary residential development (including 13 affordable family rental units), and on August 16, 2022, River Park was granted Preliminary and Final Site Plan approval for an additional 309 units of inclusionary development (including 47 affordable family rental units). To date, River Park has completed construction of 81 of these units, which include 13 affordable family rental units at 34 Eden Lane (Block 3801 Lot 2.03).

Although this plan component has not yet been fully constructed, the site continues to present a realistic opportunity for the production of affordable housing. River Park has been in discussions with the Township regarding a potential redesign of the project consistent with the existing Redevelopment Plan in order to address certain hurdles obtaining outside agency approvals, but has expressed its commitment to proceed with development of the town center and redevelopment plan.

As detailed in Section B. above, the Township assigns credit for all 140 of the affordable family rental units to be generated from the eastern portion of this development toward Hanover's Third Round RDP obligation, and assigns credit for the 75 additional affordable housing units that may be produced in the western portion of the River Park tract toward Hanover's Third Round Unmet Need. In addition, credits for 4 of the 32 special needs bedrooms will be applied toward the Township's Third Round RDP, while credits for the remaining 28 special needs bedrooms will be applied toward the Township's Third Round Unmet Need. Also, pursuant to COAH's Round 2 rules, the units assigned to the Third Round RDP are eligible for 2:1 rental bonus credits, up to the 25 percent cap. As such, the Township also assigns 13 rental bonus credits for the completed affordable family rental units toward the Third Round RDP obligation.

Aerial 19: River Park



20. JMF/190 Park Avenue. On or about March 22, 2019, the Township entered into a Settlement Agreement with JMF Acquisitions, LLC, with JMF being an interested party in the Township's 2015 Declaratory Judgment action. The JMF Settlement Agreement pertains to a 23.86-acre area situated in the Whippany section of Hanover Township along the south side of Route 10 identified at the time by municipal tax records as Block 8803, Lot 17 and Block 4001, Lots 10, 11, 12, 13, 14 and a portion of Lot 9³. In accordance with the JMF Settlement Agreement, the Hanover Township Committee declared by resolution on August 8, 2019 that the site be designated a 'non-condemnation area in need of redevelopment' and the Hanover Township Committee adopted a Redevelopment Plan for the site on July 9, 2020, which was subsequently amended on October 8, 2020 and December 10, 2020. The Pine Plaza Redevelopment Plan, as amended, allowed the site to be redeveloped with a retail/commercial component largely in conformance with existing B-10 Highway Business District zone standards, as well as a residential component consisting of 60 market rate for-sale townhouse units. This development is currently under construction.

Additionally, the Pine Plaza Redevelopment Plan, as amended, called for the off-site development of 60 senior affordable rental units. Based upon subsequent settlement negotiations between the Township and JMF, the site designated for development of the 60 senior affordable rental units is a vacant 5.72-acre site located at 190 Park Avenue, which is identified by municipal tax records as Block 4802 Lot 2.01.⁴ In February 2021, the Township rezoned the site to a new RM-7 Residence Zone that permits the development

³ Although the JMF Settlement Agreement also includes Lots 6 and 7, these parcels are no longer proposed to be part of the inclusionary redevelopment of the site.

⁴ Although the Redevelopment Plan refers to former Lot 2 in Block 4802 (consisting of 3.30 acres), this property was subsequently merged with a portion of the adjacent former Lot 1 and is now Block 4802 Lot 2.01.

of 60 age-restricted affordable rental units, as well as 150 market rate rental units (comprised of a minimum of 70 unfurnished one-bedroom units, a maximum of 50 unfurnished two-bedroom units, a minimum of 15 furnished one-bedroom units, and a maximum of 15 furnished two-bedroom units), in order to address the inclusionary affordable housing component of the Pine Plaza Redevelopment Plan. The 60 affordable senior rental units to be constructed on the 190 Park Avenue site represent a 22.2 percent set-aside of the 270 total units on the Pine Plaza and 190 Park Avenue sites.

On November 23, 2021, JMF was granted Preliminary and Final Site Plan approval for 210 units of inclusionary residential development, including 60 affordable age-restricted rental units). However, no units have yet been constructed to date. Two extensions of the Planning Board's approval have been granted through November 23, 2025.

