



# Harmony Township Housing Element & Fair Share Plan

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Prepared for:  
Township of Harmony  
Warren County, New Jersey

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## Introduction

The need to provide a realistic opportunity for the creation of affordable housing has been recognized for decades in New Jersey. In the landmark case of *Southern Burlington County NAACP v. the Township of Mount Laurel* 67 N.J. 151 (1975), (Mount Laurel I), the New Jersey Supreme Court established the doctrine that New Jersey municipalities have a constitutional obligation to zone for a variety and choice of housing types that would be affordable to low- and moderate-income households. This decision was reinforced in *Southern Burlington County NAACP v. Township of Mount Laurel*, 92 N.J. 158, 456 A.2d 390 (1983) (Mount Laurel II). In its ruling, the Supreme Court expanded the Mount Laurel doctrine by establishing the first methodology for municipalities to establish their “fair share” of regional housing needs. Mount Laurel II also established the “builder’s remedy,” as an enforcement mechanism, empowering developers to potentially invalidate the zoning of municipalities that fail to provide for their fair share.

In response to the Supreme Court of New Jersey’s call for a more substantive legislative remedy in the Mount Laurel II decision, the New Jersey Legislature adopted the Fair Housing Act (FHA) in 1985 (N.J.S.A. 52:270-301, et seq.). The FHA established the Council on Affordable Housing (COAH) as an administrative alternative to builder’s remedy lawsuits and the concomitant jurisdiction of the courts. COAH was given the responsibility of dividing the state into housing regions, determining regional and municipal fair share affordable housing obligations, and adopting regulations that would establish the guidelines and approaches that municipalities may use in addressing their affordable housing need. These regulations would be subject to regular updates, called Rounds, to ensure that municipalities remain up to date with the requirements of the FHA.

COAH would administer affordable housing regulations in New Jersey for the first three rounds. However, difficulties in implementing in administering the Third Round since 2008 culminated in the Supreme Court of New Jersey declaring COAH moribund in 2015. Trial courts resumed their role as the sole forum for evaluating municipal compliance with Mount Laurel regulations until 2024, when Governor Phil Murphy signed P.L. 2024, c.2., formally abolishing COAH and transferring its responsibilities to the Affordable Housing Dispute Resolution Program. In October of that year, DCA prepared new affordable housing rules and methodology for determining municipal share of regional housing need, beginning the Fourth Round.

This Housing Element and Fair Share Plan for Harmony Township has been prepared in accordance with applicable law.

## History of Affordable Housing in Harmony Township

Harmony Township has participated in every Round of affordable housing obligations. The Township received First Round certification on June 13, 1990, and Second Round certification on October 2, 2002. When the Township's Second Round certification expired in 2008, the Township updated its Housing Element and Fair Share Plan and petitioned COAH for Third Round certification. This update was deemed complete on July 15, 2010, but the Township did not receive Third Round Certification due to the Third Round rules being declared invalid by the Supreme Court of New Jersey.

In response, the Township filed a declaratory judgement action ("Action") on July 8, 2015. In an Order filed on November 5, 2015, the Township was granted temporary immunity from builder's remedy actions. Additionally, to resolve any legal challenges that could arise from the uncertainty in how to calculate a fair share for the Third Round, the Township and its professionals entered into negotiations with representatives of the Fair Share Housing Center (FSHC) to settle the Court's Action and seek Court-approval for an accepted fair share obligation for the Township.

A settlement agreement was executed by the Township and FSHC on November 13, 2018. As a condition of the agreement, the Township prepared and adopted a new Housing Element and Fair Share Plan. This plan, adopted on November 6, 2019, effectuated the Settlement Agreement between the Borough and FSHC that was approved by the Court.

Under the Settlement Agreement, the Township accepted a Third Round (1999-2025) prospective need obligation of 148 units and a combined prior round (1987-1999) prospective need obligation of 47. There were no carryover of present need from any previous round.

The Court held a fairness hearing on the Settlement Agreement on December 20, 2018, and a compliance hearing on January 6, 2020. The Court entered a Conditional Judgment of Compliance and Repose on January 28, 2020. The Township having met all of the conditions of the conditional judgment, the Court entered a Final Judgment of Compliance and Repose on November 20, 2024.

## Current Planning Context

Pursuant to both the Fair Housing Act (N.J.S.A. 52:27D-310) and the Municipal Land Use Law (MLUL) N.J.S.A. 40:55D-28, municipalities in New Jersey are required to include a housing element in their respective master plans. The statutorily required contents of the housing element are as follows:

- a. 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;
- b. A projection of the municipality's housing stock, including the probable future construction of low- and moderate-income housing, for ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
- c. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
- d. An analysis of the existing and probable future employment characteristics of the municipality;
- e. 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; and
- f. A consideration of the lands that are most appropriate for construction of low- and moderate-income housing and of 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.
- g. 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 as adopted pursuant to N.J.S.A. 52:27D-329.20.
- h. For a municipality located within the jurisdiction of the Highlands Water Protection and Planning Council, established pursuant to section 4 of P.L.2004, c.120 (N.J.S.A. 13:20-4), 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

- i. 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.

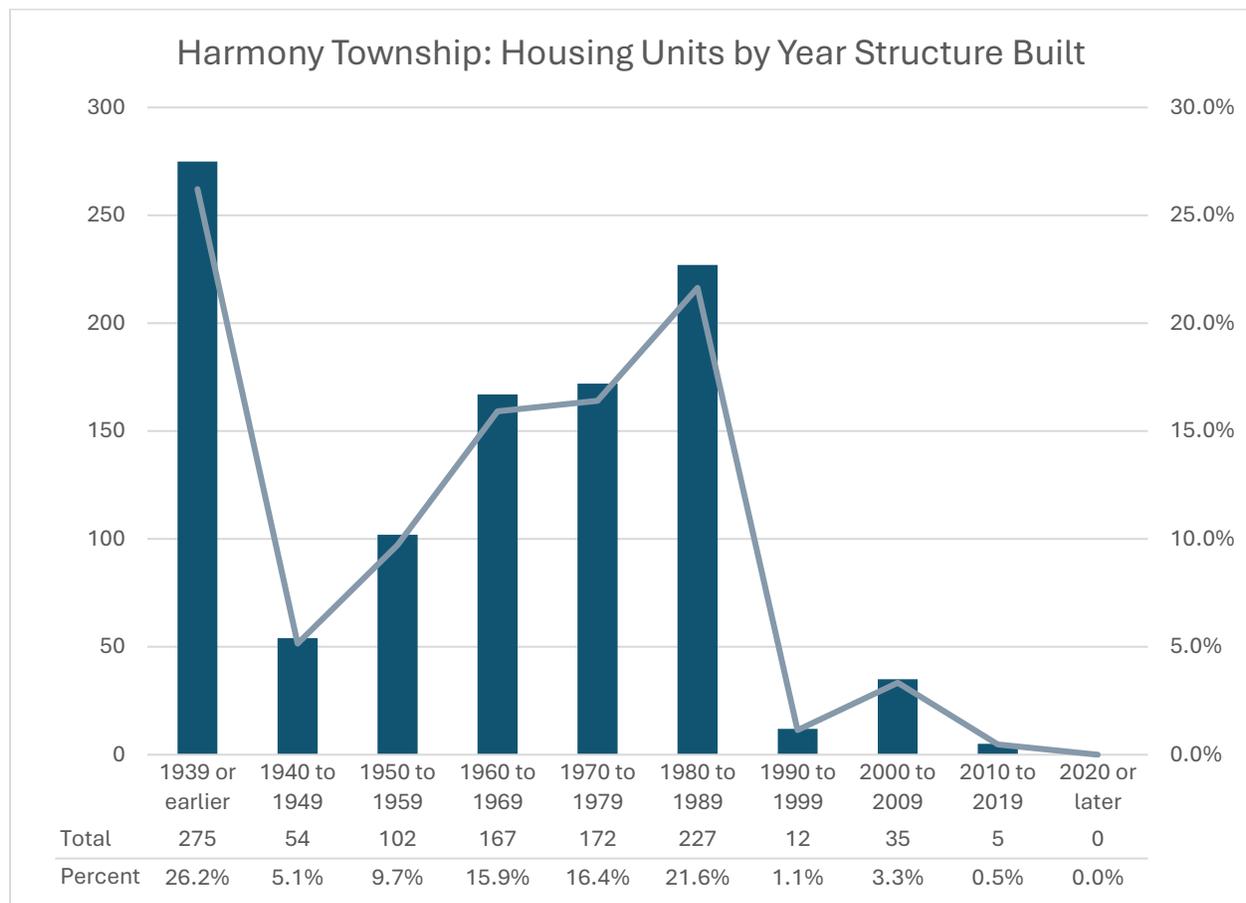
## Item A: Municipal Housing Inventory

*“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.”*

Harmony Township’s housing stock is characterized primarily by single-family detached homes. Much of this housing stock is aged, with over half of all units built prior to 1970, though deficiencies in need of rehabilitation remain low. Other characteristics, such as purchase prices, homeownership rates, and vacancies, are in line with the average for Warren County.

