

JUNE 3, 2025
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TOWNSHIP OF SPARTA

SUSSEX COUNTY, NEW JERSEY

MASTER PLAN HOUSING ELEMENT AND FAIR SHARE PLAN

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ACKNOWLEDGEMENTS

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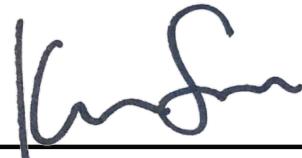


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The original of this report was signed and sealed in accordance with N.J.S.A. 45:14A-12.



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01 INTRODUCTION

This document is presented in two parts; which include (i) the Township of Sparta (“Township” or “Sparta”) Master Plan Housing Element and (ii) the Township of Sparta Fair Share Plan. This Housing Element and Fair Share Plan addresses the Township’s compliance with the Municipal Land Use Law (“MLUL”), relevant Second Round Council on Affordable Housing (“COAH”) regulations, relevant Uniform Housing Affordability Controls (“UHAC”) regulations, the Highlands Water Protection and Planning Act and its rules, regulation and guidance documents (Highlands Act and Regulations), and other applicable law. The Master Plan Housing Element will examine the Township’s demographics, and employment characteristics, population and demographic characteristics of the Township of Sparta, along with the housing stock and historic trends throughout the decades. A Housing Plan according to the N.J. Stat. § 52:27D-310 must include, but is not limited to, residential standards and proposals for the construction and improvement of housing. The Housing Element shall contain at least the following:

- 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, and in conducting this inventory the municipality shall have access, on a confidential basis for the sole purpose of conducting the inventory, to all necessary property tax assessment records and information in the assessor's office, including but not limited to the property record cards;
- A projection of the municipality's housing stock, including the probable future construction of low and moderate 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;
- An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
- An analysis of the existing and probable future employment characteristics of the municipality;
- 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, as established pursuant to section 3 of P.L.2024. c.2 (C.52:27D-304.1);
- A consideration of the lands most appropriate for the 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.

- 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, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c.273 (C.52:27D-329.20);
- 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 (C.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 analysis shall include consideration of the municipality's most recent Highlands Municipal Build Out Report, consideration of opportunities for redevelopment of existing developed lands into inclusionary or 100 percent affordable housing, or both, and opportunities for 100 percent affordable housing in both the Highlands Planning Area and Highlands Preservation Area that are consistent with the Highlands regional master plan; 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.

The Fair Share Plan will address the plan to meet Sparta's Fair Share Housing Obligation. The Fair Share Plan is part of the "Fourth Round" from 2025 to 2035, and will include the projects and strategies to address the Fourth Round affordable housing obligations.

02 FOURTH ROUND HOUSING ELEMENT

A. OVERVIEW

This 2025 Housing Element and Fair Share Plan was prepared in response to the Amendments to the Fair Housing Act (P.L. 2024, c.2) which established the requirements for the “Fourth Round”, and has been prepared in accordance with the Municipal Land Use Law (MLUL) at N.J.S.A. 40:55D-28b(3). The Housing Element and Fair Share Plan has also been prepared to comply with all requirements of the Fair Housing Act (N.J.S.A. 52:27D-301 et seq.), Mount Laurel case law, and the NJ DCA Division of Local Planning Services Fair Housing Act Rules, Proposed New Rules (N.J.A.C. 5:99).

1. STATEWIDE AFFORDABLE HOUSING HISTORY

The affordable housing, or Mount Laurel doctrine, started with the 1975 decision by the N.J. Supreme Court involving the Township of Mount Laurel (So. Burl. Cty. N.A.A.C.P. v. Tp. of Mt. Laurel, 67 N.J. 151 (1975) or “Mount Laurel I”). In Mount Laurel I, the Supreme Court decided that under the State Constitution, each municipality “must, by its land use regulations, make realistically possible the opportunity for an appropriate variety and choice of housing for all categories of people who may desire to live there”, including those of low and moderate income. Thus, the Mount Laurel I decision prohibits municipalities from using zoning powers to prevent the potential for the development of affordable housing.

Displeased with progress under its earlier decision, in 1983, the NJ Supreme Court released a second Mount Laurel decision (So. Burlington Ct. N.A.A.C.P. v. Mount Laurel Tp., 92 N.J. 158 (1983) or “Mount Laurel II”). Because the Legislature had not enacted laws to implement the holding in Mount Laurel I, the Court in Mount Laurel II fashioned a judicial, or what is commonly referred to as a “Builder’s remedy”. That remedy created a special process by which builders could file suit for the opportunity to construct housing at much higher densities than a municipality otherwise would allow as long as they set-aside an amount of that housing for low- and moderate-income households. In essence, Builder’s Remedy lawsuits seek to force towns to meet their affordable housing obligations generally utilizing the site proposed by the builder bringing the lawsuit.

Responding to the builder’s remedy litigation generated by the Mount Laurel II decision and the high fair share obligations generated by the AMG Realty Co. v. Warren Tp., 207 N.J.Super. 388 (Law 1984) decision, the State Legislature passed the Fair Housing Act (hereinafter “FHA”) in 1985, which the Supreme Court upheld in (Hills Dev. Co. v. Bernards Twp., 103 N.J. 1 (1986) or “Mount Laurel III”).

The FHA created COAH, and required COAH to adopt criteria and guidelines not only to establish a fair share formula, but also to establish various means by which a municipality could adjust its fair share based upon credits, adjustments and other factors within COAH’s discretion. The FHA also required COAH to adopt criteria and guidelines to identify the techniques available to municipalities to meet its obligation. The FHA included a process for municipalities to obtain Substantive Certification, which, if granted by COAH, would protect municipalities against an exclusionary zoning lawsuit for a defined period of time. The FHA also provided a means by which a municipality in an exclusionary zoning case at that time could seek to transfer its case to the newly

created state agency, COAH. Finally, the FHA established an administrative process by which a municipality could bring itself under COAH's jurisdiction and comply "without litigation" N.J.S.A. 52:27D-303. To implement the FHA requirements, COAH adopted a series of regulations. COAH adopted the First Round regulations in 1986. In the First Round, COAH adopted regulations establishing a fair share formula by which any municipality could ascertain its fair share in the first instance. COAH also adopted regulations to enable municipalities with insufficient land and other critical resources to address the number generated by the formula to adjust their fair share to the number of units that could realistically be achieved through traditional inclusionary zoning, i.e., rezoning suitable sites at densities of at least 6 units per acre with a 20 percent set-aside. The adjusted fair share became the municipality's fair share and COAH imposed no obligation on the municipality beyond its fair share, as adjusted.

COAH adopted its Second Round regulations in 1994. As in the First Round, COAH adopted regulations (a) by which all municipalities could ascertain the number generated by a fair share formula and (b) by which municipalities with insufficient land or other critical resources could obtain an adjustment to the number generated by the formula. COAH labelled the adjusted number the "realistic development potential" or "RDP" and COAH labelled the difference between the number generated by the formula and the RDP as the "unmet need." In contrast to the First Round regulations, COAH gave itself the discretion to consider the imposition of alternative mechanisms for addressing all or a part of its unmet need. In this regard, N.J.A.C. 5:93-4.2 (h) provides that COAH "may" require a land or critical resource-poor municipality to adopt a development fee ordinance, and overlay ordinance and other ordinances to address all or a portion of the so-called unmet need.

Third Round regulations were supposed to be adopted in 1999 when the Second Round rules were set to expire. However, COAH did not adopt the first iteration of Third Round rules until 2004. In 2007, the Appellate Division affirmed portions of COAH's 2004 Third Round rules, but invalidated other aspects of them. See In Re Adoption of N.J.A.C. 5:94 & 5:95, 390 N.J. Super. 1 (App. Div. 2007). The opinion remanded the matter to COAH for adoption of new compliant regulations, and gave the agency six months to do so.

After the Appellate Division gave COAH two extensions of the six-month deadline, COAH finally adopted a second set of Third Round rules in September of 2008. Many municipalities submitted Third Round affordable housing plans to COAH and to courts for approval in December of 2008 in response to the new Third Round rules.

On October 8, 2010, the Appellate Division concluded that COAH's revised 2008 regulations suffered from many of the same deficiencies as the first set of Third Round rules, and it invalidated substantial portions of the 2008 Third Round regulations again. See In re Adoption of N.J.A.C. 5:96 & 5:97, 416 N.J. Super. 462 (App. Div. 2010). The decision was appealed to the New Jersey Supreme Court, which invalidated the second version of the Third Round regulations and directed COAH to use a methodology for determining prospective affordable housing needs similar to the methodologies used in the prior rounds. See In re Adoption of N.J.A.C. 5:96 & 5:97, 215 N.J. 578, 612, 616-17 (2013).

During this same time period, Governor Christie initiated a series of steps to abolish or reduce the role of COAH. During this time period the Legislature introduced a Bill, which would have transformed the affordable housing world. The S-1 Bill in its initial form was supported by Governor Christie. By the time it went through the Assembly, however, a very different bill passed and the Governor conditionally vetoed the Bill.

Frustrated with the lack of movement by COAH to adopt updated Third Round rules, the Supreme Court issued an order on March 14, 2014, which required COAH to adopt new Third Round regulations by October 22, 2014. COAH proposed the third version of Third Round regulations on April 30, 2014. Unfortunately, in October of 2014, the COAH Board deadlocked 3-3 when voting to adopt the third version of Third Round regulations. COAH never made any effort to overcome the deadlock and, consequently, COAH never adopted Third Round regulations for a third time.

In response to COAH's failure to adopt Third Round regulations, on March 10, 2015, the Supreme Court issued Mount Laurel IV. See In re Adoption of N.J.A.C. 5:96 & 5:97, 221 N.J. 1 (2015). In this decision, the Court (1) found that COAH had violated the March 14, 2014 Order by failing to adopt new Third Round regulations by October 22, 2014, (2) held that, without new Third Round regulations, COAH could not process municipalities' petitions for substantive certification, (3) directed trial courts to assume COAH's functions, and (4) authorized municipalities under COAH's jurisdiction to file Declaratory Judgment Actions along with a motion for Temporary Immunity between June 8, 2015 and July 8, 2015, or risk exposure to Builder's Remedy lawsuits.

While the Supreme Court in the 2015 case declined to adopt a specific methodology or formula to calculate the Third Round affordable housing obligations of the municipalities and instead left that determination to the 15 Mount Laurel Judges (one in each vicinage), it did provide some guidance. The Court also treated municipalities that had participated in the COAH process at the point it issued its decision, but had not yet secured COAH's approval of their affordable housing plans in the same way that the 1985 FHA treated municipalities that had been in builder's remedy litigation at that time and had thereafter secured a transfer of their case from the court to COAH. Such municipalities secured enormous protections from developers seeking to dictate how the municipalities satisfied their obligations.

On March 20, 2024, Governor Murphy signed P.L. 2024, c.2 into law, amending the Fair Housing Act (FHA) and establishing a new framework for determining and enforcing municipalities' affordable housing obligations under the New Jersey Supreme Court's Mount Laurel doctrine.

2. SUMMARY OF THE MT. LAUREL DOCTRINE IN THE CONTEXT OF SPARTA

The Mt. Laurel doctrine imposes on municipalities the obligation to create a "realistic opportunity" for the development of low- and moderate-income housing. "[W]hether the opportunity is 'realistic' will depend on whether there is in fact a likelihood-to the extent economic conditions allow-that the lower income housing will actually be constructed." Southern Burlington County N.A.A.C.P. v. Mount Laurel Twp., 92 N.J. 158, 222 (1983) ("Mt. Laurel II"). The obligation is limited by "rational long-range land use planning" and should not arise from "sheer economic forces[.]" Id. at 215. The Court in Mt. Laurel II further directed that the Mt. Laurel doctrine coincide with the "fundamental legitimate control of municipalities over their own zoning and, indeed, their destiny". Id. at 214.

Pursuant to the New Jersey State Development Plan, Sparta Township is divided between the PA5, or Environmentally Sensitive Planning Area; the PA4, or Rural Planning Area; and the PA4B or Rural/Environmentally Sensitive Planning Area. In addition, Sparta is located in the Highlands Region, with its eastern portion in the Highlands Preservation Area, and the western portion largely within the Highlands Planning Area. These areas contain limited public sewer capacity and are considered areas of exceptional natural resource value. Additionally, in 2003, the State Planning Commission designated Sparta as a "Center."

The Mt. Laurel doctrine provides that judicial remedies must be met by sound planning, which, as the Court emphasized, ties a municipality's affordable housing obligation to areas designated for growth in order to balance the goal of conservation. *Id.* at 237-38; 231. Specifically, development of low- and moderate-income housing is to be channeled into areas in which the State Plan encourages growth "and only in these areas." *Id.* 226-27 (emphasis added). The Court repeatedly emphasized the purpose of the Mt. Laurel doctrine to "channel the entire prospective lower income housing need in New Jersey into "growth areas." *Id.* at 244. "Where a municipality's zoning provides for its fair share of low- and moderate-income housing ... it is not obliged, in its other zones, to allow for the maximum density of construction that environmental factors will permit." *Id.* at 315 (emphasis added). Further, even areas designated for growth are to be shielded from the effects of "inevitable" development if such areas contain open spaces and areas of scenic beauty. *Id.* at 224.

The Fair Housing Act ("FHA"), enacted as the legislative response to the Mt. Laurel decisions, further intended that statewide development be tempered by a municipality's "respective environmental requirements" in order "to promote the conservation of open space and valuable natural resources and to prevent urban sprawl and degradation of the environment through improper use of land." *Id.* at 229 (quoting N.J.S.A. 40:55D-2).

While the FHA suggests that municipalities may implement "a plan for infrastructure expansion and rehabilitation if necessary to assure the achievement of the municipality's fair share of low and moderate income housing," subsection 311(9)(d) of the Act provides that "nothing in [the Act] shall require a municipality to raise or expend municipal revenues in order to provide low and moderate income housing." The Mt. Laurel II court emphasized that development of low and moderate income housing is expected to utilize existing infrastructure, "contiguous with existing development," and to take shape in harmony with the municipality's "respective environmental requirements." *Id.* at 229; 231 (quoting the SDGP). A municipality's Fair Share obligation should be adjusted "based on available vacant and developable land, infrastructure considerations or other environmental factors." In re: Adoption of N.J.A.C. 5:94 and N.J.A.C. 5:95, 390 N.J. Super 1, 21 (2007).

Pursuant to the role intended for Planning Areas 4 and 5, the Township's Prospective Regional Need allocation should be largely, if not entirely, contained within the Township Center or other areas served by sewer, and not in areas that would strain sewer capacity or threaten natural resources. In re: Adoption of N.J.A.C. 5:94 and N.J.A.C. 5:95, 390 N.J. Super at 54.

The Fair Housing Act states that a municipality "may provide for its fair share of low and moderate income housing by means of any technique or combination of techniques which provide a realistic opportunity for the provision of the fair share." N.J.S.A. 52:27D- 311(a) (emphasis added). The New Jersey Supreme Court has repeatedly underscored this flexibility, noting that the Mt. Laurel doctrine "is much too complex to be dogmatic about almost anything." Mt. Laurel II, 92 NJ, *supra*, 243; In re Adoption of N.J.A.C. 5:96 and 5:97, 221 N.J. at 33 (stating that "courts should employ flexibility in assessing a town's compliance[.]"). In short, the Mt. Laurel doctrine requires "achievement of the constitutional goal, rather than the method of relief selected to achieve it." Mt. Laurel II, 92 N.J. at 237. This means only that "provisions for low and moderate income housing" be in place. *Id.* at 243. Once such provisions are shown to exist, a municipality's obligation is met. *Id.* at 259-260.

As municipalities themselves are best qualified to provide the most accurate and up to date data on land adjustments, completed units, and other considerations, the township is entitled to

individualized, case-by-case evaluation from the Court as to whether its housing plan satisfies its Mt. Laurel obligation. In re Adoption of NJAC 5:96 and 5:97 *supra*, 221 N.J. at 29.

2. SUMMARY OF SPARTA'S AFFORDABLE HOUSING HISTORY AND ACTIVITIES

The Sparta Township Council and Planning Board prepared the original Fair Share Housing Plan in January 1987, and submitted the plan to the Council on Affordable Housing for substantive certification with a calculated need of 17 units.

Thereafter, Sparta adopted a Second Round HEFSP dated September 17, 1997. The Township of Sparta petitioned for substantive certification from the Council on Affordable Housing (COAH) as a part of the planning process.

The Township of Sparta last adopted a Third Round Housing Element and Fair Share Plan (HEFSP) in 2016. The 2016 HEFSP was an update to the 2008 HEFSP, at which time the Township petitioned the Council on Affordable Housing (COAH) for substantive certification on December 29, 2008. In response to the that petition, Fair Share Housing Center (FSHC) filed an objection to the HEFSP on April 8, 2009. The terms of a Settlement Agreement were set forth in the agreement dated March 9, 2010.

In regards to the Third Round, the terms of an agreement regarding In The Matter of the Township of Sparta, County of Sussex, Docket No.: SSX-L-417-15, between the Township of Sparta and Fair Share Housing Center (FSHC) – were outlined in a Settlement Agreement dated September 14, 2016. The Township received a Judgement of Compliance and Repose (“JOR”) on September 26, 2016.

In accordance with the MLUL, the Amended FHA, DCA's updated rules, and other applicable law, the Township hereby presents this Housing Element and Fair Share Plan.