Although this plan component has not yet been constructed, the site continues to present a realistic opportunity for the production of affordable housing. Specifically, the site remains:

- a. *Approvable*. The Township has zoned the site for inclusionary development with a required set-aside for affordable housing, and preliminary and final site plan approval has already been granted. Foundation permits have also been issued. In January 2025, the Planning Board extended approvals through November 23, 2025.
- b. *Available*. There are no known title issues or encumbrances which would prohibit the development of this site.
- c. *Developable*. The site has access to appropriate water and sewer infrastructure.
- d. *Suitable*. The site is adjacent to compatible land uses and has access to appropriate streets. Although a portion of the property measuring approximately 0.8 acres at the rear of the site contains wetlands/wetland buffers and steep slopes, said constraints are not expected to impact the site's development potential.

As detailed in Section B. above, the Township assigns credit for all 60 of the age-restricted affordable rental units to be generated from this development toward Hanover's Third Round RDP obligation. It is noted that although the age-restricted affordable rental units would be eligible for 1.33:1 rental bonus credits pursuant to COAH's Round 2 rules, the 25 percent rental bonus cap is already being met by other projects. As such, no rental bonus credits are assigned to this development.

Aerial 20: JMF/190 Park Avenue



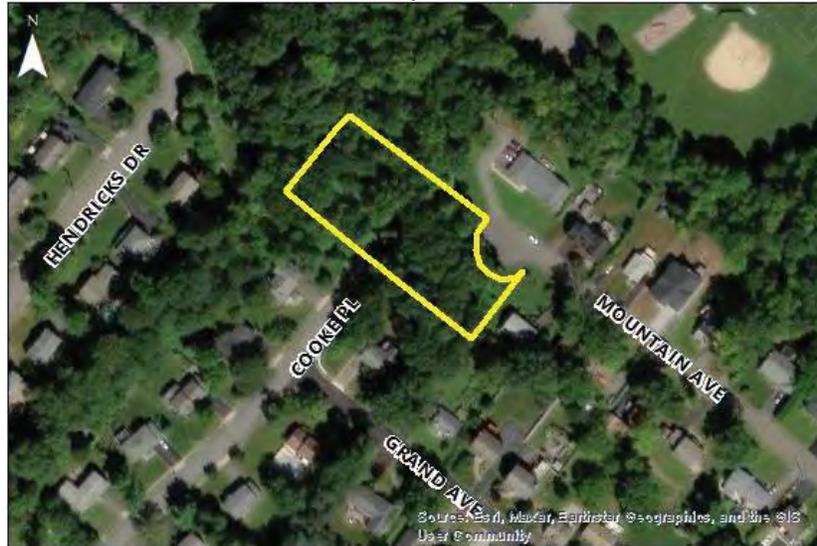
21. Morris ARC Group Home – 99 Mountain Ave. The Township owns an undeveloped 1.06-acre parcel at 99 Mountain Avenue (Block 905 Lot 16.01). It has frontage on both Mountain Avenue and Spruce Street. The Township is currently working with Morris ARC to develop a group home on this lot, which will contain 6 bedrooms for individuals with special needs. On April 10, 2025, the Township adopted an ordinance (Ordinance 8-2025) to amend the applicable zoning on this lot to allow for the construction of the group home. The Township also intends to utilize Affordable Housing Trust Funds to help fund the project. Construction on the group home is anticipated to commence in the Summer of 2025. Surrounding land uses are primarily residential, including the Mountain Ave. ARC group home located directly to the north. The site is located entirely within State Planning Area – 1 (Metropolitan) and the Sewer Service Area.

The property provides a realistic opportunity for the production of affordable housing, as follows:

- a. *Approvable.* As noted above, the Township has already amended the zoning regulations on the property in order to allow for the construction of the group home and construction is anticipated to commence in the Summer of 2025.
- b. *Available.* There are no known title issues or encumbrances which would prohibit the development of this site. Although there is a 30-foot-wide water easement on the property, same is not anticipated to prohibit development of the project.
- c. *Developable.* The site has access to appropriate water and sewer infrastructure.
- d. *Suitable.* The site is adjacent to compatible land uses, has access to appropriate streets, and is free of environmental constraints.

As detailed in Section B. above, the Township assigns credit for all 6 bedrooms to Hanover's Fourth Round RDP obligation. In addition, the 6 bedrooms are eligible for 1.0 bonus credit per special needs bedroom pursuant to FHA-2; therefore, the Township also assigns 6 bonus credits from this site toward the Fourth Round RDP obligation.

