

TOWNSHIP OF HANOVER  
Department Of Administration  
1000 ROUTE 10  
P.O. BOX 250  
WHIPPANY, NJ 07981-0250



JOSEPH A. GIORGIO, MPA, RMC  
Business Administrator/Township Clerk  
Tel: (973) 428-2466  
Fax: (973) 515-6683  
Jgiorgio@Hanovertownship.com

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Dear Residents:

The following is a background and overview on current residential development in our community, and its potential impact on schools and Township finances. To place the issue in perspective, here is some background information. In 1975 and again in 1983, the New Jersey Supreme Court handed down two (2) related Court decisions that would dramatically affect the zoning of land for residential development. Known as the "Mount Laurel I and II" decisions, the Court ruled that all municipalities were obligated to provide their "fair share" of low and moderate income housing.

#### History of Affordable Housing in the Township

On October 13, 1978, the Morris County Branch of the NAACP, the Morris County Fair Housing Council and the State's Public Advocate filed a landmark law suit against Hanover Township and twenty-six (26) other Morris County municipalities known as the "Morris 27" litigation. After eight (8) long years of protracted litigation with the State of New Jersey, the Township entered into an agreement that required the Township to construct 1,000 market rate and 250 low and moderate condominium units to be located in five (5) developments. The agreement required 22% of the units (or 1 in 5) to be set aside as affordable units.

The 1,250 units were built by private developers and without taxpayer funds. It is interesting to note that the 250 affordable units have minimally impacted Township services (police, fire, ems, sanitation) including the elementary and high school districts. The 250 low and moderate condominium units have price controls established by the State and are restricted as low and moderate income units for a thirty (30) year period. After thirty (30) years, the units can be sold as market rate.

#### Council on Affordable Housing

To enforce the provisions of the Mount Laurel Court decisions, the Legislature created the Council on Affordable Housing (COAH) pursuant to the "Fair Housing Act" of 1985. Under rules developed by COAH, municipalities are assigned a specific number of low and moderate housing units they are required to

accommodate in their zoning and land use regulations within a certain timeframe. Periodically, COAH issues updated obligations to municipalities. COAH develops these numbers based on a formula including but not limited to a town's available developable open space, population, commercial growth and other economic variables such as the creation of jobs. However, much of this formula has been in the NJ Courts and most recently, the NJ Supreme Court.

### Recent Township Obligations

In order to attain 78 Affordable units, a developer would be permitted to construct approximately 720 high density mixed affordable and market rate housing units. The Township, as an alternate approach, permitted the construction of 78 affordable rental units as part of its Third Round COAH obligation. While the construction of these units was preferable to the construction of hundreds of additional units in a 1 in 5 arrangement, and resulted in a "bonus" or a credit against the number of affordable units we are still obligated to build, these new affordable units brought with it additional enrollment in our schools and the declining enrollment trend has now changed.

What must we do to maintain the same high quality living standards for Hanover Township, municipal services and infrastructure that we are all accustomed to while at the same time meeting our housing obligations? For sure, it is a difficult balancing act.

### Our Challenge

Your Township Committee is well aware of the sentiments concerning new housing prospects for our community. The Township is not in the real estate business and opposes the wholesale construction of any type of rental units whether they be market rate or affordable. Such development would drastically change the landscape of the community.

As you may be aware, there are still two major parcels of vacant land that have not been developed. The first site is 77 acres on Eden Lane and was the home of the former "Whippany Paper Board Company" facility. The second site, consisting of 100 acres, adjoins the new Bayer HealthCare (North Campus) facility and is designated as the "South Campus". In each case, we have land owners looking to construct a mixture of retail, commercial and residential dwellings. Although your fellow residents serving on the Planning Board are relying upon the Township's Master Plan, which guides such development for commercial uses, such uses also generate affordable housing units based on COAH's regulations.

**In the alternative, the Township could require developers to make a 2% monetary contribution to the Township's Housing Fund in lieu of building the affordable units. The downside is that Hanover Township must then assume the responsibility to build the housing, and this is an approach that we do not favor.**

### **Prospective**

**We want you to know that while we continue to encourage corporate growth by attracting companies such as Bayer HealthCare, Novartis and Tiffany to help stabilize and lower our tax rate, we are also scrutinizing any requests for zone changes that would foster high density housing or rentals. With the influx of corporate employees comes a need for quality housing, delivering municipal services and maintaining an exceptional school system.**

**Toward this objective, and to help plan wisely now and for years to come, we have commissioned an impact study that will help us determine the appropriate amount and balance of commercial and residential development in the Township. A balanced approach is needed to complement and retain the Township's established single-family residential character, and not impose any undue burden on the Township's services and resources.**

**Please rest assured that the Township Committee's goals are to keep Hanover safe, debt-free and preserving our quality of life as an ideal place to live, work and raise a family. We hope this information is helpful in answering many of your questions related to the development of housing in our Township. Thank you.**