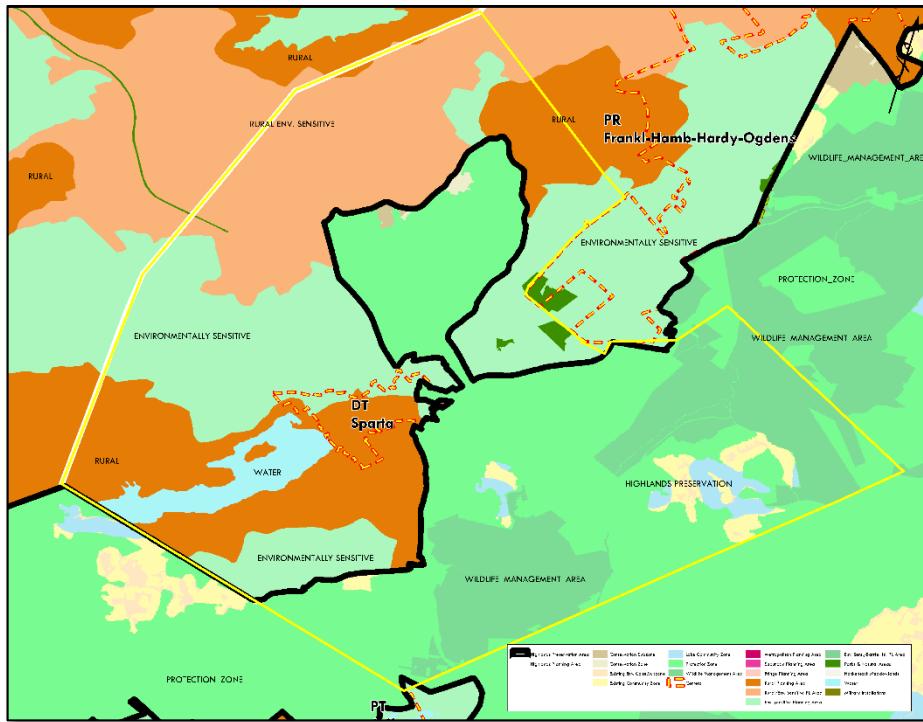
C. DEVELOPMENT CONSTRAINTS IN SPARTA

1. Highlands Water Protection and Planning Act Rules (N.J.A.C. 7:38)

Sparta Township is located in the Highlands Region, which is established by the Highlands Water Protection and Planning Act of 2004 (“the Act”). Overall, about 46.4% percent, or 11,522 acres, of the Township is located in the Preservation Area and 53.6% percent, 13,302 acres, in the Planning Area. The fundamental distinction between the Preservation and Planning Areas is that municipal and county conformance with the Highlands Regional Master Plan (“RMP”) is required in the Preservation Area and is voluntary in the Planning Area.

Sparta Township in Sussex County has been working with the Highlands Council to help implement the Highlands Regional Master Plan (RMP) at the local level since 2011. The Township adopted a Highlands Preservation Area Master Plan Element in 2014. The Highlands Council does not issue permits, but does review proposed projects throughout the Highlands Region for consistency with the Highlands Act and Highlands Regional Master Plan (RMP). Applications involving projects in the Preservation Area are reviewed and permitted by the New Jersey Department of Environmental Protection (NJDEP), Division of Land Use Regulation. Land within the Highlands Planning Area are exempt from the regulations promulgated by the New Jersey Department of Environmental Protection (NJDEP) set forth in N.J.A.C. 7:38. The following map depicts the Preservation Area in

bright green, which is demarcated from the Planning Area by the black line.



The Highlands Regional Master Plan addresses components necessary to protect the natural, scenic and other Highlands resources, including but not limited to, forests, wetlands, stream corridors, steep slopes, and critical habitat for flora and fauna. More specifically, the Highlands Open Water Protection Areas (N.J.A.C 7:38-3.6) requires a 300-foot buffer from certain waterways and bodies of water. The Highlands Planning Area is the portion of the Highlands Region that is not included in the Highlands Preservation Area. While the Act does not establish any new standards for the Highlands Planning Area, the Highlands Regional Master Plan, provides an avenue for enhanced standards, TDR, and smart growth in this portion of the Highlands Region.

In addition to conservation efforts, the Highlands Act designates certain areas where development and redevelopment is planned and encouraged, known as Highlands Centers. These are intended to support balance in the Highlands Region by providing for sustainable economic growth while protecting critical natural and cultural resources. Sparta's Town Center was previously recognized as a Town Center via the State Plan Endorsement process since 2001, which has since expired.

Likewise, Land Use Capability Zones were developed pursuant to N.J.A.C. 7:38-1.1(a), whereby the Highlands Council has included a land use capability map and a comprehensive statement of policies for planning and managing the development and use of land in its Regional Master Plan. Sparta Township includes 15,701 acres of Protection Zone (8,636 acres in Planning Area, 7,065 acres in Preservation Area); 461 acres of Conservation Zone (416 acres in Planning Area, 45 acres in Preservation Area); 1,826 acres of Existing Community Zone (1,405 acres in Planning Area, 421 acres in Preservation Area), 303 acres of Existing Community - Environmentally Constrained Sub-Zone (254 acres in Planning Area, 49 acres in Preservation Area); 1,354 acres of Conservation Environmentally Constrained Sub-Zone (1,320 acres in Planning Area, 34 acres in Preservation Area); 868 acres of Lake Community Sub-Zone (670 acres in Planning Area, 199 acres in

Preservation Area); and 3,269 acres of Wildlife Management Sub-zone (3,269 acres in Preservation Area). It should be noted that the Township applies the LUCM zones only in the Preservation Area, for which it is conforming with the RMP.

Largely as a result of application of the “Highlands Water Protection and Planning Act Rules” (N.J.AC 7:38-1 et seq.), the Preservation Area in the Township of Sparta has limited potential for development, other than projects that would be exempt from the Highlands Act. Specifically, the Highlands Municipal Build-Out evaluation for the Preservation Area in Sparta identified no developable land in the Preservation Area. The Build-Out Report for the Township anticipates potential development of just two (2) additional units in the Preservation Area, each served by on-site septic systems.

2. History of the Highlands Region and COAH

On September 5, 2008 the Governor signed Executive Order #114, which among other directives ordered the Highlands Council to work with COAH to review the Third Round growth projections for consistency with the Highlands Regional Master Plan and assist COAH with developing adjusted growth projections within the Highlands region. It also called for the coordination of deadlines for revision of municipal master plans and Third Round fair share plans to be in conformance with both the Highlands Act and the Fair Housing Act, including a reasonable extension of deadlines. The executive order also included a requirement that the Highlands Council and COAH enter into a joint Memorandum of Understanding (MOU) as soon as practicable but no later than sixty 60 days from the effective date of the Governor’s Executive Order. The MOU was signed at the end of October 2008 and extended the deadline for submission of Housing Plans to COAH initially to December 8, 2009 and further to June 8, 2010 for communities that expressed their nonbinding intent to conform to the Regional Master Plan (RMP). The MOU also established a scarce resource order on all municipalities in the Highlands Region under COAH’s jurisdiction in order to preserve scarce land, water and sewer resources and to dedicate these resources on a priority basis for the production of affordable housing.

3. The Highlands and Septic Densities

Septic system yield is used as a method for minimizing the potential for contamination of ground water. Discharges to ground water from septic systems have the potential to damage the quality of aquifers, reducing their utility as drinking water supplies. They also can damage surface water quality, through the flow of contaminated ground water to natural discharge points such as springs, seeps or stream baseflow. Because septic systems are closely associated with the non-point source effects of non-sewered development, septic system yield is a useful indicator of the potential impacts to ground water quality. Protection of ground water quality requires appropriate septic system yields to ensure that future development utilizing septic systems provide for sufficient dilution of effluent discharges.

In adopting the Highlands Water Protection and Planning Act (HWPPA), the Legislature eliminated designated sewer service areas and any associated treatment works approvals where wastewater collection systems had not been installed by August 10, 2004 for the Preservation Area. The HWPPA at N.J.S.A.13:20-32(e) directs that a septic system density standard must be established at a level to prevent the degradation of water quality, or to require the restoration of water quality, and to protect ecological uses from individual, secondary, and cumulative impacts, in consideration of deep aquifer recharge available for dilution. The septic system density standard

was to be established in consideration of the antidegradation provisions of both the Surface Water Quality Standards (SWQS) at N.J.A.C. 7:9B-1.5(d)6(iii), and Stormwater Management rules at N.J.A.C. 7:8-5.5(h), that are applicable to Category One waters, and are to be applied to all Highlands open waters pursuant to subsection g. of section 34 of P.L.2004, c.120 (C.13:20-32). The RMP outlines a methodology for computing appropriate septic system yields within the Planning Area portion of the municipality, should the municipality conform to the Planning Area.

C. HOUSING, DEMOGRAPHIC AND EMPLOYMENT INFORMATION

The following detailed Housing, Demographic, and Employment background information regarding Sparta helps to describe and create an inventory of characteristics in the Township of Sparta that directly apply to current and future housing demand in the town and region. This analysis will include population demographics, housing characteristics, regional comparison, and recent trends.

1. Analysis of Population and Demographics

The following tables look to analyze the population trends in Sparta from the decennial Census and American Community Survey data. An analysis of population demographics in a target area can help a community to understand and plan for the range of people that live and work within its borders. Also, local population demographics understood in the context of and compared to the larger regional area provides a unique opportunity to understand larger geographic implications of present conditions and future local and regional opportunities. This demographic profile was broken down into functional areas including: analyses of community demographics, housing stock, and employment data.

a. Population

Table 1, which depicts the population change since 1930, shows that from 1970 to 1980, the Township saw a significant increase in population and the largest change in the last 50 years at 23.3%. There was a steady and consistent increase thereafter throughout the 1980s, 1990s, and 2000s. Since the 2010s, the Township of Sparta has experienced minor fluctuations with a slight decrease of 0.21%.

Table 1: Population 1970-2020, Sparta Township		
Year	Total Population	% Change
1970	10,819	-
1980	13,333	23.2%
1990	15,157	13.7%
2000	18,080	19.3%
2010	19,642	8.6%
2020	19,600	-0.21%

Source: U.S. Bureau of the Census, Decennial Censuses

When compared to Sussex County as a whole (Table 2), the Township has experienced similarly modest and steady increases from 2000 through 2020. Both the County and the Township saw fairly large increases in population during the 1990s, and mirrored subsequent lesser increases during the 2010s. Both Sparta Township and Sussex County have experienced slowed population growth and slight decreases in population in the most recent decade.

**Table 2: Population 1970-2020
Township of Sparta and Sussex County**

	Sparta	% Change	Sussex County	% Change
1970	10,819	-	77,528	--
1980	13,333	23.2%	116,119	49.7%
1990	15,157	13.7%	130,943	12.7%
2000	18,080	19.3%	144,166	10.1%
2010	19,642	8.6%	149,239	3.5%
2020	19,600	-0.21%	144,221	-3.4%

Source: U.S. Bureau of the Census, 2000-2020 Decennial Censuses, New Jersey Population Trends 1790-2000 from New Jersey State Data Center

b. Age Characteristics

Understanding the age make up of a community is important when planning for new housing, resources, and the future of the Township as a whole. Looking at a further breakdown of population data by age and sex, it shows that the Township's population is concentrated in specific age cohorts. Table 3 depicts that nearly 31% of the population is 55 years or older, while another 29.4% is 35-54 years old. Age cohorts ranging from 18 to 34 years old make up 15% of the population, while those under 18 make up almost 25%. These age cohorts generally suggest that Sparta has both an aging population, as well as families with middle-aged parents and children. There are less young adults in Sparta than any other age cohort.

**Table 3: Population by Sex and Age,
Sparta Township**

	All	Female	Male
Total Population	18,681	9,629	9,052
Under 5 years	1,157	503	654
5 to 9 years	1,204	693	511
10 to 14 years	1,301	644	657
15 to 19 years	1,400	684	716
20 to 24 years	928	502	426
25 to 29 years	627	281	346
30 to 34 years	851	518	333
35 to 39 years	1,213	574	639
40 to 44 years	1,227	602	625
45 to 49 years	1,299	676	623
50 to 54 years	1,739	902	837
55 to 59 years	1,934	996	938
60 to 64 years	1,330	673	657
65 to 69 years	749	367	382
70 to 74 years	736	447	289
75 to 79 years	401	209	192
80 to 84 years	278	179	99
85 years and over	307	179	128
Median age (years)	42.6	43.2	41.9

Source: 2020 American Community Survey 5-Year Estimates Subject Tables

Table 4 complements the data and compares it to that of Sussex County as a whole. It depicts the steady increase of the age cohort of 20 to 24 year olds in both Sparta and Sussex County from 2000 to 2020. This likely reflects the current trending of adult children living at home for longer than previous generations. Similar increases were seen for the 55 and over cohorts, including the 55 to 64 and 65 and over subsets. This is representative of a population that is aging in place.

Contrastingly, both the County and Township saw steady declines in the school-aged children population that is under 19 and the 35 to 44, suggesting that less children are being born or less families with school-aged children are moving to Sussex County and Sparta in recent years.

Table 4: Population by Age 2000-2020, Sparta Township and Sussex County												
Age	2000				2010				2020			
	Sparta Township		Sussex County		Sparta Township		Sussex County		Sparta Township		Sussex County	
	#	%	#	%	#	%	#	%	#	%	#	%
Under 5	1,381	7.6	9,815	6.8	1,271	6.5	8,295	5.5	1,157	6.2	6,329	4.5
5 to 19	4,490	24.8	33,441	23.2	4,355	22.2	2,9161	19.4	3,448	18.5	21,501	15.2
20 to 24	481	2.7	30,043	6.4	1,205	6.1	11,188	7.5	1,385	7.4	11,457	8.1
25 to 34	1,737	9.6	17,501	12.1	1,189	6.1	14,322	9.6	1,478	7.9	15,309	10.9
35 to 44	3,682	20.4	27,881	19.3	3,243	16.5	23,361	15.6	2,440	13.1	16,050	11.4
45 to 54	3,057	16.9	23,384	16.2	4,047	20.6	27,577	18.4	3,038	16.3	22,031	15.6
55 to 64	1,761	9.7	13,040	9.0	2,372	12.1	19,618	13.1	3,264	17.5	23,836	16.9
65 & Over	1,491	8.3	13,152	9.1	1,960	10.0	16,474	11.0	2,471	13.2	24,483	17.4
Total	18,080	100	144,166	100	19,642	100	149,996	100	18,681	100	140,996	100

Source: U.S. Decennial Censuses, 2000, and 2010, and 2013-2017, 2020 American Community Survey 5-Year Estimates
Note: Percentages May Not Add Due to Rounding

Overall, the fluctuations between the age cohorts suggest that the age makeup of Sparta, and in Sussex County overall, has been shifting over time.

c. Race

Table 5 shows the racial breakdown of the population according to responses from the 2020 Decennial Census. Over 96% of the population responded as “One Race,” with 92% responding as White. The next largest racial group in Sparta is Asian at 3.3%, followed by 0.7% responding as Black or African American and 3.5% responding as “two or more races”.

Table 5: Population by Race, Sparta Township, NJ		
	#	%
One Race	18,026	96.5
White	17,160	91.9
Black or African American	132	0.7
American Indian/Alaska Native	4	0.02
Asian	623	3.3
Native Hawaiian/Other Pacific Islander	0	0
Some Other Race	107	0.6
Two or More Races	655	3.5
Total population	18,681	100.0

Source: Race, 2020 American Community Survey 5-Year Estimates Detailed Tables

Overall, *Table 6* reflects that the racial demographics of Sparta and Sussex County are generally similar, with the biggest difference in the proportion of Black or African Americans with 0.7% in Sparta and 2.2% in the County.

Table 6: Population by Race, 2020 Sparta Township and Sussex County				
	Sparta Township	Sussex County		
	#	%	#	%
One Race	18026	96.5	136,512	96.8
White	17,160	91.9	128,826	91.4
Black or African American	132	0.7	3,148	2.2
American Indian/Alaska Native	4	0.02	44	0.03
Asian	623	3.3	2,853	2.0
Native Hawaiian/Other Pacific Islander	0	0	18	0.01
Some Other Race	148	0.8	1,623	1.2
Two or More Races	655	3.5	4,484	3.2
Total population	18,681	100	140,996	100

Source: Race, 2020 American Community Survey 5-Year Estimates Detailed Tables

d. Household Size and Characteristics

In addition to population demographics, household size in relation to the population helps to characterize the Township. Using Decennial Census data from 2000 and 2010 and 2020 ACS data, *Table 7* below shows that the Average Household Size in Sparta has fluctuated marginally with a steady decrease from 2000 to 2020, in conjunction with a steady increase in population and a

similar fluctuation in the number of occupied housing units. Sussex County as a whole saw a similar fluctuation in the average household size decline.

Table 7: Households and Population 2000 to 2020, Sparta Township and Sussex County									
	2000			2010			2020		
	HH Population	Occupied Housing Units	Avg HH Size	HH Population	Occupied Housing Units	Avg HH Size	HH Population	Occupied Housing Units	Avg HH Size
Sparta Township	18,107	6,237	2.90	19,642	6,910	2.84	18,681	6,628	2.80
Sussex County	144,166	50,831	2.80	149,996	55,842	2.66	140,996	54,166	2.57

Source: 2000 U.S. Decennial Census, 2010 American Community Survey 5-Year Estimates Subject Tables, and 2020 American Community Survey 5-Year Estimates Subject Tables

Table 8 shows that household sizes in occupied housing units was highest for 4-persons in Sparta 35.2%, followed by 1-person at 16.4% and thereafter closely by 3-persons at 16.3%.

Table 8: Household Size, Sparta Township		
Household Size	Number of Households	Percent
1 Person	1,089	16.4
2 Persons	2,123	32
3 Persons	1,082	16.3
4 or More Persons	2,334	35.2
Total Occupied Housing Units	6,628	100

Source: Occupancy Characteristics, 2020 American Community Survey 5-Year Estimates Subject Tables

The American Community Survey was utilized to evaluate Sparta income characteristics compared to Sussex County as a whole. Table 9 demonstrates that the per capita income and the median household income in Sparta, \$58,241 and \$137,272, are both higher than the County per capita income and median household income, \$46,124 and \$96,222.

In addition to a higher per capita income, fewer Sparta residents are living below the poverty level. Based on the 2020 American Community Survey (Table 9) 2.3% of Sparta residents compared to 4.9% of Sussex County residents are living below the poverty level. Compared to the State of New Jersey as a whole, Sparta fares better economically as a whole.