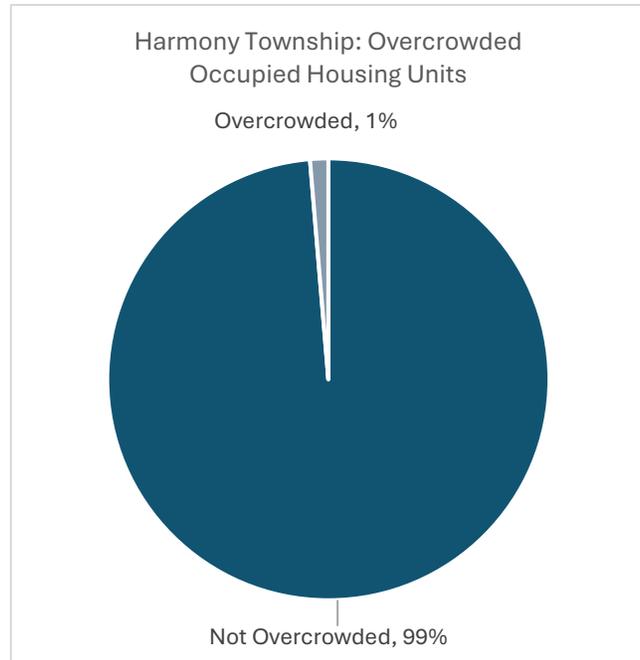
### Total Housing Stock, Age, and Condition

According to the 2023 American Community Survey 5-Year Estimates, there are 1,049 housing units in Harmony Township, comprising 2.2% of Warren County’s 46,675 housing units per the same survey. Housing development has declined sharply since 1990, and no new units have been built since the start of the decade.



Source: 2023 American Community Survey, 5-Year Estimates: B25034

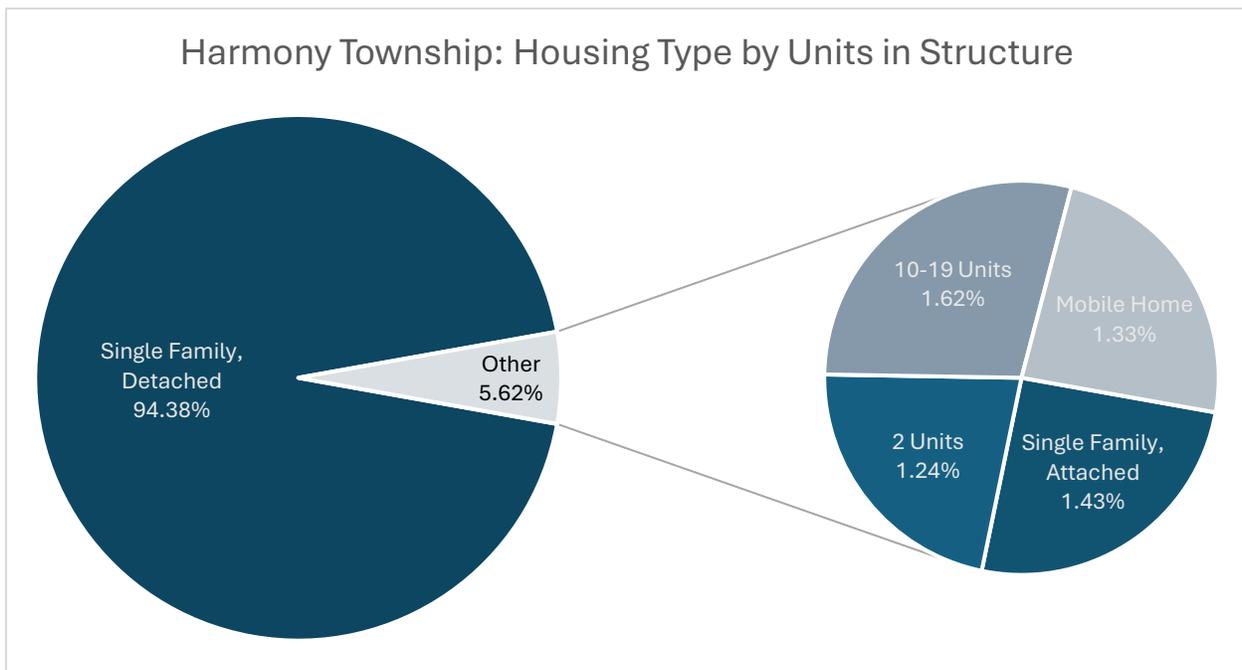
While much of Harmony Township’s housing stock is old, great strides have been made in recent rehabilitation efforts to eliminate substandard units. Of the 978 occupied housing units reported in the latest American Community Survey 5-Year Estimates, only 13 meet the US Housing and Urban Development (HUD) criteria for overcrowding (i.e. more than one occupant per room). No occupied housing units meet the HUD criteria for severe overcrowding (more than 1.5 occupants per room), nor do any units have incomplete kitchen or bathroom facilities.



Source: 2023 American Community Survey, 5-Year Estimates, DP04

### Housing Type and Value

Approximately 94 percent of Harmony Township’s total housing units consist of single family detached homes. The remainder is split nearly evenly between four other extant housing types: single family attached, 2 units, 10-19 units, and mobile homes.



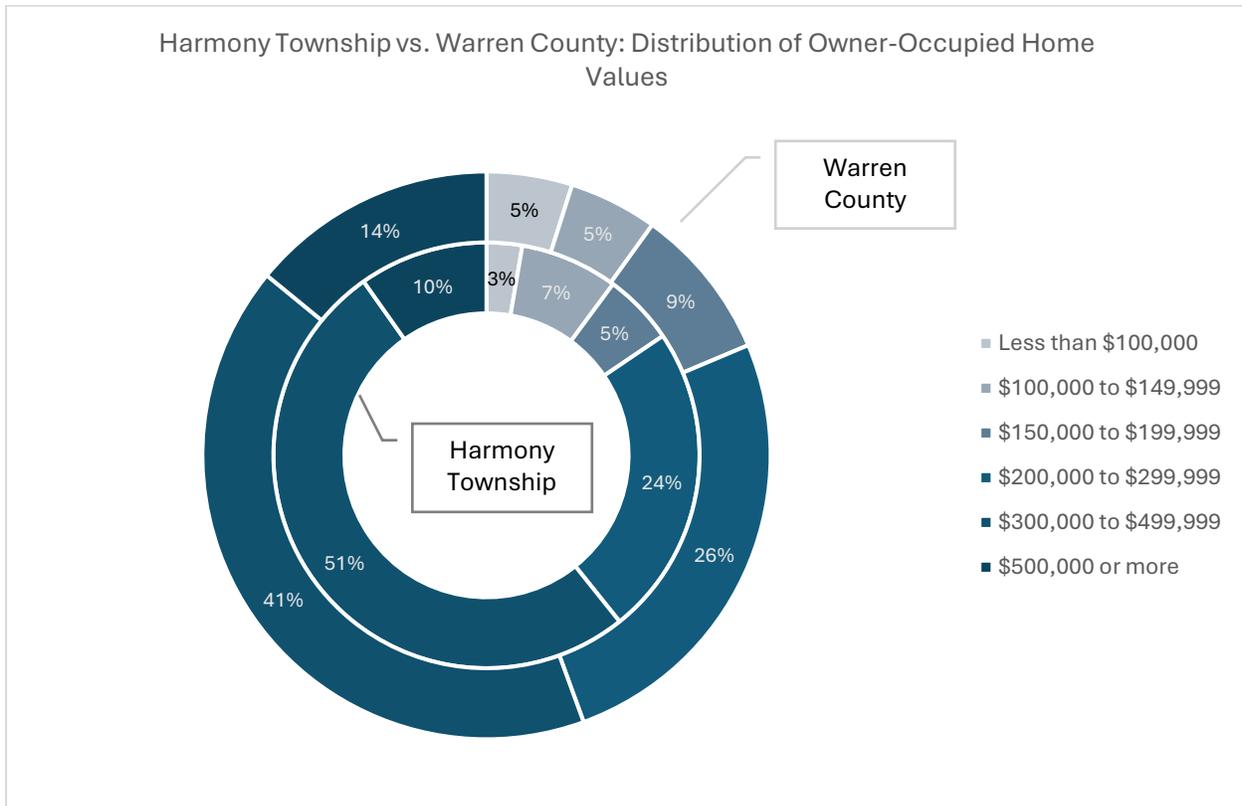
Source: 2023 American Community Survey, 5-Year Estimates, DP04

The table to the right shows the distribution of housing sizes in Harmony Township by number of rooms. No housing unit in the Borough consists of a single room only. Five new units with two rooms each have been built since the 2019 Housing Element. However, the median room count has increased slightly, from 6.4 in the 2017 ACS estimates to 6.7 in the latest available data.