Aerial 21: Morris ARC Group Home – 99 Mountain Ave



22. Bayer South Campus Redevelopment. On June 13, 2024, the Hanover Township Mayor and Committee adopted Resolution #113-2024, which designated the 91-acre area encompassing Block 5801 Lot 1.06 (commonly known as 85 Whippany Road) and a portion of Lot 1.03 (commonly known as 100 Bayer Boulevard), as a Condemnation Area in Need of Redevelopment. While Lot 1.03 is developed as the Bayer Corporation US Headquarters office building and associated surface parking, the portion of Lot 1.03 within the Redevelopment Area contains only surface parking. Lot 1.06 is also developed with paved surface parking for the Bayer building, along with three accessory structures located within the rear of the lot, which were previously used by Bayer for commercial lab/research use.

In recognition of the Township's ongoing constitutional obligation to provide for affordable housing, the Hanover Township Committee adopted a Redevelopment Plan for this area on February 13, 2025, which allows for redevelopment of the tract with mixed-use development, including up to 400 multi-family and townhouse residential units at a 20 percent set-aside for affordable housing, plus an additional 5-bedroom group home for individuals with developmental disabilities and/or mental illness as licensed and/or regulated by the New Jersey Department of Human Services. As such, a total of 85 affordable housing units/credits are expected to be generated by redevelopment of this site. The 80 affordable multi-family units to be produced will be family rental units, though up to 20 (25 percent) of these units may be special needs units.

Surrounding uses include the Bayer Corporation US Headquarters, Whippany KinderCare, and the Bradley Braviak Funeral Home to the north; parkland (Black Meadows Preserve) to the east; vacant land, public parkland (Black Meadows Preserve), and the Morristown Airport operations to the south; and single family residential, assisted living (Care One assisted living facility), and public land and public school uses to the west. MetLife and MetLife Investments are located to the north and west.

Environmental constraints encumber approximately 54 acres, or 59 percent of tract area. These constraints include wetlands and associated wetlands buffers, streams, floodplains, and riparian areas contiguous with the Black Brook Tributary along the south and east portions of the tract. The southern portion of the tract also includes numerous areas of wetlands which require a 150-foot transition buffer area. The majority of the property is within the Sewer Service Area, with the portions of the tract outside of the Sewer Service Area confined to the site's wetlands. The entirety of the site is within State Planning Area – 1 (Metropolitan).

The property provides a realistic opportunity for the production of affordable housing, as follows:

- a. *Approvable*. As noted above, the Township adopted a Redevelopment Plan allowing for mixed-use development, including both inclusionary family units and special needs units/bedrooms, on February 13, 2025. On April 29, 2025, the designated Redeveloper filed an application with the Hanover Township Planning Board for subdivision and site plan approval. The application is currently pending and is scheduled to be heard on June 17, 2025.
- b. *Available*. There are no known title issues or encumbrances which would prohibit the development of this site.
- c. *Developable*. The site has access to appropriate water and sewer infrastructure. Certain improvements to the sewer main may be required, but same is not anticipated to prohibit development of the project.
- d. *Suitable*. The site is adjacent to compatible land uses and has access to appropriate streets. Although the property is partially encumbered by environmental constraints, the Redeveloper has stipulated that there is sufficient area outside of constraints for development of the property and/or that any waivers necessary to accommodate the development will be sought from NJDEP.

As detailed in Section B. above, the Township assigns credit for 51 affordable family rental units and all 5 group home bedrooms to be generated from this development toward Hanover's Fourth Round RDP obligation. In addition, these units/bedrooms are eligible for

bonus credits pursuant to FHA-2, up to the 25 percent cap. Specifically, the 5 group home bedrooms are eligible for 1.0 bonus credit per special needs bedroom pursuant to FHA-2, and the 51 family rental units are eligible for 0.5 bonus credit per unit (up to the 25 percent cap) for units constructed on land previously utilized for office or commercial space pursuant to FHA-2; therefore, the Township also assigns 5 bonus credits for special needs units and 18 bonus credits (which is the maximum per the 25 percent cap) for office/commercial redevelopment toward the Fourth Round RDP obligation. The 29 remaining rental units to be generated from this development shall be assigned to the Township's Fourth Round Unmet Need, as discussed further in Section D. below.

Aerial 22: Bayer South Campus Redevelopment



D. UNMET NEED

The difference between the Township's Prospective Need obligations and its RDP obligations is what is known as Unmet Need. Whereas the RDP obligations must be affirmatively addressed by the Township (as outlined in Section B. above), addressing Unmet Need involves a lower standard, as the entire Unmet Need obligation does not have to be fully satisfied by 2035. Hanover has an Unmet Need of 425 for Round 3 and an Unmet Need of 343 for Round 4, for a total combined Unmet Need of 768 units. The Township will address Unmet Need as set forth below and as illustrated on the Plan Components Map included at the end of this plan.