**Table 9: Income Characteristics,
Sparta Township and Sussex County**

	Sparta Township	Sussex	State of New Jersey
Median Household Income	\$137,372	\$96,222	\$85,245
Median Family Income	\$153,775	\$112,443	\$104,804
Per Capita Income	\$58,241	\$46,124	\$44,153
Percent of Persons Below Poverty Level	2.3%	4.9%	10%

Source: 2020 American Community Survey 5-Year Estimates Detailed Tables

The income limits in *Table 10* were produced by the Affordable Housing Professionals of New Jersey in 2025 to set the Affordable Housing Regional Income Limits. The table shows the very-low income, low income, and moderate-income thresholds for Region 1, including Sussex County, for each household size. Specific rows are for calculating the pricing for one and three-bedroom sale and rental units per N.J.A.C. 5:80-26.4(a).

**Table 10; Affordable Housing Professionals of New Jersey
2025, Affordable Housing Regional Income Limits
Region 1 - Sussex County, New Jersey**

Household Size	Moderate Income	Low Income	Very-low Income
1 Person	\$71,280	\$44,550	\$26,730
1.5 Persons*	\$76,360	\$47,725	\$28,635
2 Persons	\$81,440	\$50,900	\$30,540
2.5 Persons	\$86,520	\$54,075	\$32,445
3 Persons	\$91,600	\$57,250	\$34,350
4 Persons	\$101,760	\$63,600	\$38,160
4.5 Persons*	\$105,840	\$66,150	\$39,690
5 Persons	\$109,920	\$68,700	\$41,220
6 Persons	\$118,080	\$73,800	\$44,280
7 Persons	\$126,240	\$78,900	\$47,340
8 Persons	\$134,400	\$84,000	\$50,400

Source: Affordable Housing Professionals of New Jersey

* These are for calculating the pricing for one and three-bedroom sale and rental units per N.J.A.C. 5:80-26.4(a)

2. Analysis of Housing Characteristics

Sparta is a substantially developed community. Population spikes in from the 1980s to 1990s were caused by a large increase in the number of houses being built during this time. From 1980 to 1999, 3,427 houses were built. From the same period, there was an increase of nearly 4,747 people, which correlates to the spike in residential construction. The Township continued to experience construction to a lesser extent through 2009 and beyond, which correlates with the slowed population growth at the same time. Due to continued construction from the 1950s through the 1990s, the age of housing in Sparta is fairly evenly distributed. Similar trends are witness in the Sussex County data as a whole. Nearly 83% of Sparta's housing was built between 1950 and 1999, and comparatively, Sussex County has 70% in the same period. Sussex County has a larger share of housing built prior to 1939, with 12.9%, while Sparta has 3.2%. Construction since 2000 has been comparatively close for Sparta and Sussex County, with 9.5% and 11.3%, respectively.

**Table 11: Age of Housing
Township of Sparta and Sussex County**

Year Housing Unit Built	Township of Sparta		Sussex County	
	Number of Units	Percent	Number of Units	Percent
2014 or later	271	2.9	3,689	1.9
2010 – 2013	122	1.3	3,041	1.6
2000 – 2009	500	5.3	14,523	7.5
1990 – 1999	1,778	19.0	23,691	12.2
1980 – 1989	1,649	17.6	24,862	12.8
1970 – 1979	1,933	20.7	26,461	13.6
1960 – 1969	1,338	14.3	30,900	15.9
1950 – 1959	1,068	11.4	29,935	15.4
1940 – 1949	395	4.2	12,238	6.3
1939 or earlier	302	3.2	25,086	12.9
Total	9,356	100%	194,426	100%

Note: Figures may not add due to rounding

Source: 2020 American Community Survey 5-Year Estimates

Table 12 shows that the number of residential building permits for the 10-year period from 2013 to 2023 has fluctuated. There was a noticeable slow-down in permits from 2015 through 2017. Years prior to this saw an average of 20 building permits per year, and around 80 per year thereafter. From 2018 to 2020, there was a large number of residential building permits, with 247 issued in the 3-year period. Since 2020, there has been a steady decline through 2023 data. This data may suggest that the scarcity of sewer capacity in the Township has an impact on development patterns, and may cause an unpredictable fluctuation over time.

**Table 12: Residential Building Permits, 2010-2020
Sparta Township**

Year	Residential Building Permits
2013	20
2014	20
2015	2
2016	2
2017	9
2018	33
2019	134
2020	80
2021	14
2022	10
2023	5
Total	329

Source: NJDCA Housing Units Authorized by Building Permits

Table 13 shows the housing size by the number of rooms, and compares Sparta to Sussex County as a whole. In general, Sparta has a larger number of occupied housing with more rooms, with 83.4% of housing have 6 or more rooms. Of that proportion, 54.6% is accounted for by 8 or more rooms. In comparison, Sussex County has 70% of occupied units with 6 or more rooms, with 35.2% comprised of 8 or more rooms. Sussex County as a whole has a more even distribution of housing sizes, but still has a large share of housing with multiple rooms with 93.3% of housing having 4 or more rooms. Sparta has nearly 97% of housing with 4 rooms or more.

Table 13: Housing Size by Number of Rooms, Township of Sparta and Sussex County				
Number of Rooms	Sparta Township		Sussex County	
	Number of Units	Percent	Number of Units	Percent
1 Room	27	0.4%	413	0.8%
2 or 3 Rooms	188	2.8%	3,245	6%
4 or 5 Rooms	881	13.3%	12,595	23.3%
6 or 7 Rooms	1,912	28.8%	18,857	34.8%
8 or more Rooms	3,620	54.6%	19,056	35.2%
Total	6,628	100%	54,166	100%

Source: 2020 American Community Survey 5-Year Estimates Data Profiles
Note: Percentages May Not Add Due to Rounding

The vast majority of housing in Sparta is owner-occupied, with 77% of all occupied housing as owner-occupied (5,868 of the 7,614 total). Just under 9.9% of all occupied housing in Sparta is renter occupied. The total vacancy rate in the Township is estimated to be 7.6%, based on the 2020 ACS, which estimated that 582 units were vacant out of 7,614 total units.

Table 14: Tenure and Housing Vacancy Rates, Sparta Township			
	Total	Owner Occupied	Renter Occupied
Total Housing Units	7,614	5,868 (77%)	760 (9.9%)
Vacant Units	582	-	-
Vacancy Rate	7.6	-	-

Source: 2020 American Community Survey 5-Year Estimates Data Profiles
(1) Includes all vacant units, including those rented or sold but not occupied, seasonal recreational and occasional use units, and "other" vacant units.
(2) Includes units available for sale only
(3) Includes units available for rent.

Table 15 shows the value of owner-occupied housing reported by the 2020 American Community Survey. Based on the data provided, the majority of the housing in Sparta at 48%, is valued between \$300,000 and \$499,999. The next most common bracket for housing value is \$500,000

to \$999,999 at 25%, meaning that over 73% of the housing in Sparta is valued between \$300,000 and \$999,999. Similarly, the majority of housing located within Sussex County at 35.6% is valued between \$200,000 and \$299,999. However, housing values in the County are more evenly distributed in the lower values, with 23.6% of housing valued under \$299,999, whereas Sparta's housing stock is comprised of 5.8% for this bracket. The share of housing valued at \$1 million or more is 1.5% for Sparta, while the County has 0.8% of its housing valued in this bracket.

Table 15: Value of Owner-Occupied Housing, Sparta Township and Sussex County				
Housing Value	Sparta Township		Sussex County	
	Number of Units	Percent	Number of Units	Percent
Under \$50,000	44	0.7%	885	2%
\$50,000 to \$99,999	65	1.1%	788	1.7%
\$100,000 to \$149,999	94	1.6%	2,853	6.3%
\$150,000 to \$199,999	142	2.4%	6,614	13.6%
\$200,000 to \$299,999	1,154	19.7%	16,128	35.6%
\$300,000 to \$499,999	2,814	48%	14,362	31.7%
\$500,000 to \$999,999	1,468	25%	3,758	8.3%
\$1,000,000 or more	87	1.5%	350	0.8%
Total	5,868	100%	45,288	100%
Median Value	\$383,100	-	\$271,500	-

Source: 2020 American Community Survey 5-Year Estimates Data Profiles
Note: Figures may not add due to rounding.

Table 16 depicts that the majority of rent levels in Sparta were found to be between \$1,500 and \$1,999, with 26.4% reported falling in that range, and a very close second 20.9% had rents of \$1,000 to \$1,499. While 2.4% responded with "less than \$500", this reporting may be family contributions or informal rent situations, considering that the other 85% of rental housing was estimated to be \$1,000 or more. The median rent in Sparta is estimated to be approximately \$1,780.

Table 16: Rent Levels, 2020 ACS Sparta Township		
Rent	Number of Units	Percent
Less than \$500	16	2.4%
\$500 to \$999	80	12%
\$1,000 to \$1,499	138	20.8%
\$1,500 to \$1,999	175	26.4%
\$2,000 to \$2,499	119	17.9%
\$2,500 to \$2,999	117	17.6%
\$3,000 or more	19	2.9%
No rent paid	96	-
Total	664	100%
Median Rent	\$1,780	-

Source: 2020 American Community Survey 5-Year Estimates Data Profiles
Note: Figures may not add due to rounding.

3. Analysis of Employment Characteristics

Historical employment data and trends for Sparta Township are illustrated in *Table 17*, which shows employment status for 2020. 30% of Sparta's population 16 and over was not in the labor force, similar to Sussex County's 31.8%. Overall, Sparta and Sussex County have similar employment status for the population.

Table 17: Employment Status for Citizens of the Age of 16, 2020 ACS Sparta Township and Sussex County				
Employment Status	Sparta		Sussex County	
	#	%	#	%
Employed	9,856	66.5%	75,773	64.7%
Unemployed	454	3.1%	4,079	3.5%
Total in Labor Force	10,310	69.6%	79,852	68.2%
Not in Labor Force	4,511	30.4%	37,242	31.8%
Total, 16 and over	14,821	100%	117,108	100%

Source: 2020 American Community Survey 5-Year Estimates Data Profiles
Note: Figures may not add due to rounding.

Based on the “Major Private Sector Employers” prepared by Choose New Jersey, there are a number of major employers in the County with 500 employees or more. *Table 18* depicts entities who employ over 500 people and it is not reflective of all of the businesses and employers within the County.

Table 18: Sussex County, Major Private Employers	
Employer	Employment Sector
Selective Insurance Group	Insurance, Holdings
Newton Medical Center	Healthcare
Selective Insurance Company of America	Insurance
Thor Labs	Life Sciences
Mountain Creek Resort	Tourism
Raider Express	Logistics
Ames Rubber Corp	Manufacturing
Shop Rite	Retail

Source: “Major Private Sector Employers” prepared by Choose New Jersey

The Township of Sparta is highly educated, with over 60% of residents attaining a Bachelor's degree or higher, as shown in Table 19.

Table 19: Education and Employment Data for Sparta Township	
For employed population 25 years to 64 years	
Less Than High School Graduate	1.6%
High school or Equivalent	15%
Some College or Associate Degree	22.2%
Bachelor's Degree or Higher	61.2%
Source: Educational Attainment by Employment Status 2020 American Community Survey-5 Year Estimates	

Finally, Table 20 shows the most common industries and occupations for residents broken down by gender. In general, 17% of males in Sparta are employed in the Professional, Scientific, and Technical Services industry, with the next largest industry is Finance and Insurance industry at 9%. On the other hand, 16% of women are employed in educational services, while their second largest industry is Health Care at 12%.

Table 20: Most Common Industries and Occupations by Sex	
Sparta Township, 2016	
Most Common Industries for Males in 2016	
Construction	10%
Professional, Scientific, and Technical Services	10%
Chemicals	7%
Finance and Insurance	7%
Public Administration	5%
Educational Services	4%
Accommodation and Food Services	3%
Most Common Industries for Females in 2016	
Educational Services	17%
Health Care	13%
Professional, Scientific, and Technical Services	11%
Finance and Insurance	4%
Public Administration	4%
Real Estate and Rental and Leasing	4%
Chemicals	4%
Most Common Occupations for Males	
Other Management Occupations (excluding farmers/ farm mgmt.)	10%
Sales Representatives, Services, Wholesale, and Manufacturing	8%
Top Executives	7%
Other Sales and Related Workers including Supervisors	6%
Driver/Sales Workers and Truck Drivers	4%
Operations, Specialties Managers except Financial Managers	4%
Advertising, Marketing, Promotions, Public Relations, and Sales Managers	4%

Most Common Occupations for Females	
Secretaries and Administrative Assistants	9%
Preschool, Kindergarten, Elementary and Middle School Teachers	7%
Other Office and Administrative Support Workers including Supervisors	6%
Other Management Occupations (excluding farmers/ farm mgmt.)	4%
Other Sales and Related Workers including Supervisors	4%
Business Operations Specialists	4%
Retail Workers except Cashiers	4%
Source: City-Data.com	

Table 21 provides commuting characteristics of Sparta Residents based on the 2020 American Community Survey. About 47% of Sparta residents worked in Sussex County, while 6.4% of residents commuted out of state for work. An additional 46.4% worked outside of their County, but within New Jersey. The mean travel time to work for Sparta workers was 39.2 minutes. This may be due to Sparta's location within Sussex County and close proximity to nearby counties.

Table 21: Commuting Characteristics Sparta Township, 2020	
Place of Work	Estimates
Worked in State	93.6
Worked in County of residence	47.2
Worked outside County of residence	46.4
Worked outside State of residence	6.4
Travel Time to Work	
Less than 10 minutes	7.6
10 to 14 minutes	7.1
15 to 19 minutes	7.5
20 to 24 minutes	9.5
25 to 29 minutes	9.3
30 to 34 minutes	11.1
35 to 44 minutes	7.9
45 to 59 minutes	15.8
60 or more minutes	24.1
Mean travel time to work	39.2 minutes
Source: Commuting to Work, 2020 American Community Survey-5 Year Estimates	

According to the New Jersey Transportation Planning Authority, as of 2015, there was a population of 19,355 in the Township of Sparta. By 2050, the NJTPA projects the population will grow to 19,943, or 0.1%, over the 35-year period.

Table 22: Population Projection Township of Sparta			
Year	Population	Change (#)	Percent Change
2015	19,355	-	-
2050	19,943	588	0.1%
<i>Source: NJTPA Employment Forecast by County and Municipality 2015-2050</i>			

The same data retrieved from the New Jersey Transportation Planning Authority reported that in 2015 there were 6,058 jobs in the Township of Sparta. By 2050, the Township is expected to have 6,440 jobs. This reflects a 382 job increase or 0.2% increase over current conditions. This is an increase of roughly 10.9 jobs per year from 2025 through 2050.

Table 23: Employment Projection Township of Sparta			
Year	Population	Change (#)	Percent Change
2015	6,058	-	-
2050	6,440	382	0.4%
<i>Source: NJTPA Employment Forecast by County and Municipality 2015-2050</i>			

4. Projection of Township Housing Stock

As per MLUL, specifically, N.J.S.A. 52:27D-310.b, a housing element must contain a projection of the municipality's housing stock, including a projection of future construction of low- and moderate-income housing for the next ten years, taking into account, but not limited to, construction permits issued, approvals of applications for development and probable residential development of lands.

The Department of Community Affairs' Division of Codes and Standards website provides data on Certificates of Occupancy and demolition permits for both residential and non-residential development. Within the Division of Codes and Standards website is the New Jersey Construction Reporter, which contains building permit, certificate of occupancy and demolition data that is submitted by the municipal construction officials within the State each month. The New Jersey Construction Reporter has information dating back to 2000, which can be used to show the Township's historic development trends.

As shown in Table 24, 317 new housing units were issued Certificates of Occupancy (CO) from 2012 to 2020. During the 12 year period, housing units were demolished. This yields a net gain of 288 housing units over the past 12 years, or an average of about 24 units per year.

Table 24: Historic Trend of Certificates of Occupancy and Demolition Permits, Township of Sparta													
Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2020	Total
CO	17	14	27	17	3	2	3	57	125	35	7	10	317
Demo	0	1	6	2	2	5	2	3	2	2	4	0	29
Net	17	13	21	15	1	-3	1	54	123	33	3	10	288
<i>Source: NJDCA Housing Units Certified and Demolition Permits Issued</i>													

Projecting into the future, the Township anticipates a large number of units that are part of this plan that are currently approved or zoned to be constructed during the Fourth Round.

Lastly, the Township projects 10 years out for residential development between the present and 2035. The projected development includes an extrapolation of the historic trend of residential certificates of occupancy, and anticipated development through the projects in this Plan. Based on the data below, the Township anticipates residential certificates of Occupancy between now and the end of 2035, based upon the measures the Township is taking to implement its settlement agreement. Table 25 provides a loose approximation of the timing of residential development based upon this Plan intended to depict that units will be constructed over time in the next 10 years and is no way an exact prediction.

Table 25: 10-Year Projection of Residential Development, Township of Sparta												
Type	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
1. Approved Development Applications	40	--	--	--	--	--	--	--	--	--	--	40
2. Approved Development Permits Issued	--	--	--	--	--	--	--	--	--	--	--	--
3. Projected Historic Trends	10	10	10	10	10	10	10	10	10	10	10	110
4. Other Projected Development	--	44	100	95	5	100	--	--	--	--	--	344
Total Projected Development	50	54	110	195	15	110	10	10	10	10	--	494

Of the 594 projected residential development between now and 2035, approximately 15% of the units are anticipated to be reserved for low- and moderate-income households in the Township (Table 26).