Harmony Township: Housing Size by Room Count		
# of Rooms	Total	Percent
2 rooms	5	0.5
3 rooms	37	3.5
4 rooms	76	7.2
5 rooms	147	14.0
6 rooms	214	20.4
7 rooms	228	21.7
8 rooms	179	17.1
9 rooms or more	163	15.5
Median # of Rooms	<b>6.7</b>	

Source: 2023 American Community Survey, 5-Year Estimates, DP04

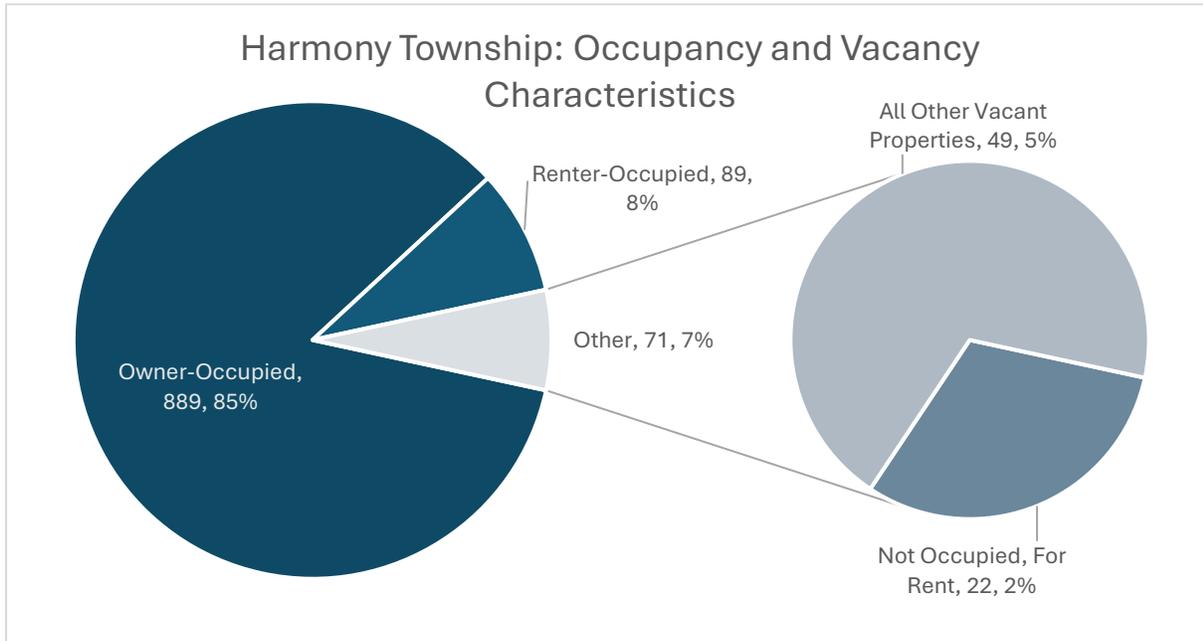
For the Township’s 889 owner-occupied housing units, the distribution of home values is consistent with Warren County as a whole. Similarly, the Township’s median home value of \$336,900 is only slightly above the median home value of \$323,100 for all of Warren County. Both figures, however, represent considerable increases from the \$267,100 and \$256,700 median values reported for Harmony Township and Warren County, respectively, in the 2017 American Community Survey.



Source: 2023 American Community Survey, 5-Year Estimates, DP04

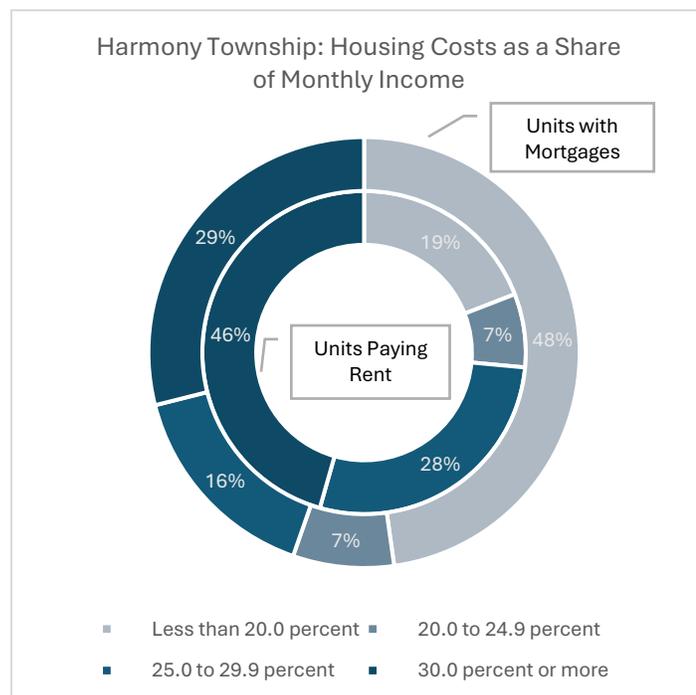
## Occupancy Characteristics

Approximately 85 percent of Harmony Township’s 1,049 housing units are owner-occupied. The remainder is split nearly evenly between renter-occupied and vacant properties. Of the 71 vacant properties, 22 are for rent without an occupant, with the rest comprising vacant properties not for sale, rent, seasonal use, and temporary workers.



Sources (top and bottom): 2023 American Community Survey, 5-Year Estimates, DP04 & B25004

In terms of the housing burden (defined by HUD as spending 30 percent or more of gross monthly income on housing), approximately 29 percent of units with a mortgage and 46 percent of units paying rent are cost burdened. This does not include approximately five percent of the occupied units without a mortgage that also meet the criteria for cost burden. Since the 2017 American Community Survey, owner-occupied housing burden has held relatively consistent, but renter burden has increased sharply from the 22 percent estimated that year.



## Item B: Municipal Housing Projections

“A projection of the municipality’s housing stock, including the probable future construction of low- and moderate-income housing, for ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands.”

Per the table on the right, Harmony Township has authorized an additional 37 residential units since 2007. Except for 2015, there has been at least one new housing start each year. All permits issued have been for 1 and 2-family homes only. No multi-family or mixed-use residential development has been authorized in the Township for the period beginning in 2007.

A decline in projected population growth in New Jersey as a whole may be one factor explaining the low housing activity in Harmony Township. Previous municipal projections by the North Jersey Transportation Planning Authority in 2005 estimated an annualized population growth of 1.3 percent. More recent estimates in 2015, however, have revised this annualized growth to just 0.5 percent, projecting a population of 3,173 by 2050. Annualized employment growth projections declined even faster, plummeting from 2.4 percent to 0.7 percent.

Harmony Township: NJTPA Projection Comparisons		
Projected Year (Year of Analysis)	2035 (2005)	2050 (2015)
Population	4,100	3,173
Growth Rate	1.3%	0.5%
Households	1,530	1,369
Growth Rate	1.1%	0.8%
Employment	1,180	689
Growth Rate	2.4%	0.7%

Source: North Jersey Transportation Planning Authority, Regional Transportation Plan Municipal Demographic Projections

A lack of readily developable land may also contribute to low housing activity in the Township. All lands east of County Route 519 in the Township are part of the Highlands Preservation Area. Those lands outside of the Preservation Area are recognized as environmentally sensitive rural areas by the Office of Planning Advocacy and are further constrained by topographical features such as steep slopes, open waters, and critical wildlife habitats. Taken together, the lack of readily developable land and cooling projections for population and employment growth suggest that housing activity will remain low in the Township for the foreseeable future.