1. Third Round Unmet Need

The Township will continue to implement the plan components designed to address its 425-unit Third Round Unmet Need, as set forth in the Township's 2021 HE&FSP and Third Round JOR, until such time as the Township has provided for the entire Unmet Need. These plan components and their status are as follows:

a. *Whippany Village Inclusionary Development*. The 2021 HE&FSP applied 9 affordable

- housing units to be constructed as part of a mixed-use development known as Whippany Village (Block 7402 Lots 2.01 and 2.02 and Block 7501 Lots 1.01 and 10) toward Hanover's Third Round Unmet Need. These 9 affordable family rentals units have since been constructed and occupied. The application of these credits reduces Hanover's Third Round Unmet Need from 425 units to 416 units.
- b. *Our Lady of Mercy Special Needs/Supportive Housing*: The 2021 HE&FSP applied 4 credits toward Hanover's Third Round Unmet Need for a 4-bedroom group home to be constructed at the Our Lady of Mercy site at 70 Whippany Road (Block 4301 Lot 2.03). This group home has since been constructed and occupied. As such, the Township's Third Round Unmet Need is further reduced to 412 units.
 - c. *Care One Assisted Living*: The 2021 HE&FSP applied 4 credits toward Hanover's Third Round Unmet Need for an approved 78-bed expansion of the Care One assisted living facility at 101 Whippany Road (Block 5801 Lot 6). In accordance with State statute, at least 10 percent of these 78 new beds (totaling 8 beds) are required to be occupied by Medicaid-eligible persons, which are eligible for affordable housing credit pursuant to N.J.A.C. 5:93-5.16(a). Assuming double-occupancy, this translates to 4 units/credits to be applied toward Unmet Need. This expansion has since been constructed and occupied. As such, the Township's Third Round Unmet Need is further reduced to 408 units.
 - d. *Extension of Affordability Controls*: The 2021 HE&FSP anticipated that extensions of controls would be completed on 137 existing family for-sale units at the Hanover Hills, Sunrise at Hanover, and Eden Mill Village inclusionary developments whose affordability controls were set to expire prior to the end of the Third Round. The 2021 HE&FSP assigned 137 credits for these anticipated extensions of controls toward the Third Round Unmet Need. Indeed, the Township adopted a resolution rejecting the repayment option and extending the affordability controls on each of the 137 affordable units for an additional thirty-year period running from the date the initial thirty-year control period was set to expire. Each of these affordable units in Hanover Hills, Sunrise at Hanover and Eden Mill Village are "for-sale" or fee simple units that were part of the Township's combined First and Second Round Housing Element and Fair Share Plan that received substantive certification from COAH pursuant to N.J.A.C. 5:93 et seq., on August 4, 1999. Accordingly, each of the affordable units in Hanover Hills, Sunrise at Hanover and Eden Mill Village fall within the definition of a "95/5 unit" as set forth in N.J.A.C. 5:80-26.2 of the Housing and Mortgage Finance Agency's "Housing Affordability Controls" regulations set forth at N.J.A.C. 5:80-26.1 et seq. To date, the owners of record of 79 of these 137 units have executed a deed restriction that has been recorded in the Office of the Morris County Clerk to reflect the Township's prior extension of the affordability controls period, further reducing Hanover's Third Round Unmet Need to 329 units. The Township will continue to