Table 26: 10-year Projection of Affordable Units Township of Sparta												
Type	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
1. Approved Development Applications	6	--	--	--	--	--	--	--	--	--	--	6
2. Approved Development Permits Issued	--	--	--	--	--	--	--	--	--	--	--	--
3. Projected Historic Trends	--	--	--	--	--	--	--	--	--	--	--	--
4. Other Projected Development	--	9	25	19	5	16	--	--	--	--	--	74
Total Projected Development	6	9	25	19	5	16	--	--	--	--	--	80

5. A Consideration of Lands of Developers Who Have Expressed a Commitment to Provide Affordable Housing

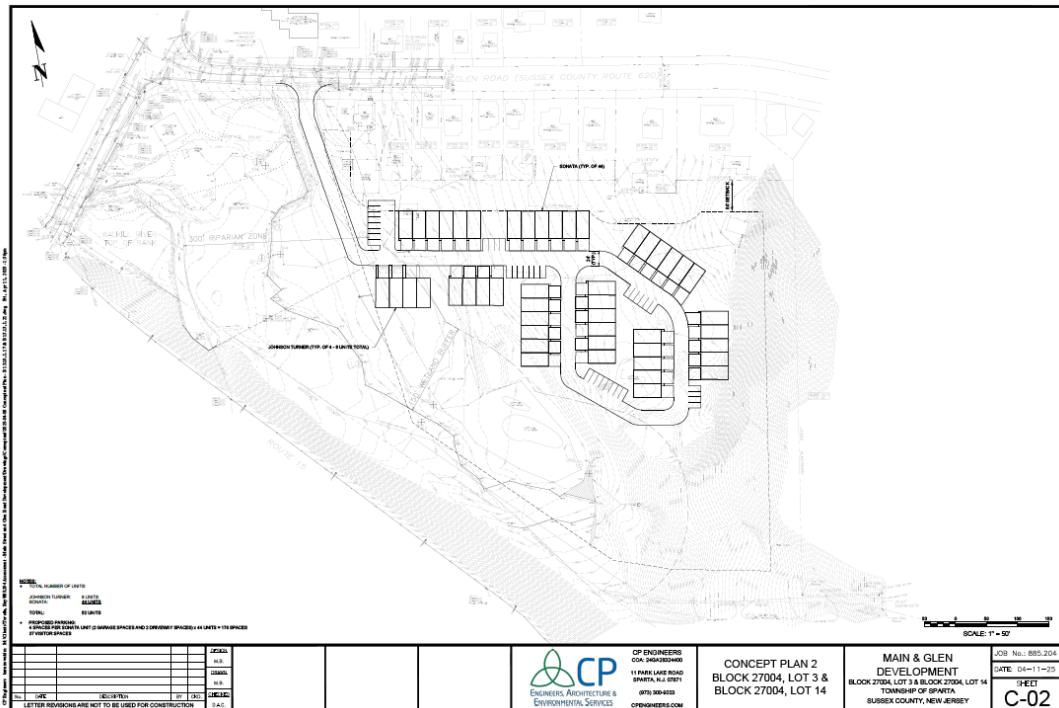
Pursuant to the Fair Housing Act (N.J.S.A.52:27D-310 (f)) and the Municipal Land Use Law C.40:55D-28b(3), a Housing Element must include “a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing.” Thus, it is the Township’s responsibility to consider sites offered for affordable housing. However, the Township does not have an obligation to include every parcel a developer has proposed. In this case, three (3) letters of interest were submitted to the Township. The following outlines the properties that proposed development. Where indicated, the sites that showed interest and have been included in this Plan are detailed in the later sections.

i. Main and Glen/Crossroads at Sparta Block 27004, Lot 3

The property owner has property in the MF-3 Zone (Block 27004, Lot 3), adjacent to Township-owned property (Block 27004, Lot 14). The total area of the two lots is approximately 10.1 acres. The property owner has approached the Township to purchase the Township-owned property via email dated October 8, 2024 in order to develop 44 dwelling units, with an affordable set-aside of 20%. The property is in the Sewer Service Area. This site was previously known as the Millrace Village in previously HEFSP reports.

While publicly available data from the NJDEP shows the presence of wetlands on the site, the concept plan provided by the property-owner shows delineated wetlands with 150-foot wetlands buffers and 300-foot riparian buffers. With the acknowledged encumbrances on the property, the net density is approximately 8 units per acre, with the gross density being closer to 4 units per acre. As a result of the concept plan considering the environmental encumbrances, the presence of sewer service area, the appropriate density and housing-type in this location and the SDRP PA 4 Planning Area., and the partnership with the Township, site is proposed to be included within this HEFSP.





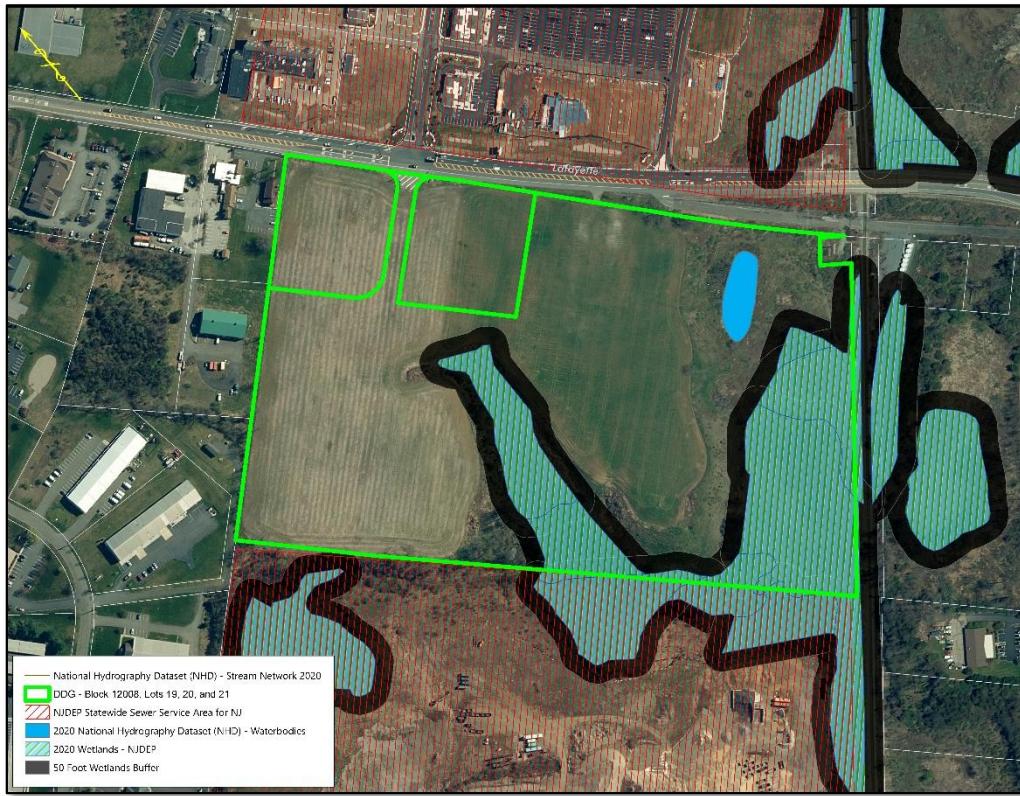
ii. DDG Site

Block 12008, Lots 19, 20, 21

The Contract Purchaser of Block 12008, Lots 19, 20, and 21 ("DDG") sent a letter to the Township Council on January 29, 2025. DDG thereafter filed an Answer to the Township's Amended Complaint for Declaratory Relief pursuant to AOC Directive #14-24 on February 27, 2025. That answer was dismissed by the Honorable Judge Janine M. Allen, JSC via Court Order dated April 4, 2025. Additional correspondence dated May 13, 2025 was addressed to the Mayor and Council, accompanied by a project narrative. Thereafter, representatives from the Township and DDG met virtually to discuss the proposed plan on May 23, 2025, with DDG agreeing to provide updated materials to the Township.

The site is identified as Block 12008, Lots 19, 20, and 21, otherwise known as 474, 506, and 510 Lafayette Road. The total site area is approximately 37 acres. The site is presently undeveloped and farmland assessed. DDG has proposed a development consisting of 400 total residential units, with 60 units set-aside as affordable. The letter notes that approximately 200 units would be age-restricted and that the affordable units would likely provide bonus credits. The original proposal represents a gross density of approximately 11 dwelling units per acre over the entire site, and an affordable housing set-aside of 15%. Subsequent correspondence noted a set-aside of 20%.

From a site suitability perspective, the site has encumbrances such as the presence of wetlands, noted from publicly available NJDEP data. It is unknown what the resource value of those wetlands are, or the buffers that would be required. Even the Concept Plan only seems to utilize the publicly available wetlands data and does not rely on a more accurate LOI – it simply sketches out buildings around the wetlands. With those encumbrances, this net density on the site represents approximately 22 units per acre.



During the course of the virtual meeting, the Township shared with DDG that the housing product proposed of large blocks of apartments as a result of the proposed density is out of character with the Township and does not represent sound planning principles encouraged by the Fair Housing Act, particularly as it relates to the State Plan and Redevelopment Plan and the site's location within the PA-4B (Rural Environmentally Sensitive) Planning Area. It was requested that DDG revise the concept plan to increase building setbacks, lower building height, and decrease the overall density of the site. While DDG felt that this area is similar to the North Village complex as a more actively developed area of Sparta, the Township noted that this area is more appropriately a transition area to North Village, and factors such as height, density, setbacks, and traffic impacts should be modified on the concept to reflect that idea. Finally, the Township noted to DDG during their meeting that there are limited age-restricted credits left under its cap.

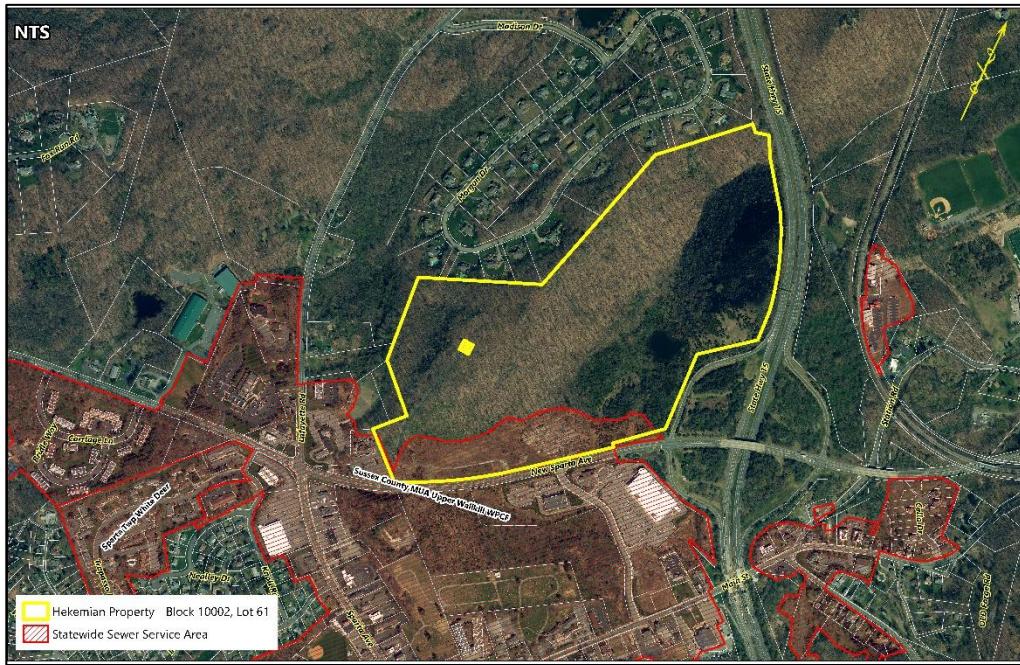
Additionally, the site is not located in a Sewer Service Area and it is unclear if there is adequate infrastructure and utilities to serve this size development without a Wastewater Management Plan amendment. The May 19th correspondence notes that the Village Utility Sewer Franchise for the North Village development could be the "requisite sewer for the project". This private package treatment plant currently provides sewer for a 102,000 square foot ShopRite supermarket/liquor store, 25,000 square feet across eight (8) buildings for commercial use by multiple tenants, a 76 bed assisted living facility, a 60 unit apartment buildings, 58 townhouses and 92 single family homes. The Township requested additional information on existed capacity of the system and projected flows the proposed residential use, which was not provided by the time this Plan was finalized.

Overall, the timing of the additional information provided did not allow for the Township and DDG to determine if the site has adequate utilities and to discuss a revised concept plan that lessens the impact of the building heights by reducing density, increasing setbacks, and exploring a lower mass housing product. Without those revisions and in consideration of the very abbreviated deadlines associated with this Plan, the site was not included in the Plan at this time.

**iii. Hekemian
Block 10002, Lot 61**

The site is identified as Block 10002, Lots 61, and is located at 11 Sparta Junction (at the 517 Bypass). The total site area is approximately 99.93 acres. The site is presently undeveloped and vacant. The property owner sent a letter to the Township Mayor and Council dated January 16, 2025. The property owner notes in this letter that the developable acreage of the property is approximately 30 acres due to topography. There is an existing cell tower at the western portion of the site.

The letter does not specify a concept plan, nor does it provide a proposed development yield or affordable set-aside. The aerial map provides that approximately 20 acres of the site is within the existing sewer service area. As noted in the later section on the Third Round obligation, this site is located in the Town Center Professional Business (TCPB) Zone, which is already zoned for planned developments that allow for 100 units in a variety of housing types – included multifamily units in mixed use, townhouses, patio homes, and condominiums. This site has been included as a mechanism to fulfill the Third Round and so while the property was not specifically cited, the zoning captures this property.



03 FOURTH ROUND FAIR SHARE PLAN

A. FAIR SHARE OBLIGATIONS

A municipality's affordable housing obligation is cumulative, and includes affordable housing need for the period 1987 to 2035. The affordable housing obligation consists of four components:

- Present Need/Rehabilitation Share (2024 DCA)
- Prior Round Obligation (1987-1999)
- Third Round Prospective Need (2000-2025)
- Fourth Round Prospective Need (2025-2035)

The Present Need/Rehabilitation Share is a measure of deficient housing that is occupied by low- and moderate-income households. Rehabilitation Share numbers from each prior round are replaced with the latest round number because the numbers are updated with each decennial census.

The following chart illustrates the Township's cumulative obligation. These numbers serve as the basis for establishing what fair share obligations the Township will be targeting in this Housing Element and Fair Share Plan.

Table A: Township of Sparta Fair Share Obligations	
Present Need (Rehabilitation) Obligation	10
Prior Round Obligation (1987-1999)	76
Third Round Obligation (1999-2025)	377
Fourth Round Prospective Need (2025-2035)	311
Total Prospective Need Obligation	764

B. SATISFACTION OF REHABILITATION OBLIGATION

The Township has a 10-unit Present Need (Rehabilitation) obligation. As noted in the Third Round Plan, the Township had completed 29 rehabilitations in full compliance towards the Present Need. These rehabilitated units have been inventoried and entered in the DCA Affordable Housing Monitoring System (AHMS). Therefore, the Township has satisfied its Present Need requirement.

C. PRIOR ROUND COMPLIANCE

The 2008 and 2016 Housing Element and Fair Share Plan addressed the entire Prior Round Obligation of 76-units, with a surplus that carried to the Third Round. The following sections provide a detailed overview of Prior Round crediting.

1. Prior Round Rental Obligation

The prior round rental obligation is 25% of 76, or 20 units. The Township has a number of rental units in excess of the requirement, which include the following: five (5) special needs rental units from the Center For Humanistic Change project (Block 159, Lot 9); twenty-nine (29) age-restricted rentals from the Knoll View Assisted Living Facility (Block 39.05, Lot 4); and five (5) special needs rental units from the SCARC Group Home (Block 10.01, Lot 21). The Township therefore satisfies and exceeds its 20-unit rental obligation.

2. Prior Round Age-Restricted Cap

COAH's Round 2 regulations permit a total of 25 percent of the new construction obligation (with certain caveats that are not applicable to Sparta) to be satisfied with age-restricted housing. Based upon this, the Township is eligible for 25% of 76 units, or a total of twenty (20) age-restricted housing units are permitted to be credited against the Prior Round obligation. Overall, the Township is applying twenty (20) age restricted units from the Knoll View Assisted Living Facility (Block 39.05, Lot 4) to the Prior Round.

3. Prior Round Rental Bonus Credits

In accordance with N.J.A.C. 5:93-5.15(d), the Township is entitled to rental bonus credits generated by projects described below, up to the maximum of nineteen (19) rental bonuses for which it is eligible based on 25% of its 76-unit Prior Round obligation. The Township is claiming a total of eighteen (18) bonus credits, including: seven (7) 1/3 age-restricted bonus credits from the 20 units in the Knoll View Assisted Living facility (Block 5016, Lot 4); five (5) rental bonus credits from the SCARC Group Home (Block 25002, Lot 20); and six (6) rental bonus credits from the six (6) supportive needs beds from the Center for Humanistic Change home, as shown in Table B.

4. Satisfaction of Prior Round Obligation

The Township has satisfied the entirety of its Prior Round obligation. The Township has a 76-unit Prior Round obligation, and has satisfied that obligation as follows:

**Table B. Prior Round Affordable Housing Fulfillment
Township of Sparta, Sussex County, NJ**

1987-1999 Prior Round Obligation	76					
	Set-Aside Credits	Low	Mod	Very- Low	Bonus Credits	Total
<i>Inclusionary Rental Projects</i>	58	34	13	11	18	76
<i>Knoll View Assisted Living (Block 5016, Lot 4)</i>	20 (ARR)	20	-	-	7	27
<i>Round Top at Sparta (Block 2100, Lot 1)</i>	24 (FS)	12	12	-	-	24
<i>SCARC Group Home (Block 25002, Lot 20)</i>	5 (SNR)	-	-	5	5	10

	Set-Aside Credits	Low	Mod	Very-Low	Bonus Credits	Total
Center For Humanistic Change (Block 3010, Lot 41)	6 (SN)	-	-	6	6	12
Broderick (MF-2 Zone) (Block 2027, Lot 9)	3 (FR)	2	1	-	-	3
TOTAL PRIOR ROUND CREDITS	58	45	29		18	76
(R) = Rental (S) = For-Sale (ARR) = Age-Restricted Rental	(GH) = Group Home (SNR) = Special Needs Rental (M) = Medicaid Certificate				(RCA) = Regional Contribution Agreement (BC) = Bonus Credit	

a. **Detailed Summary of Prior Round Satisfaction**

- i. **Knoll View Assisted Living (Block 5016, Lot 4)** – twenty (20) affordable, age-restricted rental units from the Knoll View Assisted Living facility. The development contains 29 total assisted living beds that were originally completed on 10/30/1996, with perpetual controls. While previous HEFSPs have credited the entire 29 units to the Prior Round, due to the 25% cap, the Prior Round is limited to twenty (20) age-restricted units. The remaining nine (9) beds will be credited towards the Third Round Prospective Need.
- ii. **Round Top at Sparta (Block 2100, Lot 1)** – twenty-four (24) family, for-sale units from the Round Top at Sparta development (formerly known as the Makor Property). The Zoning for the property was changed to MF-2 via Ordinance No. 01-14. The MF-2 Zone permits a density of 5 units per acre as of right with a 20% set-aside. The Administrative Agent for the project is CGP&H.