Harmony Township: Housing Units Authorized by Building Permits	
Year	Permits
2007	3
2008	5
2009	3
2010	4
2011	1
2012	1
2013	2
2014	1
2015	0
2016	1
2017	1
2018	3
2019	3
2020	2
2021	2
2022	2
2023	1
2024	2
<b>Total</b>	<b>37</b>

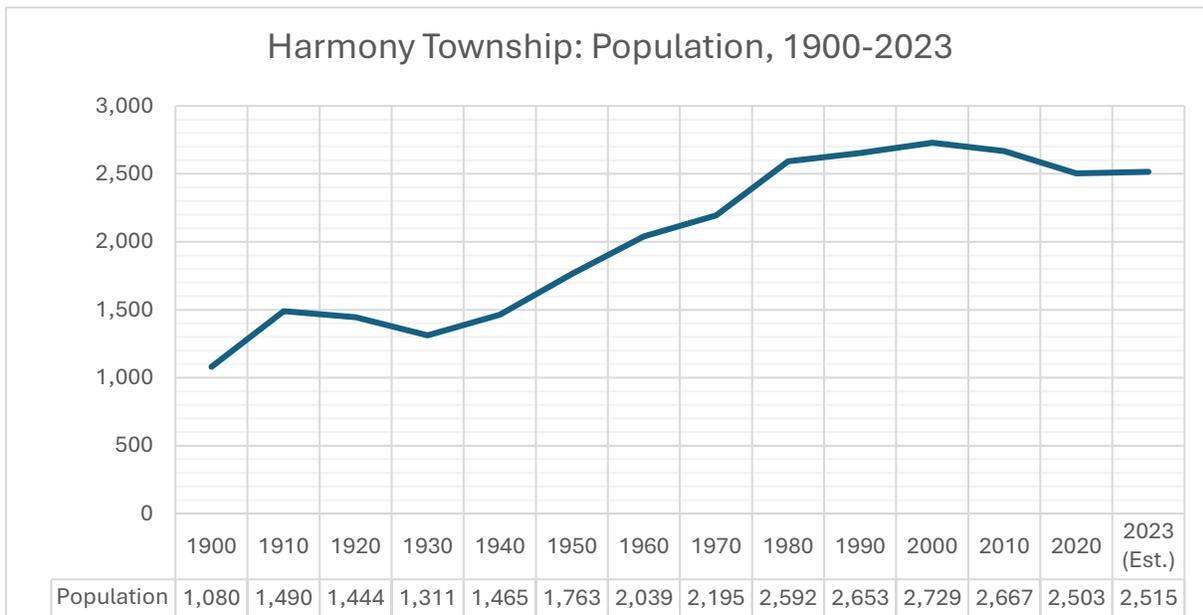
Source: New Jersey Department of Community Affairs, Building Permits, Yearly Summary Data

## Item C: Analysis of Demographic Characteristics

*“An analysis of the municipality’s demographic characteristics, including but not necessarily limited to, household size, income level and age.”*

### Population and Households

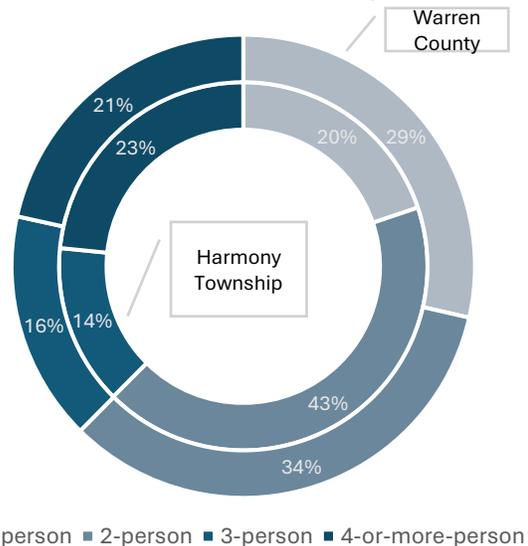
The latest available American Community Survey data estimates Harmony Township’s population at 2,515, nearly identical to the 2020 Decennial Census. Harmony Township’s population peaked at 2,727 people in the year 2000, and aside from the estimated pause in the last five years, has been in gradual decline since.

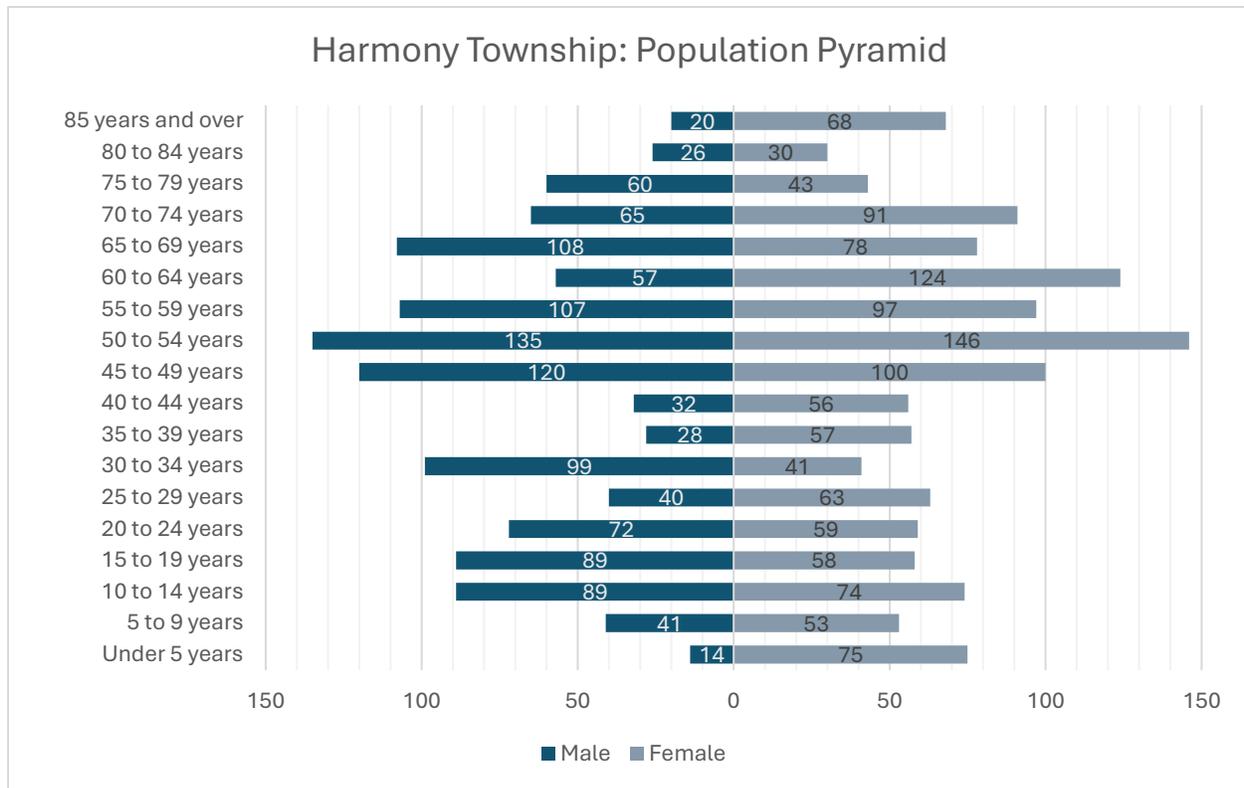


*Sources (top and right): 1900-2020 US Decennial Census, American Community Survey, 5-Year Estimates, DP05*

Harmony Township’s 2,515 residents are divided between 978 total households, of which 744 are families. Average household and family size are 2.57 and 2.91, respectively. This is a slightly higher average household size than the rest of Warren County’s 2.41, but average family size is marginally lower than the County’s 2.96. Much of the Township’s deviation from the County averages is explained by Harmony Township having a significantly lower share of 1-person households.

**Harmony Township vs. Warren County: Distribution of Households by Size**





Source: 2023 American Community Survey, 5-Year Estimates, S101

Harmony Township’s relatively small population makes evaluations of its population pyramid sensitive to outliers. However, the Township’s median age of 50 years old is significantly higher than Warren County’s median age of 43.9 years. The Township’s old age dependency ratio, a measure of the relationship between persons aged 65 and older with the 15-64 working age population, is also higher than the County average: 39.5 percent compared to 30.9 percent.