- maintain its existing program for extending the affordability controls during the Fourth Round until deed restrictions on all of the 58 remaining affordable units have been executed and recorded, either at resale or through the voluntary cooperation of the individual unit owners.
- e. *Additional Airport Road Inclusionary Units:* As discussed in Section C. above, the Township's Settlement Agreement with Michael Alfieri of 25-35 Airport Road, LLC and 45 Airport Road, LLC, was amended in May of 2020. On October 8, 2020, under the terms of the amended Settlement Agreement, the Township amended the RM-6 zoning applicable to the Alfieri property (identified as Block 4901 Lots 2, 17 and 19) to allow for additional inclusionary residential development – up to 325 total units – with a 15 percent set-aside. The amended zoning will yield a total of 49 affordable housing units. Whereas 42 of the 49 affordable units to be generated from this development have been assigned to the Township's Third Round RDP obligation, the remaining 7 affordable units will be applied to Hanover's Third Round Unmet Need.
- f. *Additional River Park Inclusionary and Supportive Housing:* As discussed in Section C. above, the Township adopted a Redevelopment Plan in December of 2019 for certain portions of the River Park property (inclusive of Block 4101 Lot 1, Block 4301 Lot 6, and the eastern portion of former Lot 2 in Block 3801) allowing for mixed-use development to include 967 units of inclusionary residential development (including 140 affordable family rental units) and 32 bedrooms of affordable special needs/supportive housing. On October 8, 2020, under the terms of the Township's May 2020 amended Settlement Agreement with River Park Business Center, LLC, the Township amended the Redevelopment Plan to allow for the western portion of former Lot 2 in Block 3801 to also be developed with additional mixed-use development, including up to 500 additional multifamily rental units at a 15 percent set-aside. Whereas the 140 affordable family rental units and 4 of the 32 special needs bedrooms are applied toward the Township's Third Round RDP, credits for the remaining 28 special needs bedrooms as well as for the 75 additional affordable housing units that may be produced in the western portion of the River Park tract pursuant to the Amended and Restated Redevelopment Plan will be assigned toward Hanover's Third Round Unmet Need. As such, up to 103 affordable credits may be generated by the River Park redevelopment toward the Township's Third Round Unmet Need.
- g. *Accessory Apartment Program:* The Township established an Accessory Apartment Program, as part of its 2021 HE&FSP and Third Round JOR, in order to create up to 10 affordable accessory apartments that would be credited toward Hanover's Third Round Unmet Need. Although no accessory apartments have yet been created under this Program to date, the Township will continue to commit at least \$30,000 per accessory apartment deed restricted for moderate income families, \$40,000 per

accessory apartment restricted for low income families, and \$50,000 per accessory apartment restricted for very low income families from its Affordable Housing Trust Fund to subsidize the creation of these units, and will continue to contract with Community Grants, Planning & Housing (CGP&H) to administer and affirmatively market the Program through the Fourth Round.

- h. *Mandatory Set-Aside Ordinance.* In addition, Hanover created a Township-wide Mandatory Set-Aside Ordinance as part of its 2021 HE&FSP and Third Round JOR in order to ensure that any new multi-family residential development in Hanover will provide its fair share of affordable units and assist with the Township's continuous efforts to address its affordable housing obligation. This ordinance, which is set forth at Section 166-108.1 of the Land Use and Development Code, requires that any site that is developed with five or more new multifamily or single-family attached dwelling units shall provide an affordable housing set-aside at a rate of 15 percent, where affordable units will be for rent, or 20 percent, where affordable units will be for sale.

Although the Township will continue to implement its Mandatory Set-Aside Ordinance through the Fourth Round, it proposes to amend said ordinance to require a minimum 20 percent affordable housing set-aside for all qualifying developments, regardless of tenure. This amendment will bring the Township into compliance with the Highlands Council's rules for all municipalities in the Highlands Region requiring same, and will increase the yield of affordable housing units to be generated by future projects. These proposed ordinance amendments are included at Appendix G of this plan.

- i. *Development Fee Ordinance.* Lastly, as part of its 2021 HE&FSP and Third Round JOR, the Township agreed to maintain its Development Fee Ordinance, set forth at Section 166-48.1 of the Land Use and Development Code, and its residential development fee of 1 percent of equalized assessed value, but increased its non-residential development fee from 2 percent to 2.5 percent of equalized assessed value, consistent with the Statewide Non-Residential Development Fee Act. The Township will continue to implement its Development Fee Ordinance, as adopted, through the Fourth Round.

2. Fourth Round Unmet Need

Because of Hanover's proactive efforts to secure affordable housing for the Fourth Round, the Township has already taken steps to secure at least 112 credits that it can apply toward its Fourth Round Unmet Need, with additional units/credits anticipated to be created over time. The plan components proposed to address the Township's Fourth Round Unmet Need of 343 units are as follows:

- a. *Oak Ridge Extensions of Controls:* As discussed in Sections B. and C. above, the Township has taken action to extend the affordability control period for all 50 of the Oak Ridge affordable family for-sale units by resolution adopted on July 12, 2018 for an additional 30-year period running from the date the initial affordability control period was set to expire. Whereas the Township assigns credit for 27 of these 50 extensions toward Hanover's Fourth Round RDP obligation (the owners of which have executed a deed restriction to reflect the Township's prior extension of controls), the Township assigns credit for the 23 remaining extensions toward the Fourth Round Unmet Need.
- b. *Excess Bayer South Campus Redevelopment Units.* As detailed in Sections B. and C. above, the Township assigns credit for 51 affordable family rental units and all 5 group home bedrooms to be generated at the Bayer South Campus Redevelopment site toward Hanover's Fourth Round RDP obligation. As such, the Township projects that it will have 29 excess affordable rental units that can be applied from this development toward the Fourth Round Unmet Need. As noted in Section C. above, up to 20 of these 29 excess affordable rental units may be special needs units.
- c. *JMF 100% Affordable Senior Housing.* As part of the settlement agreements entered into between the Township and JMF Acquisitions, LLC, during the Third Round, JMF agreed to construct 60 affordable age-restricted rental units in a 100 percent affordable development to be credited toward the Township's Fourth Round obligation. These 60 affordable age-restricted rental units are above and beyond those units still to be constructed by JMF at the 190 Park Avenue site, which is a plan component addressing Hanover's Third Round RDP obligation. Although the 2021 HE&FSP designated a 4.45-acre portion of Block 9102 Lot 5 (commonly known as 30 North Jefferson Road) for this 100 percent affordable senior development, and the Township adopted a new AH-2 Affordable Housing Overlay Zone thereon to allow for such development, subsequent studies determined that the extent of wetlands on the site would not support the entirety of the project. As such, the Township and JMF continue to seek a suitable location for this development. Once a location is finalized, the Township will adopt appropriate zoning for said property to facilitate its development for age-restricted housing. All 60 credits from this development will be allocated toward the Township's Fourth Round Unmet Need.
- d. *AH-2 Affordable Housing Overlay.* Although the aforementioned 60-unit 100 percent affordable senior development was determined to be too intensive for the 4.45-acre portion of Block 9102 Lot 5, the AH-2 Affordable Housing Overlay Zone that is still in place on this site does create additional opportunities for affordable housing in the Township, albeit at a lesser intensity than previously envisioned. Specifically, it is anticipated that approximately 27 affordable senior units could be developed on this site. As such, the Township commits to maintaining the AH-2 Affordable Housing

Overlay Zone at this location, but amending the zoning to allow for the development of fewer affordable units, as opposed to the minimum 60 affordable units that are currently required. All affordable units produced on this site will be credited toward the Township's Fourth Round Unmet Need.

- e. *Mandatory Set-Aside & Development Fee Ordinances.* Hanover will continue to implement the Township-wide Mandatory Set-Aside Ordinance, as proposed to be modified, and the Development Fee Ordinance, as adopted, in order to capture additional affordable housing opportunities as they become available during the Fourth Round.

E. OTHER PROVISIONS

The following additional requirements are noted:

1. Fourth Round Bonuses. Fourth Round bonuses will be applied in accordance with N.J.A.C. 52:27d-311.k.
2. Very-Low Income and Low-Income Units. At least 50 percent of the units addressing the Fourth Round Prospective Need obligation shall be affordable to very low-income and low-income households with the remainder affordable to moderate-income households. A minimum of 13 percent of the affordable units will be made available to very low-income households, defined as households earning 30 percent or less of the regional median income by household size.
3. Rental Component. At least 25 percent of the Fourth Round Prospective Need obligation shall be met through rental units, including at least half in rental units available to families.
4. Families. At least half of the actual units created to address the Fourth Round Prospective Need obligation must be available to families.
5. Age-Restricted Cap. No more than 30 percent of all units developed or planned to meet the Fourth Round Prospective Need obligation shall be met with age-restricted units.

F. CONSISTENCY WITH STATE PLANNING INITIATIVES

As noted in Section 1 of this plan, a HE&FSP must also include:

- ❖ An analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission;

- ❖ For a municipality located within the jurisdiction of the Highlands Water Protection and Planning Council, an analysis of compliance of the housing element with the Highlands Regional Master Plan of lands in the Highlands Preservation Area, and lands in the Highlands Planning Area for Highlands conforming municipalities; and
- ❖ An analysis of consistency with the State Development and Redevelopment Plan, including water, wastewater, stormwater, and multi-modal transportation based on guidance and technical assistance from the State Planning Commission.

Accordingly, the following subsection analyzes the consistency of this HE&FSP to the above referenced state planning initiatives.

1. Multigenerational Family Housing Continuity Commission

The Multigenerational Family Housing Continuity Commission was established by the State of New Jersey in 2021. As noted in N.J.S.A. 52:27D-329.20, one of the primary duties of the Commission is to “prepare and adopt recommendations on how State government, local government, community organizations, private entities, and community members may most effectively advance the goal of enabling senior citizens to reside at the homes of their extended families, thereby preserving and enhancing multigenerational family continuity, through the modification of State and local laws and policies in the areas of housing, land use planning, parking and streetscape planning, and other relevant areas.”