Round Top at Sparta Affordable Unit Distribution			
Income Distribution	Bedroom Distribution		
	1 BR	2 BR	3 BR
Low Income	2	8	2
Moderate Income	2	7	3

- iii. **SCARC Group Home (Block 25002, Lot 20)** - five (5) special needs beds within a shared living residence from the licensed SCARC Group Home. As part of the Prior Round, the Township received a letter from SCARC dated March 13, 1997 regarding the Group Home on 10 Graphic Boulevard. There are five bedrooms in the home and there are six residents in the home.
- iv. **Center For Humanistic Change (Block 3010, Lot 41)** – six (6) supportive needs beds from the Center for Humanistic Change supportive needs home at 48 Green Apple Road. As part of the Prior Round, the Township received

a letter from CHC dated May 2, 1997. The letter indicates that the house was purchased by CHC in January 1988 and the developmentally disabled individuals began living there around July 1988.

v. **Broderick/MF-2 Zone (Block 2027, Lot 9)** – three (3) units from the Broderick property zoned MF-2. This property is adjacent to the Round Top at Sparta development (formerly the Makor property). The property consists of 3.4 acres and contains steep slopes that will limit the type of housing to be constructed on the property. The type of housing proposed for this area would consist of town homes or small apartment/condo units. The Zoning for the property was changed to MF-2 via Ordinance No. 01-14. The MF-2 Zone permits a density of 5 units per acre as of right with a 20% set-aside. This would produce 3 affordable housing units. The property currently has access on Fisher's Land and should be incorporated with the Round Top at Sparta's access onto Route 181.

b. Prior Round Family Units Income and Bedroom Distribution

The following *Table C* demonstrates Prior Round compliance with the required bedroom and income distributions for family units. With a total of 24 family units attributed towards the Prior Round, the income distribution of the units is required to split 50% for each low- and moderate-income, and bedroom distribution is required to provide no more than 20% 1-bedroom units, at least 20% 2-bedroom units, and at least 20% 3-bedroom units. The Township is in compliance with the required bedroom and income distributions for the Prior Round.

Table C. Prior Round Bedroom and Income Distribution for Family Units				
Income Distribution	Bedroom Distribution			Totals
	1 BR	2 BR	3 BR	
Low Income	2	8	2	12 (50%)
Moderate Income	2	7	3	12 (50%)
Totals	4 (16.6%)	22 (62.5%)	10 (20.8%)	24

D. THIRD ROUND COMPLIANCE

The Township fully satisfied the entirety of its Prior Round obligation with additional units created over and above those needed to fulfill said obligation, which are described in greater detail and will be attributed to the Third Round. This includes eight (8) family, for-sale units from Sparta Meadows and nine (9) age-restricted beds from Knoll View Assisted Living to apply to the Third Round.

The Third Round Fair Share Plan was based upon a Settlement Agreement between Sparta and FSHC that agreed upon a 377-unit Prospective Need Obligation. It also established an RDP of 251, and a durational adjustment of 126 based upon an infrastructure adjustment for lack of sewer capacity. The Sewer Service Areas have not been expanded and additional sewer capacity has not been constructed since the 2016 HEFSP was adopted.

This updated Housing Element and Fair Share Plan addresses the status of the Third Round obligation of 377-units. More specifically, over the course of the Third Round, additional units were captured from Board applications from existing developments that agreed to deed restrict units as affordable, as well as coordination with Knoll Heights to capture existing affordable senior units from a HUD-funded project that has remained affordable for over 40 years. As a result of adding creditworthy units to the Plan, the durational adjustment for lack of infrastructure capacity related to the Third Round obligation is modified. However, this is not an indicator of a change to the sewer capacity or the available infrastructure, simply a modification based upon crediting.

1. Third Round Durational Adjustment

Sparta sought a “durational adjustment” based upon sewer capacity in the Third Round, and was granted a durational adjustment of 126 from the 377 total obligation, for an adjusted Third Round obligation of 251.

The durational adjustment is proposed to be reduced by way of this HEFSP update, only by way of additional units and crediting that were captured and not by any change to the infrastructure capacity or areas designated within the sewer service area. As a result of the change in crediting, the Township proposes to satisfy its Third Round obligation.

As outlined by the 2016 HEFSP, Sparta Township “has multiple jurisdictional responsibilities that control development potential. There are three primary jurisdictional responsibilities: Highlands Preservation Area, Sussex County Wastewater Management Plan, and NJDEP designated Sewer Service Areas. This section of the report analyzes the development potential from each of the three jurisdictional responsibility areas. Each of these jurisdictions control development through wastewater management standards.

a. Highlands Preservation Area

Roughly 50% of Sparta Township lands are within the Highlands Preservation area. Regulations in this area severely restrict development in order to protect water resources and the environment. Sparta Township conforms to the regulations established by the Highlands Regional Master Plan (RMP) and the NJDEP Highlands Water Protection and Planning Act Rules (N.J.A.C. 7:38) for lands within the Preservation Area.

b. *Sussex County Wastewater Management Plan*

The majority of rural land with development potential in Sparta lies within the Sussex County Wastewater Management Plan (SCWMP). The plan designates septic densities by watershed. The plan designates five separate watersheds within Sparta Township – including Paulins Kill (above Stillwater Village); Pequest River (above Bear Swamp); Musconetcong River (above Trout Brook); and Wallkill River (above road to Martins). These watersheds have septic densities ranging from 4.5 acres per septic to 4.8 acres per septic. The septic densities prescribed by the SCWMP do not provide suitable septic densities of even 6 dwelling units per acre for meaningful affordable housing projects, unless sewer service is provided.

c. *Sewer Service Areas (SSA)*

Due to the fact that compact development requires densities that are often beyond the capabilities of individual sewage disposal systems (septic), compact development is restricted to areas with access to approved sewer service areas.

As noted in the 2016 Settlement Agreement, under Paragraph 7, “this paragraph supports the infrastructure adjustment authorized pursuant to N.J.A.C. 5:93-4.1 and -4.3 based upon lack of adequate sewage capacity and sewer infrastructure within the Township. The Sparta Town Center Sewer Service Area has a capacity of 210,000 gpd. Current connections and reservations exceed the capacity. The Township will be using the now balance to decommission the Township’s White Deer Sewage Treatment Plant. There is no additional sewage treatment gallonage to allocate and the Township will not be authorizing additional projects that are not already standing in line to connect to the Township’s sewage collection system. Additional Sewer Service Areas within the Township are managed privately, and are already included in the HEFSP as inclusionary projects”.

d. *Durational Adjustment Requirements per N.J.A.C. 5:93-4.1(c)*

Pursuant to the COAH Second Round Regulations under N.J.A.C. 5:93-4.1(c), “the lack of adequate capacity, in and of itself, shall constitute a durational adjustment of the municipal housing obligation. The requirement to address the municipal housing obligation shall be deferred until adequate water and/or sewer are made available.” In order to provide water and/or sewer on sites the Council determines are realistic for inclusionary development, municipalities shall adhere to the following:

1. Notwithstanding the lack of adequate water and/or sewer at the time a municipality petitions for substantive certification, the municipality shall reserve and set aside new water and/or sewer capacity, when it becomes available, for low and moderate income housing, on a priority basis.
2. Municipal officials shall endorse all applications to the DEP or its agent to provide water and/or sewer capacity. Such endorsements shall be simultaneously submitted to the Council.
3. Where the DEP or its designated agent approves a proposal to provide infrastructure to a site for the development of low and moderate income housing identified in the housing element, the municipality shall permit such development;
4. Where a municipality has designated sites for low and moderate income housing

that lack adequate water and/or sewer and where the DEP or its designated agent approves a proposal to provide water and/or sewer to a site other than those designated for the development of low and moderate income housing in the housing element, the municipality shall amend its housing element and fair share housing ordinance to permit development of such site for low and moderate income housing. The amended housing element and fair share housing ordinance shall be submitted to the Council within 90 days of the site's approval by the DEP or its agent. The Council may waive these requirements when it determines that the municipality has a plan that will provide water and/or sewer to sufficient sites to address the municipal housing obligation within the substantive certification period.

The Township submitted the above information regarding the sewerage capacity during the Third Round.

2. Third Round Rental Obligation

COAH's Rules (at N.J.A.C. 5:93-1, et seq.) provide that at least 25 percent of the new construction component for Third Round must be satisfied with rental units. Therefore, based on the Township's obligation of 377, its rental obligation is 25 percent, or ninety-four (94) units. The Township has one-hundred and ten (110) existing rental units from the projects outlined in Table E. There are additional rental units anticipated from the existing zoning with unconstructed units. Overall, the Township satisfies and exceeds its Third Round rental requirement.

4. Third-Round Age-Restricted Housing

Applying COAH Second Round regulations, municipalities are permitted to age-restrict up to 25 percent of the Third Round obligation of 377, or ninety-four (94) units. The Township is applying nine (9) units from the age-restricted rental beds from the Knoll View Assisted Living, fifteen (15) Medicaid beds from the Chelsea assisted living facility, and seventy (70) age-restricted prior cycle credit, rental units from the Knoll Heights development. Therefore, the Township is at the 94-unit cap, and does not propose additional units over the cap until additional non-age restricted are sought to fulfill the durational adjustment unmet need.

5. Third Round Very-Low Income Housing Obligation

As a result of the July 2008, amendments to the Fair Housing Act, all municipalities have an obligation to ensure that at least 13 percent of the affordable units being provided town wide, with the exception of units constructed as of July 1, 2008 and units subject to preliminary or final site plan approval as of July 1, 2008, are affordable to very-low income households (households that earn 30 percent or less of the median income). The Township will ensure that the 13% very-low income obligation is satisfied through any new projects, and that any very-low income units built after 2008 are inventoried and accounted for. Table D includes proposed projects and proposed zoning for units that have not yet been constructed.

Table D. Third Round Very-Low Income Requirement Sparta Township, Sussex County, New Jersey					
Project Name	Status	Type	Total Affordable Units	13% VLI Units Req'd	Actual VLI Units
Residences at North Village	Constructed	Family	27	3	3
Sparta Village	Constructed	Family	3	0	0
Chelsea Assisted Living	Constructed	Assisted Living	15	3	3
The Pointe at Sparta	Constructed	Market-to-Affordable	4	1	1
Dunlap Corp. Group Home	Constructed	Supportive Needs	4	0	4
Hamlet Romeo and Juliet	Constructed	Supportive Needs	21	0	13
12 Woodport Road	Constructed	Family	2	0	0
The Delmar	Constructed	Family	1	0	1
Fluss Holdings	Approved	Family	6	1	1
Blue Heron	Zoned	Family	16	2	0
Town Center Overlay	Zoned	Family	19	3	0
Crossroads at Sparta/Millrace	Zoned	Family	9	1	1
Subtotal Family			87	14 (16.0%)	27
Subtotal Non-family			30		
Total Percentage VLI			117	27 (23.0%)	

Additionally, 50% of the very-low income (VLI) units shall be available to families. Currently, the proposed projects contribute fourteen (14) VLI family units. This represents 51.8% of all VLI units in the Township.

5. Third Round Bonus Credits

In accordance with N.J.A.C. 5:93-5.15(d), the Township is entitled to rental bonus credits generated by projects described below, up to the maximum of ninety-four (94) rental bonuses for which it is eligible based on 25% of its 377-unit Third Round obligation. The Township seeks credit for bonus credits on the ninety-four (94) existing rental unit projects shown in Table E.

6. Third Round Family Units

While not a specific requirement outlined under N.J.A.C. 5:93, the minimum number of Third Round Family Units has rather become a typical component included within Third Round Plans and Settlements. This minimum has typically been 50%, which represents 50% of the Third Round rental obligation and 50% of the very-low income unit obligation. Therefore, the Township would require a minimum of 50% of the total Third Round obligation of 377 less the bonus credits of 94 – or 50% of 243, calculated to be 122 units. The Township proposes to meet this obligation with one-hundred and eighteen (118) existing family rental units outlined in Table E.

Additionally, the Township anticipates additional family rental units from the projects listed in *Table E* under “Existing Zoning”, in excess of the minimum requirement. As noted in the 2016 Settlement Agreement, “with respect to the built sites or approved sites, the Sparta Township Comprehensive Land Management Code provides a realistic opportunity and the mechanisms are in place to provide the private sector with the realistic opportunity to meet the obligations set forth in the Settlement Agreement and in the Housing Element and Fair Share Plan”.

7. Third Round Credits to Address Obligation

a. Existing and Approved Units Addressing the Third Round Obligation

The following *Table E* outlines the existing credits being applied to the Township’s Third Round obligation.

Table E. Existing and Approved Units Addressing the Third Round Obligation Township of Sparta, Sussex County, NJ						
Township Third Round Adjusted Obligation	377					
	Set-Aside	VL	L	M	Bonus	Total
Inclusionary Projects	118	46	22	50	94	212
Sparta Business Campus/Sparta Meadows (Block 11002, Lots 13.01-14.04)	8 (FS)	4	4	-	-	8
Advance Housing, 116 Hunters Lane (Block 2014, Lot 11)	3 (SN)	3	-	-	3	6
Advance Housing, 27 Oak Tree Lane (Block 2022, Lot 23)	3 (SN)	3	-	-	3	6
Advance Housing, 21 Hunters Lane (Block 2018, Lot 12)	3 (SN)	3	-	-	3	6
Advance Housing, 124 Woodport Road (Block 2021, Lot 30)	3 (SN)	3	-	-	3	6
Advance Housing, 7 Tamarack Road (Block 5013, Lot 3)	3 (SN)	3	-	-	3	6
Danlap Corp, Inc., 6 Laddey Lane (Block 37001, Lot 19)	4 (SN)	4	-	-	4	8
Wallace House/Diocese of Paterson, 447 Glen Road (Block 34003, Lot 6)	5 (SN)	5	-	-	-	5
Hamlet – Romeo and Juliet (Block 5500, Lot 1)	21 (SNR)	13	3	5	21	42
The Pointe at Sparta (Block 27001, Lot 57)	4 (FR)	-	-	4	4	8
Lion’s Gate (Block 27006, Lot 26)	2 (FR)	-	1	1	-	2
Sparta Village (Block 2001, Lot 45)	3 (FR)	-	1	2	3	3
Twins on Main (Block 27006, Lot 4)	20 (SNR)	-	-	20	20	4

	Set-Aside	VL	L	M	Bonus	Total
North Village (Block 16001, Lot 4.01)	27 (FR)	3	11	13	27	48
The Delmar (Block 2014, Lot 7)	1 (FR)	1	-	-	-	1
12 Woodport Road (Block 5016, Lot 53)	2 (FR)	-	-	2	-	2
Fluss Holdings (Block 5019, Lot 23)	6 (FR)	1	2	3	-	6
Existing Zoning/Proposed Family Credits	74	10	29	35	-	74
Town Center Overlay Zoning	19	3	7	9	-	19
Existing TCPB Zone (Block 10002, Lot 61)	25	3	10	12		25
Blue Heron Village (Block 37001, Lot 1)	16	2	6	8	-	16
Crossroads at Sparta/ Former Millrace Village (Block 27004, Lots 3 and 14)	9	1	4	4	-	9
Leo Companies Supportive Housing (Block 27006, Lot 8)	5	1	2	2	-	5
Age-Restricted Projects/Prior Cycle Credits	94	12	70	7	-	94
Knoll View Assisted Living (Block 5016, Lot 4)	9 (ARR)	9	-	-	-	9
The Chelsea at Sparta (Block 16008, Lot 8)	15 (M)	3	5	7	-	15
Prior Cycle Credits: Knoll Heights 100% Affordable (Block 5016, Lot 1)	70 (ARR)	-	70	-	-	70
TOTAL CREDITS	286	88	121	92	94	380
(FR) = Family Rental	(GH) = Group Home	(BC) = Bonus Credit				
(FS) = Family For-Sale	(SNR) = Special Needs Rental	M) = Medicaid Certificate				
(ARS) = Age-Restricted Sale	(ARR) = Age-Restricted Rental					

b. Detailed Summary of Third Round Adjusted Obligation Satisfaction

The following outlines each of the projects that have been approved or constructed during the Third Round (2015 to 2025). Deed restrictions and crediting documents for new construction units not previously certified by COAH or the Court are provided under Appendix E.

i. **Sparta Business Campus/Sparta Meadows (Block 11002, Lots 13.01-13.04 and 14.01-14.04)** – eight (8) existing, for-sale units from the Sparta Meadows. This project received preliminary approval on 12/15/1989, and final approval on 12/01/2002. The development includes a total of 38 family for-sale units, with 8 set-aside as affordable. The affordability controls for the development began June 30, 2006, with 30-year affordability controls. The Administrative Agent for the project is CGP&H.