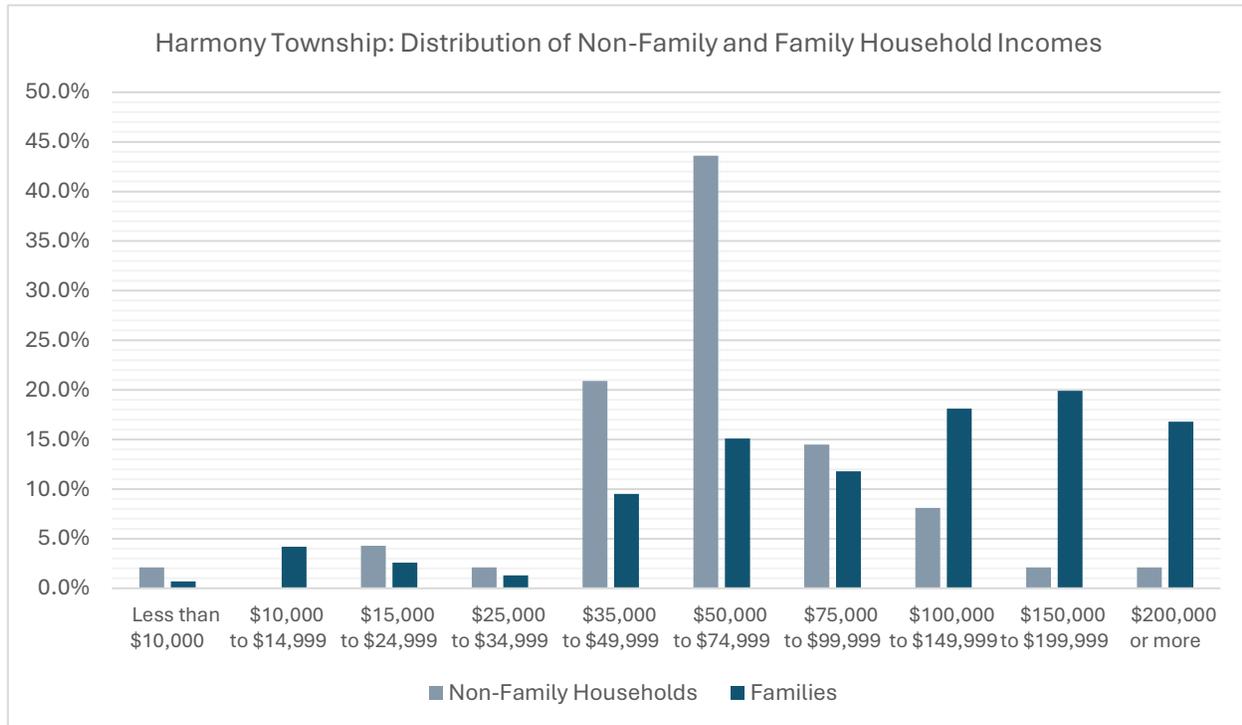
### Income

In terms of income, Harmony Township’s median household income is lower than the rest of Warren County and the State of New Jersey, but median family income is higher than Warren County’s and comparable to the rest of the State. Poverty rate is considerably lower than both the County or State.

Selected Economic Characteristics: Harmony Township vs. Warren County/New Jersey			
	Harmony Township	Warren County	New Jersey
Median Household Income	\$93,478	\$99,596	\$101,050
Median Family Income	\$120,795	\$118,994	\$123,892
Poverty Rate	3.2%	8.1%	9.8%

Source: 2023 American Community Survey, 5-Year Estimates, S1701, S1901

Analyzing detailed income distributions, non-family household incomes are broadly normally distributed around a median figure of \$64,375. Family household income is significantly left-skewed, with mean family income of \$130,474, considerably higher than median family income of \$120,795.



*Source: 2023 American Community Survey, 5-Year Estimates, S1901*

The nearly 100 percent premium in family vs. non-family household income helps illustrate the Township's particular need for affordable housing in ways in ways not revealed by a simple median income statistic. Groups such as young professionals who have yet to form families and seniors living alone on fixed incomes demonstrates a demand for affordable housing that is not apparent from the perspective of established family households, even as the Township's reported poverty rate remains low. Additionally, should the Township's population continue to decline and age, the growth in old-age dependents relative to the working-age population will further increase the demand for senior accommodation, both in terms of affordability and access to aging-related care.

## Item D: Existing and Future Employment Characteristics

*“An analysis of the existing and probable future employment characteristics of the municipality.”*

### Harmony Township Labor Force Analysis

While New Jersey and Warren County have both grown their civilian labor force in the past ten years, Harmony Township’s labor force has remained unchanged.

Data, obtained from the 2023 American Community Survey, estimates Harmony Township’s labor force at 1,360 workers, with 1,255 civilian workers aged 16 or over, 51 armed forces employees, and 54 unemployed persons.

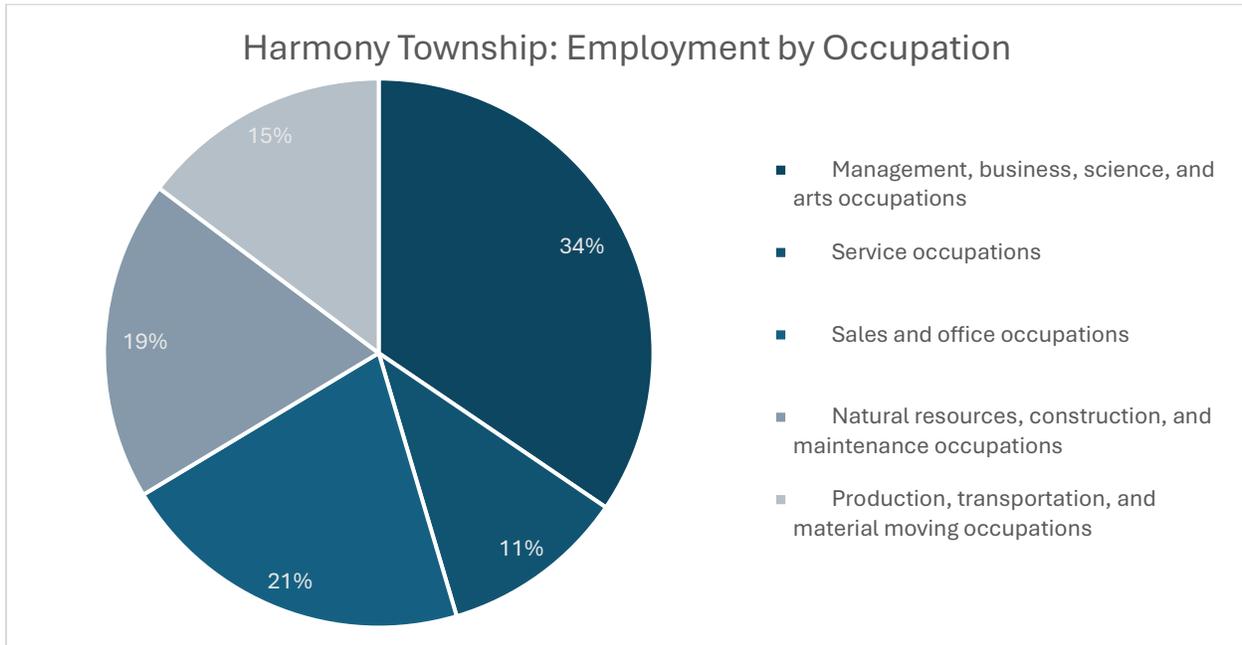
Harmony Township: Labor Force Estimates, 2013-2023				
Year	Civilian Labor Force	Resident Employment	Total Unemployed	Unemployment Rate (%)
2013	1,442	1,327	115	8.0
2014	1,401	1,319	82	5.9
2015	1,396	1,326	70	5.0
2016	1,377	1,316	61	4.4
2017	1,394	1,344	50	3.6
2018	1,379	1,331	48	3.5
2019	1,399	1,358	41	2.9
2020	1,362	1,272	90	6.6
2021	1,392	1,317	75	5.4
2022	1,418	1,370	48	3.4
2023	1,429	1,386	43	3.0

Warren County: Labor Force Estimates, 2013-2023				
Year	Civilian Labor Force	Resident Employment	Total Unemployed	Unemployment Rate (%)
2013	57,636	53,144	4,492	7.8
2014	56,922	53,337	3,585	6.3
2015	56,748	53,749	2,999	5.3
2016	56,584	54,012	2,572	4.5
2017	57,634	55,277	2,357	4.1
2018	57,109	54,975	2,134	3.7
2019	58,154	56,256	1,898	3.3
2020	57,587	52,883	4,704	8.2
2021	58,190	54,760	3,430	5.9
2022	59,058	56,933	2,125	3.6
2023	60,052	57,624	2,428	4.0