As of the date of this HE&FSP, the Multigenerational Family Housing Continuity Commission has not yet adopted any recommendations.

2. Highlands Regional Master Plan

The Township of Hanover is located entirely within the Highlands Region, with the entirety of its land area (6,878 acres or 10.8 square miles) located in the Highlands Planning Area where conformance with the Highlands Regional Master Plan (RMP) is fully voluntary. The Township has not elected to petition the Highlands Council for Plan Conformance to date and therefore has non-conforming status.

Although Hanover’s land development ordinances are not required to be consistent with the Highlands Act and RMP, this plan is nevertheless consistent with the Highlands RMP language regarding affordable housing, which reads as follows:

In accordance with the Fair Housing Act, all newly constructed residential development within the Highlands Region are required to reserve for occupancy by low- or moderate-income households at least 20 percent of the residential units constructed. As the 20 percent reservation requirement is found in the Fair Housing

Act and not the Highlands Act, all municipalities located in the Highlands Region are responsible for the 20 percent reservation requirement, irrespective of plan conformance status. This includes development exempt from the Highlands Act.

As discussed in Section D. above, the Township proposes to amend its Township-wide Mandatory Set-Aside Ordinance to require a minimum 20 percent affordable housing set-aside for all qualifying developments, regardless of tenure. These proposed ordinance amendments are included at Appendix G of this plan.

3. State Development and Redevelopment Plan

As established by N.J.S.A. 52:18A-200(f), the purpose of the State Development and Redevelopment Plan (SDRP) is to “coordinate planning activities and establish Statewide planning objectives in the following areas: land use, housing, economic development, transportation, natural resource conservation, agriculture and farmland retention, recreation, urban and suburban redevelopment, historic preservation, public facilities and services, and intergovernmental coordination.”

As such, the SDRP establishes a number of goals and strategies related to a number of different topics, including economic redevelopment. One such goal is to revitalize existing urban centers by directing growth and development to those areas. Specifically, the SDRP seeks to revitalize the State’s cities and towns by protecting, preserving, and developing the valuable human and economic assets in cities, town, and other urban areas.

As indicated by the SDRP’s Policy Map, the entirety of Hanover Township (aside from Black Meadows Preserve, which is designated as PA-8 Open Space) is located in the PA-1 Metropolitan Planning Area, wherein development and redevelopment is intended to be directed. The intent of this Planning Area is to:

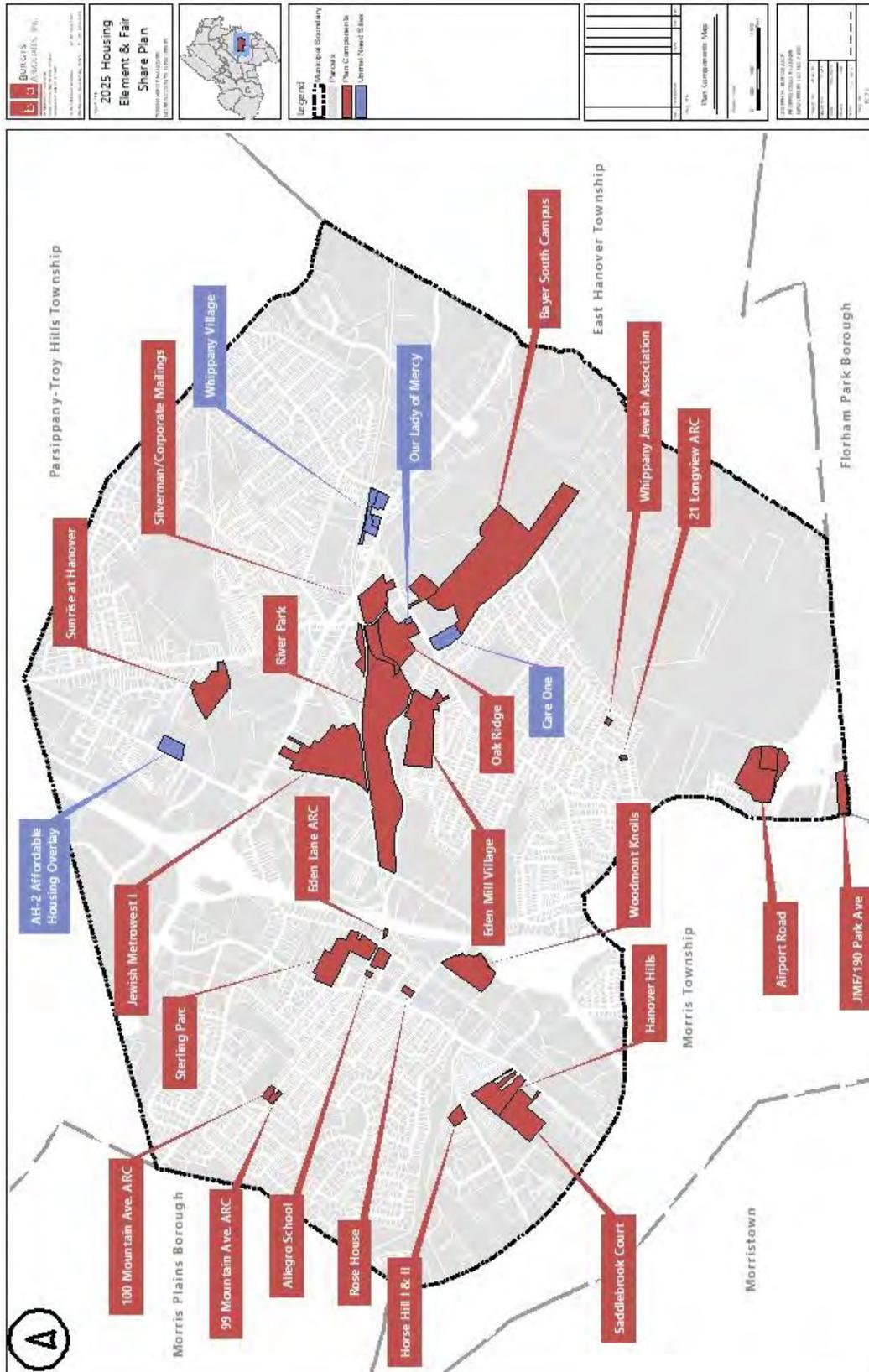
- a. Provide for much of the state’s future redevelopment;
- b. Revitalize cities and towns;
- c. Promote growth in compact forms;
- d. Stabilize older suburbs;
- e. Redesign areas of sprawl; and;
- f. Protect the character of existing stable communities.

Accordingly, this HE&FSP is consistent with the intents of the PA-1. Specifically, it is designed to encourage redevelopment and growth in a compact form within the portion of the municipality designated as PA-1, while also protecting the character of the existing community.

G. CREDITING DOCUMENTATION AND ONGOING COMPLIANCE

The Township of Hanover is following the applicable requirements regarding unit monitoring and reporting. Specifically, the Township completed the statutorily required updates to its housing project status report by the DCA deadline of February 15, 2025. These updates are included in the State's new Affordable Housing Monitoring System and should be considered to fulfill the Township's obligation to specify the creditworthiness of all existing affordable units. Further, all crediting documentation submitted to and approved by the Court as part of the Township's Third Round Housing Element and Fair Share Plan remains on file with and accessible from the Court. All other crediting documentation, for plan components that were not part of the Township's Third Round HE&FSP, is included in the appendices of this plan.

Map 4: Plan Components



Appendices

- A Resolution No. 39-2025
- B May 2, 2025 Trial Court Order
- C Structural Conditions Survey
- D Third Round Vacant Land Adjustment Map and Table
- E Fourth Round Spending Plan
- F Ordinance 18-2025 (Introduced May 8, 2025)
- G Draft Amendments to Mandatory Affordable Housing Set-Aside Ordinance
- H Unit & Trust Fund Monitoring Reports
- I River Park Supportive Documentation
- J JMF/190 Park Avenue Supportive Documentation
- K Morris ARC Group Home – 99 Mountain Avenue Supportive Documentation
- L Bayer South Campus Redevelopment Supportive Documentation
- M Existing/Adopted Affordable Housing Ordinance (Chapter 72 of Township Code)
- N Existing/Adopted Development Fees Ordinance (Section 166-48.1 of Township Code)
- O Existing/Adopted Mandatory Set-Aside Ordinance (Section 166-108.1 of Township Code)
- P Existing/Adopted Accessory Apartments Ordinance (Section 166-138.5.2 of Township Code)
- Q Existing/Adopted AH-2 Overlay Ordinance (Chapter 166, Article XXIXF, of Township Code)
- R Administrative Agent Operating Manuals
- S Home Improvement Program Manual
- T Accessory Apartment Program Manual
- U Draft Affordability Assistance Manual and Draft Resolution