Sparta Meadows Affordable Unit Distribution			
Income Distribution	Bedroom Distribution		
	1 BR	2 BR	3 BR
Very-Low Income	-	-	-
Low Income	-	3	1
Moderate Income	1	2	1

- ii. **Advance Housing, 116 Hunters Lane (Block 2014, Lot 11)** – three (3) supportive needs beds from the Group Home on 116 Hunters Lane. The Group Home is a three-bedroom home. The Township committed and disbursed \$105,000 from the AH Trust Fund to this project and distributed those funds on 10/19/2007. The controls began 2/26/2008, with 30-year affordability controls.
- iii. **Advance Housing, 27 Oak Tree Lane (Block 2022, Lot 23)** - three (3) supportive needs beds from the Group Home on 27 Oak Tree Lane. The Group Home is a three-bedroom home. The Township committed \$105,000 from the AH Trust Fund to this project and distributed those funds on 5/18/2006. The controls began 05/26/2006, with 30-year affordability controls.
- iv. **Advance Housing, 21 Hunters Lane (Block 2018, Lot 12)** – three (3) supportive needs beds from the Group Home on 21 Hunters Lane. The Group Home is a three-bedroom home. The Township committed \$105,000 from the AH Trust Fund to this project and distributed those funds on 5/18/2006. The controls began 08/03/2006, with 30-year affordability controls.
- v. **Advance Housing, 7 Tamarack Road (Block 5013, Lot 3)** - three (3) supportive needs beds from the Group Home on 7 Tamarack Road. The Group Home is a three-bedroom home. The Township committed \$105,000 from the AH Trust Fund to this project and distributed those funds on 5/18/2006. The controls began 06/28/2006, with 30-year affordability controls.
- vi. **Advance Housing, 124 Woodport Road (Block 2021, Lot 30)** – three (3) supportive needs beds from the Group Home on 21 Hunters Lane. The Group Home is a three-bedroom home. The Township committed \$105,000 from the AH Trust Fund to this project and distributed those funds on 11/21/2007. The controls began 1/24/2008, with 30-year affordability controls.
- vii. **Danlap Corp. Group Home (Block 37001, Lot 19)** – four (4) supportive needs beds from the Group Home at 6 Laddey Lane. The Group Home is a four-bedroom home, which are all very-low income. The controls began 6/13/2018, with 30-year affordability controls.
- viii. **Wallace House/Diocese of Paterson, 447 Glen Road (Block 34003, Lot 6)** – five (5) supportive needs, rental units from the Wallace House group home. The Township contributed \$650,000 for the construction of the two apartments from the AH Trust Fund, and distributed those funds on 4/5/2007 and 10/19/2007.

The project created 5 very-low income beds. The controls began on 2/21/2008, with 30-year affordability controls.

- ix. **Hamlet – Romeo and Juliet (Block 5500, Lot 1)** – twenty-one (21) supportive needs beds from the Romeo and Juliet, two-phase project. The Township contributed \$285,000 total from the AH Trust Fund, and distributed \$135,000 towards the first phase of 11 units on 12/15/2009, and \$150,000 towards the second phase of 10 units on 12/21/2012. The project created 21 very-low income beds. The controls began 12/7/2007, with 30-year affordability controls.
- x. **The Pointe at Sparta (Block 27001, Lot 57)** – four (4) family rental units from the Pointe at Sparta. The Township has reached an agreement with the Leo Companies to transition 4 existing market rate apartments at the Pointe, 107 Main Street (to moderate income rental units with a deed restriction of 30 years. The Township contributed \$200,000 from the AH Trust Fund, and distributed those funds on 8/21/2009. The deed restriction was recorded on 7/19/2010, with 30-year affordability controls. The Administrative Agent for the project is CGP&H.

The Pointe at Sparta Affordable Unit Distribution			
Income Distribution	Bedroom Distribution		
	1 BR	2 BR	3 BR
Very-Low Income	-	1	-
Low Income	1	-	-
Moderate Income	-	1	1

- xi. **Lion's Gate (Block 27006, Lot 26)** – two (2) family rental units from the Lion's Gate project. The Township contributed \$100,000 from the AH Trust Fund for the market-to-affordable conversion, and distributed those funds on 8/21/2009. The Administrative Agent for the project is CGP&H.

Lion's Gate Affordable Unit Distribution			
Income Distribution	Bedroom Distribution		
	1 BR	2 BR	3 BR
Very-Low Income	-	-	-
Low Income	-	1	-
Moderate Income	1	-	-

- xii. **Sparta Village (Block 2001, Lot 45)** – three (3) family rental units from the Sparta Village project. The inclusionary development includes a total of 29 units, with 3 set-aside as affordable. The effective date of the controls for the project began 01/28/2008, with 30-year affordability controls. The Administrative Agent for the project is CGP&H.

Sparta Village Affordable Unit Distribution			
Income Distribution	Bedroom Distribution		
	1 BR	2 BR	3 BR
Very-Low Income	-	-	-
Low Income	1	-	-
Moderate Income	2	-	-

xiii. **Twins on Main (Block 27006, Lot 4)** – twenty (20) supportive needs rental units from the Twins on Main project. There are 12 moderate-income, 1-bedroom units and eight moderate-income, 2-bedroom units. The Township contributed \$800,000 for the construction of the units from the AH Trust Fund, and distributed those funds on 4/5/2007, 10/19/2007, and 3/7/2008. The controls began on 12/7/2007, with 30-year affordability controls.

xiv. **Residences at North Village (Block 16001, Lot 4.01)** – twenty-seven (27) family rental units from the Residences at North Village. The prior Plan included 44 units from the project, however 27 units were from the family-component and another 15 units were from the assisted living component (see The Chelsea). This is a multi-use project within an approved sewer service area. The effective date of the controls for the project began 9/17/2019, with 30-year affordability controls. The Administrative Agent for the project is CGP&H.

Residences at North Village Affordable Unit Distribution			
Income Distribution	Bedroom Distribution		
	1 BR	2 BR	3 BR
Very-Low Income	-	2	1
Low Income	1	8	2
Moderate Income	1	10	2

xv. **The Delmar (Block 2014, Lots 7 and 8)** – one (1) unit from the development at 200 Woodport Road. The project sought approval before the Planning Board to convert existing office spaces to additional residential dwellings within an existing mixed-use development. As part of the approval process, the property owner agreed to deed restrict one (1) unit from the development as affordable. A very-low income studio apartment was created. The effective date of the controls for the project began 5/20/2024, with 30-year affordability controls. The Administrative Agent for the project is CGP&H.

The Delmar Affordable Unit Distribution			
Income Distribution	Bedroom Distribution		
	Studio	1 BR	2 BR
Very-Low Income	1	-	-

xvi. **12 Woodport/Harder Pizza Place (Block 5016, Lot 53)** – two (2) affordable, family rental units from the 12 Woodport Road project. The Township entered into an agreement in 2006 with the Harder family during the reconstruction of an existing building in the Sparta Town Center. The Site Plan was modified to include an addition to an existing outbuilding on the property to two moderate income one bedroom apartments with a deed restriction for 30 years. The Township contributed \$50,000 for the construction of the two apartments from the AH Trust Fund, and distributed those funds on 2/9/2007. The effective date of the controls for the project began 03/24/2008, with 30 year affordability controls. The Administrative Agent for the project is CGP&H.

12 Woodport Road Affordable Unit Distribution			
Income Distribution	Bedroom Distribution		
	1 BR	2 BR	3 BR
Moderate Income	2	-	-

xvii. **Fluss Holdings Project (Town Center Overlay) (Block 5019, Lot 23)** – six (6) family rental units from the Fluss Holdings/53A Sparta Avenue project. The property is within the Town Center Overlay, established by Ordinance No. 20-04, and represents 6 of the total 25 units previously included in the plan. The Planning Board approved Application PB-708 via Resolution memorialized on August 7, 2024. The project is not yet under construction and the below bedroom and income distribution represents the anticipated restrictions on the units once constructed.

53A Sparta Avenue Affordable Unit Distribution			
Income Distribution	Bedroom Distribution		
	1 BR	2 BR	3 BR
Very-Low Income	1	-	-
Low Income	-	1	1
Moderate Income	-	3	-

xviii. **Chelsea at Sparta Assisted Living (Block 16008, Lot 8)** – fifteen (15) assisted living beds from the Chelsea at Sparta facility. The Developer's Agreement for the North Village project, and more specifically with Sparta Senior Living, LLC, set forth that the project would require 3 very-low income beds, 5 low income beds, and 7 moderate income beds.

xix. **Knoll View Assisted Living (Block 5016, Lot 4)** – nine (9) age-restricted beds from the twenty-nine (29) total beds in the Knoll View Assisted Living facility. This project is described under the Prior Round section.

xx. **Prior Cycle Credits: Knoll Heights Age-Restricted, 100% Affordable (Block 5016, Lot 1)** – seventy (70) age-restricted, affordable units from the Knoll Heights prior-cycle credits project. The development includes 150 total age-

restricted affordable rental units that were created through the New Jersey Housing Finance Agency, via Agreement dated September 21, 1977. The units are owned and managed by the Sparta Ecumenical Council on Senior Citizen Housing, Inc. The Agreement notes under "Section 18. Compliance with Hud Requirements. The Borrower will comply with all requirements imposed on it by the Agreement to Enter and by the Payments Contract and HUD regulations"..."The Borrower shall offer dwelling units for leasing and occupancy in strict accordance with the requirements of the Payments Contract and HUD regulations pursuant to a marketing program or plan previously approved by the Lender". The units remain 100% affordable. 70 of the 150 units are sought due to the age-restricted cap.

xxi. **Town Center Overlay Zoning** – nineteen (19) additional units out of the total twenty-five (25) to be provided from the TC Overlay zone. As noted above, the Fluss Holdings project was already approved within this zone. The Township adopted Ordinance 20-04, which set forth overlay and incentive zoning standards for the construction of additional affordable housing within the Town Center Zones. The Housing Element and Fair Share Plan adopted in November 2016 recognized the existing zoning of the Town Center Professional Business (TCPB) Zone as providing a realistic opportunity to produce inclusionary, affordable housing. Additionally, Paragraph 8 of the Settlement Agreement terms included that, "In addition, in an effort to satisfy its unmet need that is the subject of a durational adjustment, Sparta...will update and continue to implement its incentive zoning, density and intensity bonuses and mandatory set aside ordinances set forth in Code Section 18-8.5 to require a 15 percent set-aside for all new rental housing constructed in the Township and 20 percent set-aside for all new for-sale housing constructed in the Township in developments of more than four residential lots.

Chapter 18, Section 8.5 of the Township of Sparta Code provides for "Incentive Zoning and Mandatory Set-Asides", which apply to "all residential construction in all zones, mixed use residential and nonresidential construction, in the TCC Town Center Commercial Zone, TCPB Town Center Professional Business Zone, TCCO Town Center Commercial Office Zone, TCLC Town Center Limited Commercial Zone, C-2 Commercial Office and Service Zone, R-4, and C-1 Community Commercial Zone and all nonresidential zones and developments. In order to create future opportunities for affordable housing, implement, and remain in compliance with the Township's JOR, the Revised General Ordinances of the Township of Sparta, shall be amended to add additional incentive zoning and mandatory set aside provisions to the Town Center Commercial Zone (TCC), Town Center Commercial Office Zone (TCCO), Town Center Limited Commercial Zone (TCLC) and Town Center Professional Business (TCPB) zones as a mechanism to address the unmet need that is the subject of a durational adjustment in accordance with N.J.A.C. 5:93-4.2(h). The TCC Zones are recognized as a portion of Township that are within the Sewer Service Area. The Township is now proposing to modify the Town Center Overlay Zone Ordinance to require a 20% set-aside of affordable units for any projects that generate more than 5 total units, regardless of unit tenure. Within the Overlay, the TCPB Zone portion itself still allows the maximum number of apartment/multifamily units be one

hundred (100) units with a minimum of twenty-five (25) affordable units.

The Township has identified approximately a portion of the existing, underlying TCC Zone that are within the White Deer Plaza Historic District, which is on the National Register of Historic Places. These properties have been identified to be re-zoned to a historic zone district that protects the historic nature of the recognized district. This change to the underlying zoning will have no impact on the yield of the Overlay Zone, as they do not satisfy the criteria for incentive zoning, nor would each of them individually be able to produce additional units that would create a set-aside. The increase to the set-aside will assist in capturing additional affordable units throughout the remainder of the TCC Zone.

- xxii. **Town Center Professional Business (TCPB) Zone** – twenty-five (25) units from the existing TCPB Zone, which is comprised of Block 10002, Lot 61. The TCPB presently permits a planned development comprised of a mix of uses, and requires 25 units of affordable housing. This Zone provides that “second and third story multifamily units over retail, commercial, hotel, and office uses, but not over dry cleaning establishments. Townhouses, patio homes and condominium units are also permitted in conjunction with a Town Center Professional Business Planned Development. The planned development shall include up to 100 units of which at least 25 units shall be affordable family units. Of the 25 affordable units, at least 11 shall be three-bedroom affordable units (of which at least one unit shall be affordable to very-low-income households and at least five additional units to low-income households) and the remaining units shall be two-bedroom affordable units (of which at least two units shall be affordable to very-low-income households and at least five additional units to low-income households); no one-bedroom affordable units shall be included. As an incentive for this affordable housing requirement, there is no net density applicable to these 100 units, and the impervious coverage has been increased”.
- xxiii. **Blue Heron Village (Block 37001, Lot 1)** – sixteen (16) units from the Blue Heron Village project. This project was included as a mechanism in previous HEFSPs, and the units are unconstructed and proposed.
- xxiv. **Former Millrace Village/Crossroads at Sparta (Block 27004, Lots 3 and 14)** – nine (9) family rental units from the Crossroads at Sparta project/former Millrace Village property. This property has been zoned MF-3. The Township owns a portion of the property, and has been approached by the adjacent property owner to purchase the Township land in order to develop 44 total units, with 8 units set-aside as affordable. This property was in previous iterations of Prior Round plans, but was subsequently removed. The Township now seeks to add the site back into the Plan, and the units are unconstructed and proposed.
- xxv. **Leo Companies (150 Main Street – Block 27006, Lot 8)** – five (5) supportive needs beds from a supportive needs Group Home on a lot located at 150 Main Street adjacent to the Sparta Town Center. The parcel is known as Block 12, Lot 3 and has received Highlands Exemption. The Property exceeds two acres and the house can be constructed under 1 acre of disturbance and less than 1/4 acre of impervious coverage. The Spending Plan accounts for \$250,000 expenditure

for the creation of 5 supportive housing rental units. This project was included as a mechanism in previous HEFSPs, and the units are unconstructed and proposed.

c. Third Round Family Units Income and Bedroom Distribution

The following *Table G* demonstrates Third Round compliance with the required bedroom and income distributions for family units. There are a total of ninety-six (96) family units attributed towards the Third Round, including forty-seven (47) existing, six (6) recently approved, and forty-three (43) zoned. The income distribution of the units is required to be split 50% for low-income – inclusive of 13% very-low-income – and 50% moderate-income, and bedroom distribution is required to provide no more than 20% 1-bedroom units, at least 20% 2-bedroom units, and at least 20% 3-bedroom units. The additional sixty-eight (68) family units from the *Table E* that have only been zoned are not included in the Table below, but will comply with the bedroom and income distribution requirements for family units.

The presently constructed or approved units for the Third Round are deficient by one (1) very-low income family unit, and two (2) 3-bedroom family units. There is an excess of one (1) 1-bedroom family unit.

Table G. Third Round Bedroom and Income Distribution for Family Units				
Income Distribution	Bedroom Distribution			Totals
	Studio/1 BR	2 BR	3 BR	
Very-Low Income	2	3	1	6 (11.3 %)
Low Income	2	14	4	20 (37.7%)
Moderate Income	7	16	4	27 (50.9 %)
Subtotal Existing	11 (20.7%)	33 (62.2%)	9 (17%)	53

E. SITE SUITABILITY

Pursuant to N.J.A.C. 5:93-1.1, 5.3 and 5.6, all sites included in this plan are required to be available, approvable, developable, and suitable. The following analyses provide a site suitability test of the one (1) proposed site for new construction to meet the Township's Third Round adjusted obligation.

**1. CROSSROADS AT SPARTA (FORMER MILLRACE VILLAGE)
BLOCK 27004, LOTS 3 AND 14**

- 1) There are no known title encumbrances that would prohibit or otherwise impact the development of the property in general.
- 2) The site has access to appropriate streets. This Lot has direct access to Glen Road.

- 3) There is adequate water capacity based upon an analysis of the firm capacity.
- 4) The site is located in a sewer service area.
- 5) Per NJDEP mapping, there are no C-1 streams on-site.
- 6) There are no slopes that have been identified that are greater than 15 percent on the site. The disturbance should be limited if slopes are identified.
- 7) The site location is consistent with the draft State Development and Redevelopment Plan. The site is located in Planning Area 2, known as the Suburban Planning Area, in which compact growth is encouraged. The SDRP notes that “provide for a portion of the state’s future growth in compact development and redevelopment in Centers and other appropriate areas”.
- 8) Per NJDEP, the site is not on the Known Contaminated Sites List.
- 9) The site does not appear to be of exceptional cultural or historic value.
- 10) There are wetlands and riparian buffers to the east of the site that have impact on the developability of the southern portion of the property, as mapped by publicly available GIS data and provided by LOI from the property owner.



F. THE TOWNSHIP'S ALLOCATION OF THE FOURTH ROUND REGIONAL NEED

The Township has a Fourth Round Prospective Need Obligation of 311, based upon recommendation Judge Brogan via the Affordable Housing Dispute Resolution Program (AHD RP), which was set forth by Court Order by the Honorable Judge Janine Allen, J.S.C. on May 6, 2025.

1. Fourth Round Durational Adjustment

The Township sought a “durational adjustment” based upon sewer capacity in the Third Round.