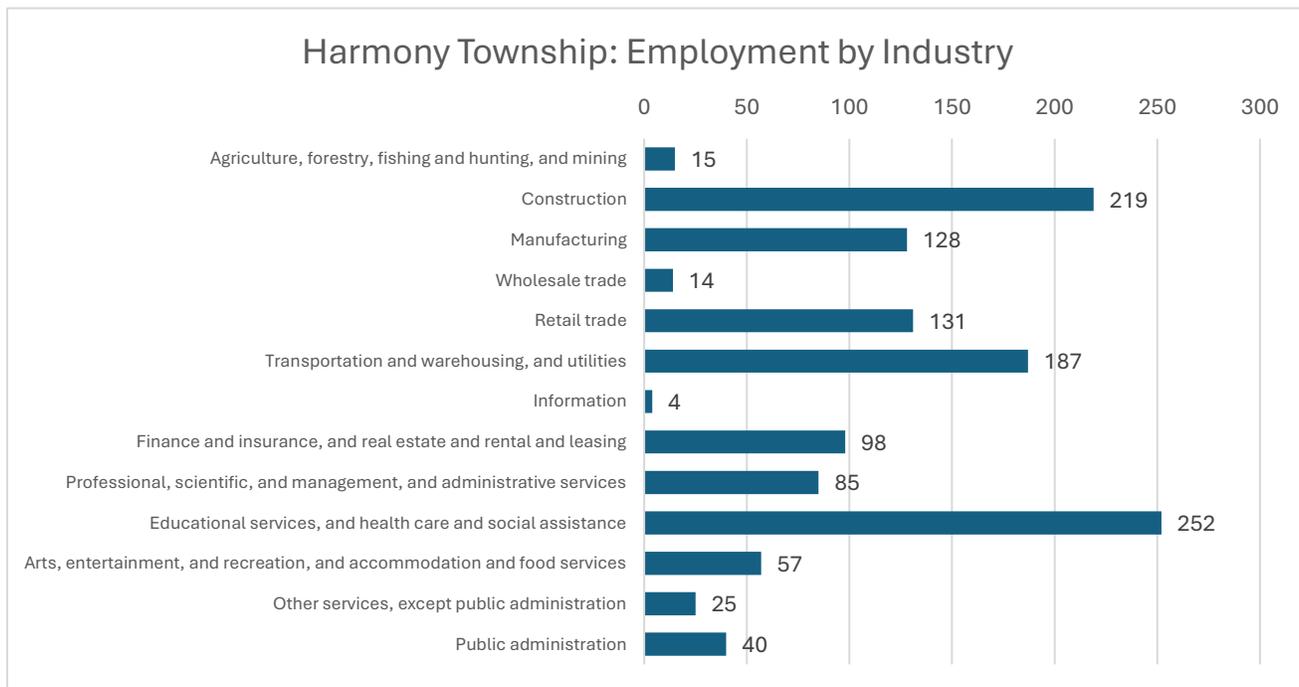
New Jersey: Selected Labor Force Statistics, 2013-2023				
Year	Civilian Labor Force	Resident Employment	Total Unemployed	Unemployment Rate (%)
2013	4,528,019	4,147,661	380,358	8.4
2014	4,493,894	4,191,318	302,576	6.7
2015	4,494,606	4,237,876	256,730	5.7
2016	4,492,821	4,271,201	221,620	4.9
2017	4,614,953	4,406,151	208,802	4.5
2018	4,604,787	4,420,713	184,074	4.0
2019	4,687,390	4,525,044	162,346	3.5
2020	4,638,386	4,200,980	437,406	9.4
2021	4,648,814	4,337,793	311,021	6.7
2022	4,736,213	4,552,563	183,650	3.9
2023	4,829,671	4,615,722	213,949	4.4

Source: New Jersey Department of Labor and Workforce Development: Labor Force Estimates, 2013-2023

In terms of employment by occupation (type of work done by employer), the management, business, science and arts occupations comprise a third of the civilian labor force, followed by sales and office occupations and natural resources, construction, and maintenance operations.



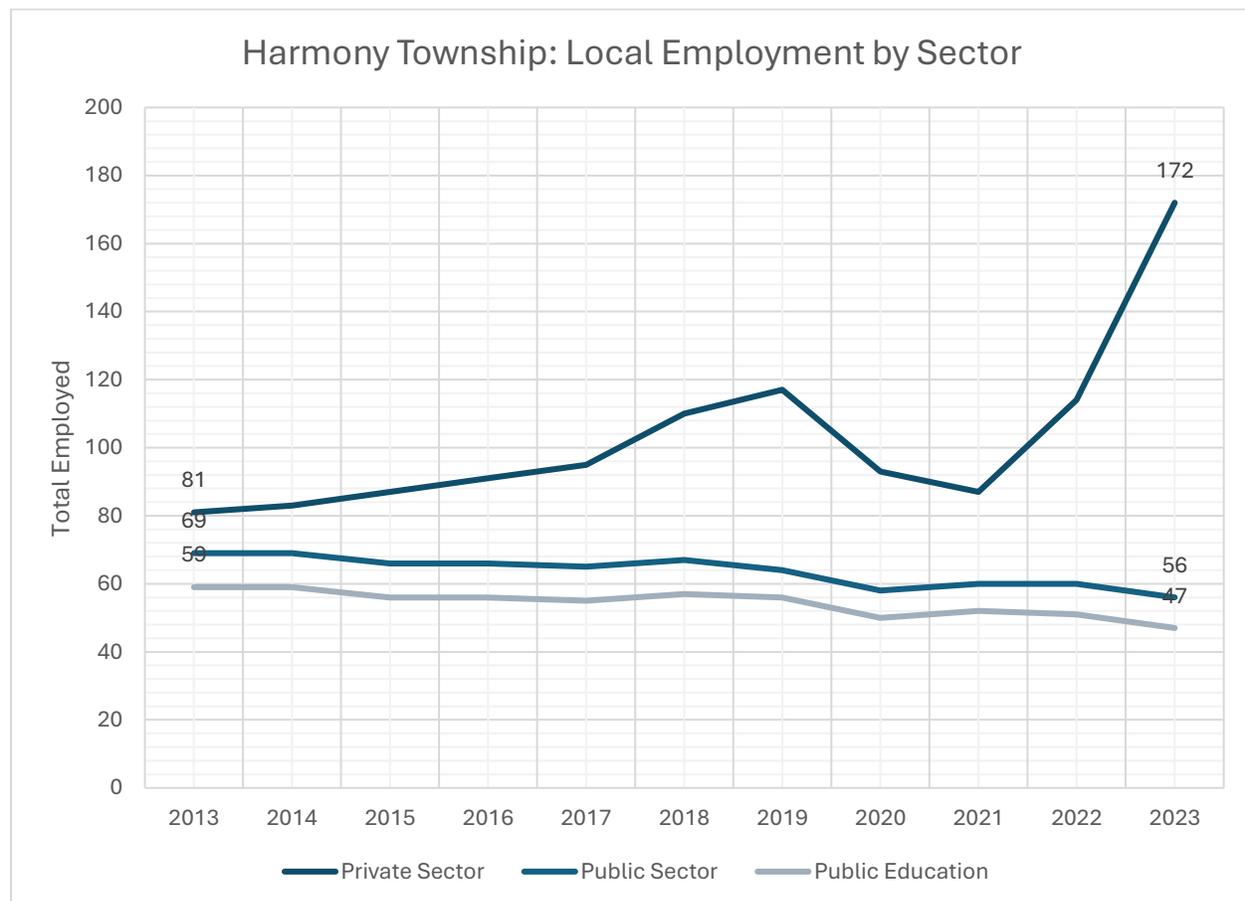
Source (Top and bottom): American Community Survey, 2023 5-year Estimates, DP03



When broken down by industry (class of employer), educational services, health care, and social assistance are the most common employer, followed by construction.

## Employment within Harmony Township

Data for local employment within Harmony is less robust. New Jersey Department of Labor and Workforce Development publishes annual Municipal Reports by Sector, but the low number of private firms of any sector within Harmony Township requires suppressing all private industry sector data for the privacy of those firms. Aggregate data shows that private sector employment within Harmony Township has more than doubled in the past ten years, albeit from a low base. Public sector employment, almost entirely in public education, has slowly declined over the same period.



Source: New Jersey Department of Labor and Workforce Development: Municipal Reports by Sector, 2013-2023

While recent job growth in Harmony Township is considerable in relative terms, the small number of local employers makes such figures prone to fluctuations by any individual firm. Additionally, because industry sector information is suppressed in the available data, the Township cannot draw conclusions about potential growth industries within the Township based on this trend alone.