As noted in the 2016 Settlement Agreement, under Paragraph 7, “this paragraph supports the infrastructure adjustment authorized pursuant to N.J.A.C. 5:93-4.1 and -4.3 based upon lack of adequate sewage capacity and sewer infrastructure within the Township”. The Sparta Town Center Sewer Service Area with Sussex County MUA (SCMUA) has a capacity of 210,000 gpd. Existing connections and reservations for single-family homes exceed the capacity. Additionally, the capacity in this SSA will be utilized for the previously adopted and Third Round mechanism for the Town Center Overlay, including the Fluss Holdings site, as well as the TCPMB Zone. There is no additional sewage treatment gallonage to allocate and the Township will not be authorizing additional projects that are not already standing in line to connect to the Township’s sewage collection system. Additional Sewer Service Areas within the Township are managed privately, and are already included in the Third Round as inclusionary projects and assisted living beds. Since the 2016 Settlement Agreement, there have not been any added capacity through infrastructure improvements, nor any extension of sewer lines in the Town Center SSA. Therefore, the Township is seeking a durational adjustment from the Fourth Round obligation based upon a lack of sewer capacity.

In accordance with the Second Round regulations (N.J.A.C. 5:93-4.3) for a durational adjustment, additional sites that may not readily or realistically have adequate sewer supply will be considered for overlay zoning requiring inclusionary development, only if sewer capacity becomes available in the future. The following unmet need mechanisms are included herein with for consideration rather than implementation, until sewer service area and sewer capacity can be established. While the Township is seeking a durational adjustment from the entirety of the Fourth Round obligation due to lack of adequate sewer capacity, the following mechanisms are proposed to capture additional units during the Fourth Round:

- **Mandatory Set-Aside Ordinance:** The Township will adopt a Township-wide Mandatory Set-Aside Ordinance to require a standard 20% set-aside for all multi-family projects of 5 units or more that benefit from a Use Variance, re-zoning, or Redevelopment Plan, regardless of tenure. As the Township has captured new units from existing projects and infill development previously during the Third Round, it is anticipated that this Ordinance will capture additional affordable housing units (See Appendix D).

2. Fourth Round Rental Obligation

Pursuant to NJ Rev Stat § 52:27D-311 (2024) provide that at least 25 percent of the Prospective Need component must be satisfied with rental units. Therefore, based on the Township’s obligation of 311, its rental obligation is 25 percent, or ninety-four (94) units. In consideration of the adjusted obligation, the rental obligation is zero (0) units until such time that the durational adjustment unmet need is considered if infrastructure is made available. The Township anticipates that family units

will be generated through the Mandatory Set-Aside Ordinance (MSO).

3. Fourth Round Age-Restricted Housing

Applying NJ Rev Stat § 52:27D-302 (2024), municipalities are permitted to age-restrict up to 30 percent of the Fourth Round obligation of 311, or ninety-three (93) units. In consideration of the adjusted obligation, the age-restricted cap is zero (0) units until such time that the unmet need is considered if infrastructure is made available.

4. Fourth Round Very-low-Income Housing Obligation

As a result of the July 2008, amendments to the Fair Housing Act, all municipalities have an obligation to ensure that at least 13 percent of the affordable units being provided town wide, with the exception of units constructed as of July 1, 2008 and units subject to preliminary or final site plan approval as of July 1, 2008, are affordable to very-low income households (households that earn 30 percent or less of the median income).

The Township anticipates that additional very-low-income units will be provided via future affordable housing projects through the Mandatory Set-Aside Ordinance. The Township will ensure that the 13% very-low income obligation is satisfied through any new projects, and that any very-low income units built after 2008 are inventoried and accounted for.

5. Fourth Round Rental Bonus Credits

In accordance with NJ Rev Stat § 52:27D-311 (2024), the Township will be entitled to rental bonus credits according to the maximum 25% cap permitted. Based upon the Fourth Round obligation of 311, the Township is permitted up to ninety-three (93) bonus credits. In consideration of the adjusted obligation, the bonus cap is zero (0) credits until such time that the unmet need is considered if infrastructure is made available.

6. Fourth Round Family Units

Pursuant to NJ Rev Stat § 52:27D-311 (2024), the minimum number of Fourth Round units that is required to address its prospective need affordable housing obligation through the creation of housing available to families with children is 50%. Therefore, the Township would require a minimum of 50% of the total Fourth Round Obligation of 311 less the total bonus credits of 94, or a 50% requirement of 109 units. In consideration of the adjusted obligation, the Township would require zero (0) units until such time that the unmet need is considered if infrastructure is made available.

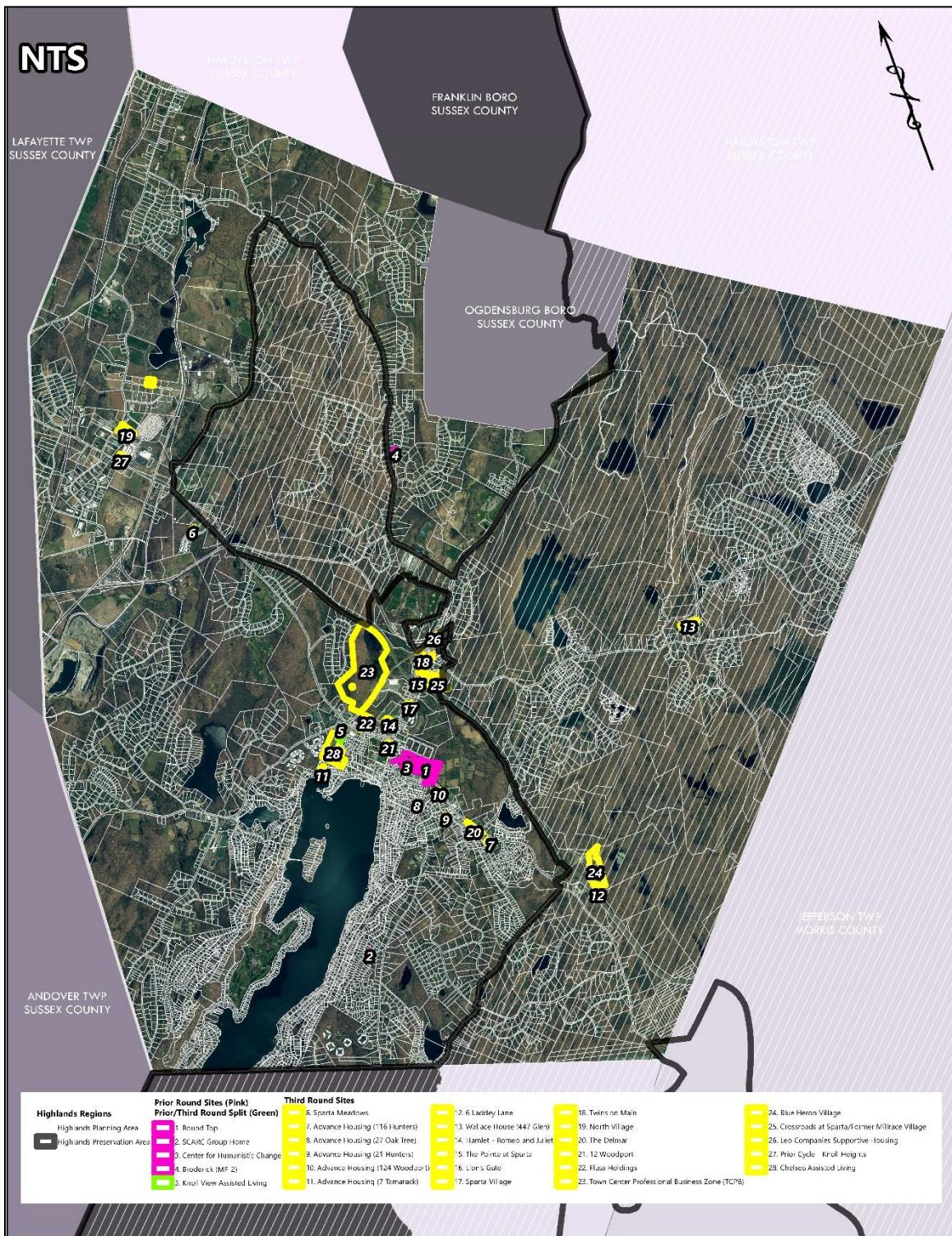
G. DEVELOPMENT FEE ORDINANCE AND SPENDING PLAN

The Township has an existing amended Development Fee Ordinance. The Township has prepared an Amended Spending Plan (See Appendix B). The Spending Plan outlines the anticipated collection and distribution of mandatory development fees and in lieu contributions, and the Township's proposals for spending the money that comes into the Affordable Housing Trust Fund.

H. MAP OF AFFORDABLE HOUSING SITES

The following map provides an overview of the housing sites included within this plan. Symbols

utilized in the map delineate the round the sites contribute to and are numbered with a corresponding legend, and give a visual overview of the Township's Fair Share Plan (See Appendix F).



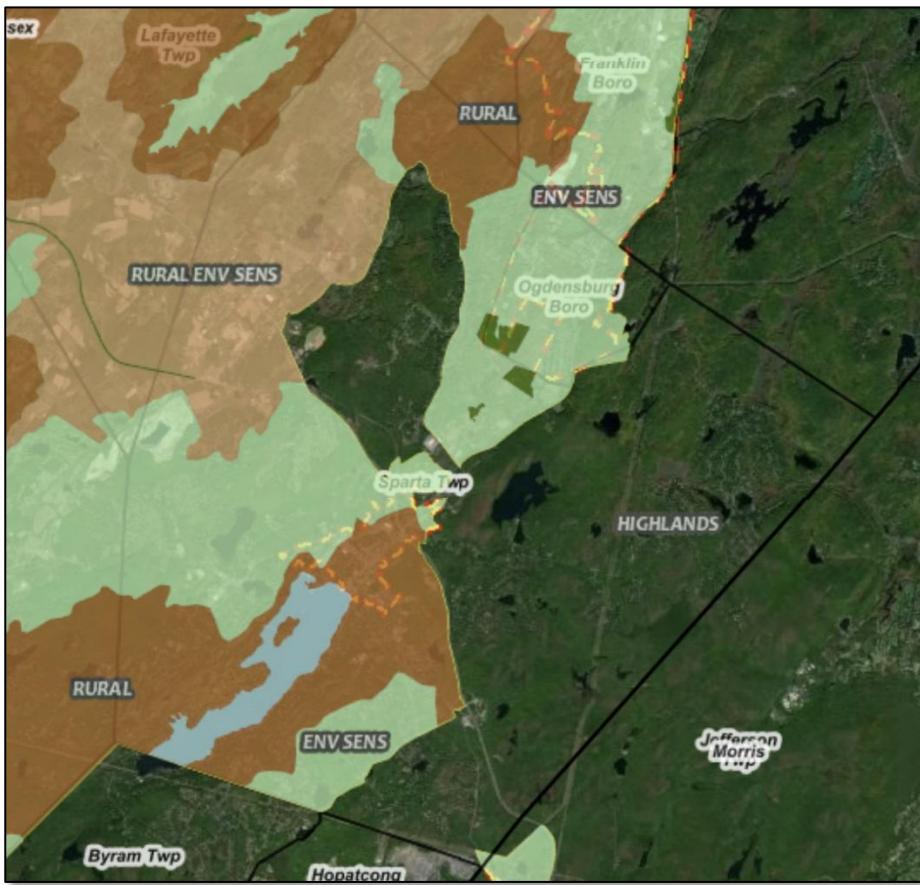
04 CONSISTENCY WITH THE STATE PLAN

The New Jersey State Development and Redevelopment Plan (“SDRP” or “State Plan”) was last updated in 2001. Presently, the State Plan is in the process of being updated. The update is overseen by the Office of Planning Advocacy (OPA) staff and the State Planning Commission (SPC). The SPC approved the Preliminary State Development and Redevelopment Plan, or Preliminary State Plan, on December 4, 2024 and it was released on December 6, 2024. The 2024 State Plan has identified ten (10) aspirational goals to achieve the 2050 vision.

As it relates to the Housing Element and Fair Share Plan, these draft Policy Objectives include Land Use goals to “Plan and zone to promote a variety of land uses that create balanced communities; Guide development and redevelopment in or near appropriately located Centers, and Nodes to accommodate growth based on smart growth principles; Encourage densities that support public transit, where appropriate; and to Preserve the character of agricultural land, prime soils, open space, and environmentally sensitive areas, with appropriate scaling of public facilities and services, without compromising the planning area’s capacity to accommodate future growth”. Policy goals related to Housing are outlined as follows: “Provide a full range of housing choices to accommodate projected growth; Development should occur primarily in or near Centers and at Appropriate Densities through new construction, redevelopment, and adaptive reuse; Provide an adequate supply of diverse housing types particularly for affordable units, senior citizen developments, accessory dwelling units, for residents with special needs, and cohousing and that wherever feasible, it is developed with maximum access to a full range of commercial, cultural, educational, recreational, health, and transportation services and facilities; Any housing outside the Center should be planned to maintain or enhance the existing character; Location of any type of housing in vulnerable areas is not consistent with the State Development and Redevelopment Plan”. Overall, the Township’s Housing Element and Fair Share Plan seeks to provide affordable housing opportunities via inclusionary projects through the Redevelopment of previously disturbed sites and to keep existing affordable units under deed restriction controls to maintain affordable housing stock and alleviate additional development pressures. These mechanisms capture many of the draft policy goals of the State Plan and are thus consistent.

The Draft State Plan Policy Map also sets forth Planning Areas, which are lands that share certain characteristics and are the subject of strategic planning intentions. Each Planning Area identifies the unique natural and built infrastructure in specific areas in New Jersey. Additionally, the SPP Map includes Centers/Nodes, which are central places of activity within Planning Areas where growth should either be focused or contained as well as identifies the scale, location, and design of livable communities and natural landscapes.

The Township of Sparta includes a number of different Planning Area designations, including PA 4 (Rural) around Lake Mohawk and in the northern portion of the Township; PA 5 (Environmentally Sensitive) to the southeast and north of Lake Mohawk, and around the Township border with Ogdensburg Borough; and PA 4B (Rural Environmentally Sensitive) in the western portion of the Township and in the northwest. Additionally, approximately half of the Township is located in the Highlands Preservation Area, mostly in the western and central portion. The map shows the areas of the Township and the designated Planning Area associated with it.



As noted in the draft SDRP, the intent of the PA 4, Rural Planning Area is as follows:

- maintain the Environs as large contiguous areas of farmland, open space, and forested areas;
- enhance habitats and sensitive lands;
- accommodate growth in Centers;
- reverse auto-oriented patterns of development;
- promote a viable agricultural or forestry industry;
- revitalize cities, towns, and other traditional settlements;
- protect, enhance, and diversify the existing character and agricultural economy of stable communities; and confine programmed sewers and public water services to Centers, except where public health is at stake.

While the Sparta Town Center has recently expired and has not completed the Plan Endorsement process for the Center renewal, much of the planning of the 25 years of the Center and the related Zoning are still in effect, including the Sewer Service Area. This Plan recognizes not only that, but the SDRP intent for the Planning Areas located in Sparta.

This HEFSP does not propose any new sites within the PA 4B or PA 5 portion to satisfy the adjusted Third Round obligation. A durational adjustment based upon sewer service areas and sewer capacity is sought for the remainder of the Third Round unmet need and Fourth Round obligation unmet need. Overall, the Township's HEFSP is consistent with the draft State Plan overarching policy objectives, as well as the intent of the designated planning areas within the Township on the draft policy map.

05. APPENDICES

APPENDIX A.

DURATIONAL ADJUSTMENT LAND ANALYSIS

DURATIONAL ADJUSTMENT REPORT
FOR THE
TOWNSHIP OF SPARTA



TOWNSHIP OF SPARTA
SUSSEX COUNTY, NEW JERSEY

JUNE 2, 2025

The original of this report was signed and
sealed in accordance with N.J.S.A. 45:14A-12.

KATHERINE SARMAD, PP, AICP
#33LI006343

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I. INTRODUCTION

Pursuant to the COAH Second Round Regulations under N.J.A.C. 5:93-4.1(c), “the lack of adequate capacity, in and of itself, shall constitute a durational adjustment of the municipal housing obligation. The requirement to address the municipal housing obligation shall be deferred until adequate water and/or sewer are made available.” In order to provide water and/or sewer on sites the Council determines are realistic for inclusionary development, municipalities shall adhere to the following:

1. Notwithstanding the lack of adequate water and/or sewer at the time a municipality petitions for substantive certification, the municipality shall reserve and set aside new water and/or sewer capacity, when it becomes available, for low and moderate income housing, on a priority basis.
2. Municipal officials shall endorse all applications to the DEP or its agent to provide water and/or sewer capacity. Such endorsements shall be simultaneously submitted to the Council.
3. Where the DEP or its designated agent approves a proposal to provide infrastructure to a site for the development of low and moderate income housing identified in the housing element, the municipality shall permit such development;
4. Where a municipality has designated sites for low and moderate income housing that lack adequate water and/or sewer and where the DEP or its designated agent approves a proposal to provide water and/or sewer to a site other than those designated for the development of low and moderate income housing in the housing element, the municipality shall amend its housing element and fair share housing ordinance to permit development of such site for low and moderate income housing. The amended housing element and fair share housing ordinance shall be submitted to the Council within 90 days of the site’s approval by the DEP or its agent. The Council may waive these requirements when it determines that the municipality has a plan that will provide water and/or sewer to sufficient sites to address the municipal housing obligation within the substantive certification period.