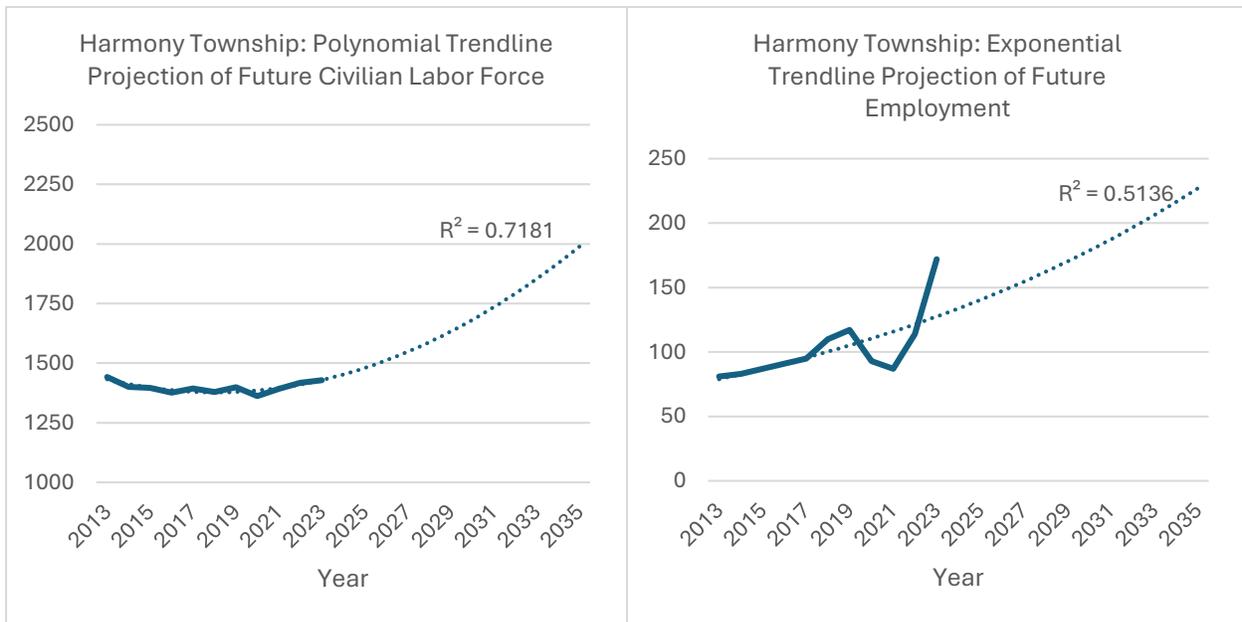
## Employment Projections

Few sources exist for employment projections at the municipal level. The most recent projections by North Jersey Transportation Planning Authority project an annualized employment growth of 0.7 percent from 2015 to 2050. However, as NJTPA’s municipal projections rely on manual allocation of data collected at the county level, these figures do not necessarily relate to other labor force or employment projections by the New Jersey Department of Labor and Workforce Development or United States Census Bureau.

Harmony Township: NJTPA Employment Projection	
2015 Employment	535
2050 Employment	689
Annualized Employment Change	0.7%

*Source: North Jersey Transportation Planning Authority, Regional Transportation Plan Municipal Demographic Projections*

Absent more robust publicly available data, the next best possible projections involve performing statistical analysis on existing available data to extrapolate possible trends into future projections. Mapping lines of best fit to existing New Jersey Department of Labor and Workforce Development data suggest that, if current trends continue, Harmony Township may have a civilian labor force of just under 2,000 employees by 2035, as well as around 230 total local employment. These projections, however, are subject to revision as new data become available.



Source: New Jersey Department of Labor and Workforce Development: Labor Force Estimates and Municipal Reports by Sector, 2013-2023

## Item E: Present and Prospective Fair Share Determinations

*“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.”*

Updates to the New Jersey Fair Housing Act pursuant to P.L. 2024, c.2 transferred responsibility for developing the methodology for determining municipal present and prospective fair share to the New Jersey Department of Community Affairs. In October of that year, DCA published its report of Affordable Housing Fourth Round Methodology and Background, including initial calculations of present and prospective needs for all New Jersey municipalities. This section summarizes Harmony Township’s allocation of present and prospective need based on DCA’s assessment and the Township’s response thereto. It also includes a summary of the Township’s response to all prior round obligations pursuant to the Township’s settlement agreement with Fair Share Housing Center.

### Regional Context

As part of establishing shares of present and prospective need, DCA assigned all New Jersey Counties to one of six housing regions. Warren County, along with Essex, Morris, and Union County, constitute Region 2.

DCA calculated the affordable housing need for each region based on different methodologies for both present and prospective need. Present regional need utilized US Department of Housing and Urban Development data to estimate the share of inadequate housing (defined using HUD standards as homes that lack complete kitchen or plumbing facilities, as well as homes more than 50 years old and overcrowded). For prospective need, DCA assessed the change in total households in each region between the 2010 and 2020 Decennial Census. This change was then divided by 2.5 on the estimate that 40 percent of household growth came from new low-and-moderate-income households.

New Jersey Housing Region 2 (Essex, Morris, Union, Warren) Present and Prospective Need	
Present Need	18,547
Prospective Need Determination	
2010 Households	693,844
2020 Households	745,108
Change	51,264
Regional Prospective Need (Change / 2.5)	20,506

*Source: New Jersey Department of Community Affairs: Affordable Housing 2025-2035 (Fourth Round) Methodology and Background*

## Prior Round Obligation

In the settlement agreement reached between Harmony Township and Fair Share Housing Center, the Township accepted a Third-Round prospective need obligation of 148 units. Combined with a Prior Round prospective need of 47 units. There was no carryover of present need from any previous Round.

The Township's 2019 Housing Element and Fair share Plan, adopted as a condition of effectuating the settlement agreement between the Township and FSHC, described mechanisms for satisfying this combined obligation of 195 units. The table to the right summarizes compliance mechanisms incorporated into the plan towards that purpose.

Due to a lack of sufficient water and sewer capacity, the Township sought a durational adjustment for 151 units as part of its prior round Fair Share Plan. This entailed establishing an Affordable Housing overlay zone over 91.8 acres across various lots in Harmony Township Block 31 to permit inclusionary development at densities of 8 to 8.5 units per acre, should appropriate infrastructure and utilities be constructed as part of development. As these lots are developed, or as any other eligible affordable housing is constructed in the Township, this deferred obligation is to be deducted from first, before credit-earning activities can be counted towards future rounds.

Having satisfied the requirements of the agreement, the Township was granted a Final Judgment of Compliance and Repose for its Third-Round affordable housing obligation by the Superior Court of New Jersey on November 20, 2024.

Summary of Harmony Township's Prior Round Obligation and Compliance	
<b>Prior Round Present Need</b>	<b>0</b>
Warren County Rehabilitation Program	37
<b>Prior Round Prospective Need</b>	<b>195</b>
Clymer Village (100% Affordable)	21
Pink House (Block 9, Lot 72 & 73)	3
Accessory Apartment Program	10
Township Rental Duplex (Block 39, Lot 14)	1
Habitat for Humanity Duplex (Block 43, Lot 28)	2
Habitat for Humanity Duplex (Block 43, Lot 31)	1
Proposed Habitat for Humanity House (Block 42, Lot 17)	1
United Way Group Home	4
Signature Estates (Block 38, Lot 18)	2
Habitat for Humanity House (Block 9, Lot 77)	1
Durational Adjustment	151
<b>Total Prior Round Credits</b>	<b>197</b>

*Source: Harmony Township Housing Element and Fair Share Plan, 2019*

## Fourth Round Obligation

Based on New Jersey DCA's methodology, Harmony Township was determined to have a Fourth-Round present need of 4 units, and a prospective need of 71 units, for a total Fourth Round obligation of 75 units. The table to the right summarizes DCA's calculations as pertains to Harmony Township.

Under the provisions of P.L. 2024, c.2, Municipalities were required to either accept the present and prospective need figures as provided by DCA, or calculation their own determination based on methodology laid out in the law (i.e. disputes had to be matters of improper calculation only, not of opinion), no later than January 31, 2025. As the Township found no basis to suggest DCA applied the required methodology improperly, the Township passed a resolution accepting DCA's determination on January 23, 2025. This determination was not contested by any interested party and was subsequently confirmed and finalized via court order on March 27, 2025.

In addition to establishing methodology for determining present and prospective need, P.L. 2024, c.2 established rules for minimum and maximum allowances for certain types of affordable housing. Based on Harmony's determination of present and prospective need, the following minimums and maximums apply:

- Age-restricted housing is limited to a maximum of 30 percent (22 units) of a municipality's prospective need.
- Bonus credits of any kind are limited to a maximum of 25 percent (17 units) of a municipality's prospective need.
- Affordable units reserved for very low-income households must constitute a minimum of 13 percent (10 units) of a municipality's actual units created towards its prospective need.
- Affordable units available to families with children must constitute a minimum of 50 percent (36 units) of a municipality's actual units created towards its prospective need.
- Affordable units for rent must constitute a minimum of 25 percent (18 units) of a municipality's actual units created towards its prospective need, with at least half (9 units) of affordable rental housing made available to families with children.

Summary of Harmony Township's Fourth Round Obligation	
Present Need	
Total Present Need	4
Prospective Need	
Nonresidential Valuation Factor	0.66%
Land Capacity Factor	0.05%
Income Capacity Factor	0.32%
Average Allocation Factor	0.35%
Regional Prospective Need (Region 2)	20,506
Prospective Need	71
<b>Total Fourth Round Obligation</b>	<b>75</b>

*Source: New Jersey Department of Community Affairs: Affordable Housing 2025-2035 (Fourth Round) Methodology and Background*

## Item F: Consideration of Appropriate Sites

*“A consideration of the lands that are most appropriate for construction of low- and moderate-income housing and of 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.”*

Pursuant to N.J.A.C. 5:93-1.3, sites that are designated to produce affordable housing shall be available, approvable, developable, and suitable according to the following criteria:

- “Available site” means a site with clear title, free of encumbrances which preclude development for low- and moderate-income housing. N.J.A.C. 5:93-1.3.
- “Approvable site” means a site that may be developed for low- and moderate-income housing in a manner consistent with the rules or regulations of agencies with jurisdiction over the site. A site may be approvable although not currently zoned for low- and moderate-income housing.
- “Developable site” means a site that has access to appropriate water and sewer infrastructure, and is consistent with the applicable area wide water quality management plan (including the wastewater plan) or is included in an amendment to the area wide water quality management plan submitted to and under review by the DEP.
- “Suitable site” means a site that is adjacent to compatible land uses, has access to appropriate streets and is consistent with the environmental policies delineated in N.J.A.C. 5:93-4.

In addition to the above qualifications, it is also sound planning for sites to be consistent with the State Development and Redevelopment Plan (SDRP). Sites that are located in the Metropolitan Planning Area 1 or Suburban Planning Area 2 of the SDRP, or are located in an existing sewer service area, are the preferred locations for municipalities to address their fair share obligation. Harmony Township is located within the Rural Planning Area 4, Rural Environmentally Sensitive Planning Area 4B, and Environmentally Sensitive Planning Area 5 of the SDRP. Approximately half of the Township is located within the Preservation Area of the Highlands Region. Harmony Township does not have a sewer service area within its municipal borders.

As required under the Fair Housing Act and the MLUL, the Township shall consider “lands of developers who have expressed a commitment to provide low- and moderate-income housing.” N.J.S.A. 52:27D-310(f). The Township has not received any interest from any developer who has expressed a commitment to providing low- and moderate-income housing.

### Consideration of Present Need

Harmony Township has a Fourth Round present need of four (4) units, for which the following compliance mechanisms are proposed.

#### *Warren County Rehabilitation Program*

The Township currently participates in the Warren County Rehabilitation Program. 37 units have been rehabilitated throughout the Township by the program since its inception. These activities have been recorded for credit during the appropriate rounds, and while any surplus will not be carried forward, the Township expects program activity to be sufficient to satisfy its present need obligation during the Fourth Round.

### Consideration of Prospective Need

Harmony Township has a Fourth Round prospective need of seventy-one (71) units, for which the following compliance mechanisms are proposed.

#### *Durational Adjustment*

Harmony Township is seeking a Durational Adjustment to its Fourth-Round obligation based on lack of available water and sewer capacity. No public water and sewer service area exists within the Township, and a combination of environmental constraints and lack of developer commitment to providing low- and moderate-income housing in the Township makes it unlikely, if not impossible, for the Township to satisfy its Fourth-Round obligation with development limited to septic density only. As development at sufficient densities is contingent on available public water and sewer infrastructure, which does not currently exist in the Township, the Township must seek a Durational Adjustment for this revised prospective need, deferring its Fourth-Round obligation until changes in available infrastructure make it possible to develop at sufficient densities.

### *Proposed Affordable Housing Fourth Round Overlay Zone*

The Township proposes the creation of an Affordable Housing Fourth Round Overlay Zone, consisting of Block 38, Lot 11 only, as the primary compliance mechanism for its Fourth-Round Obligation. Such an overlay zone will permit residential development at the densities necessary to satisfy the Township's Fourth-Round obligation, conditional on the establishment of adequate public water and sewer capacity to support such development. The underlying residential zoning will remain in effect until such a time as a developer expresses a commitment to providing low- and moderate-income housing within the zone.

The proposed site measures approximately 71 acres. While previously approved for single-family residential development and with some homes built, development has been slower than anticipated since it was approved approximately 15 years ago. Establishing an option to redevelop at higher densities may encourage developer interest. The site itself is centrally located within the Township, with potential access frontage along County Route 519, and is within one mile of both the Township Municipal Building and the Township Elementary School. The site features minimal environmental constraints, with no wetlands, open waters, or critical wildlife habitats. The benefits of developing this site outweigh the detriments of requiring a settlement with existing homeowners prior to redevelopment.

If developed at a minimum presumptive density of six (6) dwelling units per acre, the overlay zone can be expected to satisfy the Township's prospective need for the Fourth Round with as low as a minimum 20% set-aside units. Such units will be required to conform to the minimums and maximums established by P.L. 2024, c.2 as a percentage of the Township's prospective need. As total build out potential will be contingent on establishing public water and sewer infrastructure, the Township reserves the right to require a higher affordable set aside to ensure the site can satisfy the Township's prospective need within the capacities of future infrastructure and with minimal impacts to surrounding neighborhoods and ecosystems.

### **Additional Compliance Mechanisms**

The Township will continue its accessory apartment program, as well as its partnership with Habitat for Humanity, for the rehabilitation and construction of low and moderate-income housing units in other locations as deemed appropriate. Should any combination of affordable housing activity over the course of the Round produce additional credits in excess of the Township's Fourth-Round prospective need obligations, such credits will be reserved towards the prospective need obligations of subsequent Rounds.

## Items G, H, and I: State and Regional Consistency Requirements

### Multigenerational Housing Continuity Commission Consistency

*“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 as adopted pursuant to N.J.S.A. 52:27D-329.20.”*

The New Jersey State Legislature established the Multigenerational Housing Continuity Commission in 2021 with the passage of P.L. 2021, c.273. The Commission, created in response to a record number of senior deaths in nursing homes during the COVID-19 pandemic, is tasked with informing the Governor of local incentives and barriers to seniors living with members of their extended family as an alternative to nursing homes. As part of the law, municipalities are required to review their ordinances and other factors for their potential to advance or detract from multigenerational living arrangements as a required component of the Housing Element.

While Harmony Township Code doesn't contain any explicit provisions to promote multigenerational family living arrangements, nothing about the Township's definition of a family or single-family dwelling is constructed to impede such arrangements as permitted residential uses. The Township has an accessory apartment program, but while such units are sometimes used in other states to provide multigenerational housing, it is against the provisions of the program to restrict accessory units to extended family members for affordable housing purposes.

### Highlands Regional Master Plan Consistency

*“For a municipality located within the jurisdiction of the Highlands Water Protection and Planning Council, established pursuant to section 4 of P.L.2004, c.120 (N.J.S.A. 13:20-4), 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”*

This Plan is consistent with the Highlands Regional Master Plan (RMP). No new affordable housing sites are proposed to be located within the Highlands Preservation Area. Three existing affordable housing sites in the Preservation Area, the Pink House (Block 9, Lots 72 and 73), Habitat for Humanity (Block 9, Lot 77), and United Way Group Home (Block 26, Lot 56), are permitted to continue as prior uses. No changes or improvements are proposed for these developments at this time.

Harmony Township submitted its Petition for Plan Conformance for all lands lying in the Preservation Area in 2009. Since then, The Township has prepared several planning documents pursuant towards conformance with the Highlands Regional Master Plan. These include a Sustainable Economic Development Plan, Farmland Preservation Plan, Environmental Resource Inventory, and an adopted Checklist Ordinance. The Township intends to continue towards conformance with the Highlands Regional Master Plan.

### New Jersey State Development and Redevelopment Plan Consistency

*“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.”*

Approximately half of the land if the Township is in the Highlands Preservation Area, outside of the jurisdiction of the State Development and Redevelopment Plan. The remainder of the Township is divided between Planning Area 4 (Rural), primarily those lands adjacent to the Delaware River, and Planning Area 4B (Rural Environmentally Sensitive) for those lands bordering the Highlands Preservation Area. No part of the Township is a designated Center, either in the State Plan or Highlands Regional Master Plan.

Such designations orient the Township’s land as more suited to preservation, under the State Development and Redevelopment Plan’s Climate Change, Natural and Water Resources, Pollution and Environmental Clean-Up, and Historic and Scenic Resources goals. This is in keeping with the Township continuing as a rural community. Furthermore, as there is minimal existing developed areas or infrastructure that can support more intense development, the State Plan’s Infrastructure and Revitalization and Recentering goals are of minimal applicability to the Township.

No public transit systems operate in the Township. The Township’s combination of Rural, Rural Environmentally Sensitive, and Highlands Preservation Lands do not lend themselves to extending transit lines or services into the Township.