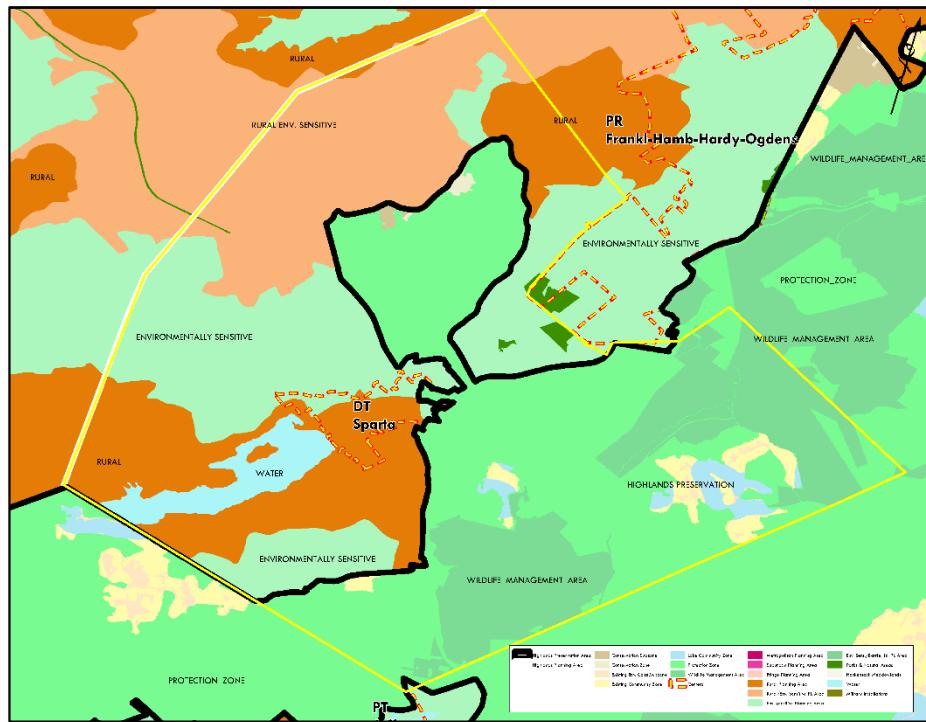
As outlined by the 2016 Housing Element and Fair Share Plan (HEFSP), Sparta Township “has multiple jurisdictional responsibilities that control development potential. There are three primary jurisdictional responsibilities: Highlands Preservation Area, Sussex County Wastewater Management Plan, and NJDEP designated Sewer Service Areas. Each of these jurisdictions control development through wastewater management standards.

a. *Highlands Preservation Area*

Roughly 50% of Sparta Township lands are within the Highlands Preservation area. Regulations in this area severely restrict development in order to protect water resources and the environment. Sparta Township conforms to the regulations established by the Highlands Regional Master Plan (RMP) and the NJDEP Highlands Water Protection and Planning Act Rules (N.J.A.C. 7:38) for lands within the Preservation Area.

TOWNSHIP OF SPARTA, SUSSEX COUNTY, NEW JERSEY

Fourth Round Durational Adjustment Analysis



b. Sussex County Wastewater Management Plan

The majority of rural land with development potential in Sparta lies within the Sussex County Wastewater Management Plan (SCWMP). The plan designates septic densities by watershed. The plan designates five separate watersheds within Sparta Township – including Paulins Kill (above Stillwater Village); Pequest River (above Bear Swamp); Musconetcong River (above Trout Brook); and Wallkill River (above road to Martins). These watersheds have septic densities ranging from 4.5 acres per septic to 4.8 acres per septic. The septic densities prescribed by the SCWMP do not provide suitable septic densities of even 6 dwelling units per acre for meaningful affordable housing projects, unless sewer service is provided.

c. Sewer Service Areas (SSA)

Due to the fact that compact development requires densities that are often beyond the capabilities of individual sewage disposal systems (septic), compact development is restricted to areas with access to approved sewer service areas.

II. SEWER CAPACITY AND SEWER SERVICE AREAS

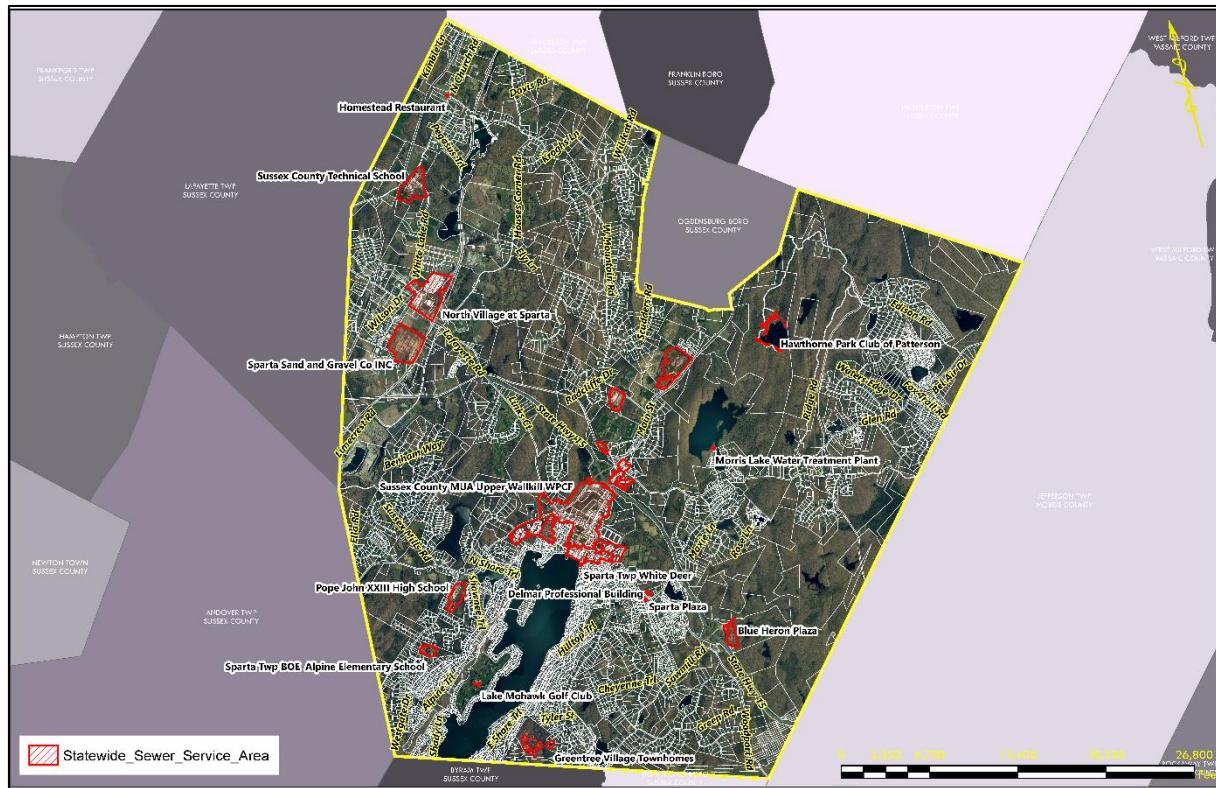
As noted in the 2016 Settlement Agreement, under Paragraph 7, “this paragraph supports the infrastructure adjustment authorized pursuant to N.J.A.C. 5:93-4.1 and -4.3 based upon lack of adequate sewage capacity and sewer infrastructure within the Township. The Sparta Town Center Sewer Service Area has a capacity of 210,000 gpd. Current connections and reservations exceed the capacity. The Township will be using the now balance to decommission the Township’s White Deer Sewage Treatment Plant. There is no additional sewage treatment gallongage to allocate and the Township will not be authorizing additional projects that are not already standing in line to

TOWNSHIP OF SPARTA, SUSSEX COUNTY, NEW JERSEY

Fourth Round Durational Adjustment Analysis

connect to the Township's sewage collection system. Additional Sewer Service Areas within the Township are managed privately, and are already included in the HEFSP as inclusionary projects".

The areas shown in red below represent portions of the Township that are in the Sewer Service Area.



The realistic opportunity for development in Sparta is limited to areas with centralized sanitary sewer systems. An analysis of all vacant properties within the existing sewer service area was conducted to determine the development potential of these properties, which was similarly conducted in previous HEFSPs. Overall, there were 50 vacant properties within existing SSAs. Many of these properties are actually developed sites, and appear as vacant due to assessment as condominium property's common areas, and thus are not developable. Other properties are presently vacant as undeveloped single-family lots from a subdivision, or Lake Mohawk Country Club property along the Boardwalk. Overall, many of these properties are "vacant" only by tax assessment and are not developable in nature – particularly to support the appropriate minimum presumptive densities of 6 units per acre to produce an affordable set-aside.

The analysis provided that there are approximately 2.7 acres of actual vacant land within sewer service areas in the Township, across 2 separate properties. At a presumptive density of 6 units per acre, this results in 16.2 new units, or a development potential of roughly 3 future units.

As provided under Exhibit A, this concludes that this is a severely limited development potential remaining in Sparta Township.

III. CONCLUSION

This analysis supports the Township sewer capacity data, as provided in the Third Round Settlement Agreement. The sewer service areas are limited within the Township, and in particular, these areas are already largely built out. The remaining properties are small, or already serve a purpose.

Thus, the above represents a realistic number of units based on a detailed and discerned parcel analysis that neither inflates nor deflates the amount of “developable” land within the SSA. The raw vacant land data has been compiled into a table under *Exhibits A*, with a parcel-by-parcel description.

TOWNSHIP OF SPARTA, SUSSEX COUNTY, NEW JERSEY

Fourth Round Durational Adjustment Analysis Exhibits

IV. EXHIBITS

TOWNSHIP OF SPARTA, SUSSEX COUNTY, NEW JERSEY

Fourth Round Durational Adjustment Analysis Exhibits

SPARTA SEWER SERVICE AREA DETAILED VACANT LOT REVIEW					
Block	Lot	Total Area (ac)	Un-Developable	Developable	Review
2001	46	0.6	0.6	0.0	Stormwater Basin for Biondi office building recently constructed.
2026	5	0.1	0.1	0.0	Signage area for strip mall, adjacent to ROW
2026	2	0.1	0.1	0.0	Wooded Area/Landscaped for multi-tenant building on Stanhope Road
2027	14	0.3	0.3	0.0	Wooded Area strip adjacent to Sparta Lanes and Round Top
2028	2	0.2	0.2	0.0	Vacant. Undersized.
2100	1	15.3	15.3	0.0	Round Top (Common Area)
2200	2	2.0	2.0	0.0	Sparta Village (Common Area)
3100	1	8.0	8.0	0.0	Greentree Village (Common Area)
4017	71	12.2	12.2	0.0	Pope John/Reverend Brown schools
4017	72	10.3	10.3	0.0	Pope John/Reverend Brown schools
5016	66	1.8	1.8	0.0	LMCC Parking Lot/Wetlands
5016	65	0.9	0.9	0.0	LMCC Parking Lot
5019	3	17.1	17.1	0.0	Township Open Space

TOWNSHIP OF SPARTA, SUSSEX COUNTY, NEW JERSEY

Fourth Round Durational Adjustment Analysis Exhibits

5019	2	3.1	3.1	0.0	Crossings at Sparta
5019	23	2.6	2.6	0.0	Crossings at Sparta
5020	6	1.1	0.0	1.1	Portion of Stop and Shop center pad site - developable.
5024	8	0.9	0.9	0.0	White Deer Plaza parking area for retail
5024	5	0.2	0.2	0.0	Walkill River traverses property
5048	16	0.4	0.4	0.0	Parking and part of Lake Mohawk
5049	22	0.2	0.2	0.0	Part of LMCC, Adjacent to Boardwalk
5049	21	0.2	0.2	0.0	Part of LMCC, Adjacent to Boardwalk
5049	20	0.1	0.1	0.0	Part of LMCC, Boardwalk Park
5100	1	18.2	18.2	0.0	Sparta Commons (Common Area)
5200	1	1.6	1.6	0.0	Sparta Commons (Common Area)
5300	1	4.4	4.4	0.0	Sparta Commons (Common Area)
5400	1	1.9	1.9	0.0	Sparta Commons (Common Area)
5500	1	2.3	2.3	0.0	Hamlet at Town Center Condo Building (Common Area)
5500	3	0.3	0.3	0.0	14 Main Street Condo Building (Common Area)
1000 1	10	1.6	0.0	1.6	Lawn Area in front of "Sparta Fieldhouse"
1000 2	61	25.3	25.3	0.0	Included in HEFSP under "TCPB Zone"
1000 2	2	1.4	1.4	0.0	Common Area for 21 Lafayette Road Condo Building
1600 1	4	36.4	36.4	0.0	Developed as North Village
1600 1	91	25.9	25.9	0.0	Developed as North Village
1600 1	89	22.5	22.5	0.0	Developed as North Village
2700 1	1	0.5	0.5	0.0	Glen Lake Common Area

TOWNSHIP OF SPARTA, SUSSEX COUNTY, NEW JERSEY

Fourth Round Durational Adjustment Analysis Exhibits

2700 4	14	1.8	1.8	0.0	Included in HEFSP as "Millrace Village/Crossroads at Sparta"
2700 4	2	0.5	0.5	0.0	Included in HEFSP as "Millrace Village/Crossroads at Sparta"
2700 6	5	0.4	0.4	0.0	Lion's Gate (Approved Subdivision)
2700 6	15	0.4	0.4	0.0	Lion's Gate (Approved Subdivision)
2700 6	7	0.4	0.4	0.0	Lion's Gate (Approved Subdivision)
2700 6	20	0.3	0.3	0.0	Lion's Gate (Approved Subdivision)
2700 6	24	0.2	0.2	0.0	Lion's Gate (Approved Subdivision)
2700 6	22	0.2	0.2	0.0	Lion's Gate (Approved Subdivision)
2700 6	23	0.2	0.2	0.0	Lion's Gate (Approved Subdivision)
2700 6	6	0.2	0.2	0.0	Lion's Gate (Approved Subdivision)
2700 6	19	0.1	0.1	0.0	Lion's Gate (Approved Subdivision)
2700 6	33	0.1	0.1	0.0	Vacant. Undersized.
2700 6	32	0.1	0.1	0.0	Vacant. Undersized.
2700 6	27	0.1	0.1	0.0	Lion's Gate (Approved Subdivision)
3700 1	1	14.1	14.1	0	Included in HEFSP as "Blue Heron Village"
Total Developable Area				2.7	

APPENDIX B.

AMENDED SPENDING PLAN (DRAFT)

**TOWNSHIP OF SPARTA
AFFORDABLE HOUSING TRUST FUND SPENDING PLAN****I. INTRODUCTION**

The Township of Sparta, Sussex County, has prepared a Housing Element and Fair Share plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Fair Housing Act (N.J.S.A. 52:27D-301). COAH approved the Township's Spending Plan on March 10, 1998. A Development Fee Ordinance creating a dedicated revenue source for affordable housing was adopted by the Township on December 9, 1997, by way of Ordinance No. 12-9-97, and subsequently amended by Ordinance No. 958, Ord. No. 05-05, Ord. No. 08-03, and Ord. No 08-08. Said Development Fee Ordinance established the Township's Affordable Housing Trust Fund. Finally, this Spending Plan has been prepared as part of the Housing Element and Fair Share plan.

As of January 31, 2025, the Township had a balance of \$595,248.55 in the Affordable Housing Trust Fund, which is resulting from a collection of \$3,266,026.35 and an expenditure of \$2,670,777.80. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited in a separate interest-bearing Affordable Housing Trust Fund at Valley National Bank, located at State Highway Route 181 in the Township of Sparta, for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:93-8.16 as described in the sections that follow.

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the fourth round prospective need period (2025-2035), the Township considered the following:

(a) Development fees:

1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PIL):

Currently, there are no actual or committed payments in lieu of construction from any developer, although such payments may be collected in the future.

(c) Other funding sources:

Funds from other sources have not been collected.

(d) Projected interest:

Interest on the projected revenue in the municipal Affordable Housing Trust Fund at the current average interest rate 0.50% simple interest.

2. REVENUE PROJECTION

The Township of Sparta, as reported by the New Jersey Department of Community Affairs (NJDCA) Construction Code Reporter, issued permits authorizing the new construction of nine (9) 1- and 2-family housing units during 2017, as well as, building permits for 13,579 square feet of new office space and additions to office space. In 2018, the Township issued twenty-five (25) permits authorizing the new construction of 1- and 2-family housing units and eight (8) permits for multifamily housing units, as well as, building permits for 116,111 of retail space and 3,990 square feet of additions to office space. In 2019, the Township issued one-hundred and fourteen (114) permits authorizing the new construction of 1- and 2-family housing units and twenty (20) multi-family housing units, as well as 990 square feet of office space. In 2020, the Township issued eighty (80) permits authorizing the new construction of 1- and 2-family housing units, as well as 31,099 square feet of office space. In 2021, the Township issued permits for the new construction of fourteen (14) 1- and 2-family housing units, as well as 31,849 square feet of office space. In 2022, the Township issued ten (10) permits authorizing the new construction of 1- and 2-family housing units, as well as 33,000 square feet of office space. In 2023, the Township issued five (5) permits authorizing the new construction of 1- and 2-family housing units and one (1) multi-family

housing unit, as well as 14,441 square feet of new office space and additions to office space.

The Township anticipates issuing permits authorizing approximately one-hundred (100) units over the balance of the prospective Fourth Round period (2025-2035). This estimated projection is based on the fact that, (i) the Township has limited sewer service area, (ii) that many residential building permits are for tear-down/rebuilds or additions to existing dwellings, and (iii) that in the preceding 7-year period (2017-2023), the Township issued permits authorizing the new construction of 248 housing units that were largely related to 1 and 2 family projects, which has been decreasing over that time period.

The projection of development fees realized from residential development requires the application of the Township's equalization rate and establishment of an average equalized assessed value for housing. The Township's equalization rate for 2024 was 64.08% and the average residential assessment in the Township is \$372,229. Dividing the average value of housing by the equalization rate yields the average equalized assessed value for housing, being thusly \$580,881 ($\$372,229 / 0.6408$). As this plan assumes the approximate development of an estimated 100 units over the prospective remainder of the Fourth Round period, the Township may potentially realize a development fee collection of \$871,321 – this is based on the multiplication of average equalized housing value of \$580,881 x 200 units x the residential development fee of 1.5% of equalized assessed value.

The Township may also receive nonresidential development fees pursuant to N.J.S.A. 40:55D-8.1 et. seq, under which a fee equal to (i) 2.5% of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots; or (ii) 2.5% of the increase in equalized assessed value, of the additions to existing structures to be used for non-residential purposes, is to be paid.

The Township collected development fees for non-residential uses from 2002 to 2025 in the amount of \$121,547.50. However, non-residential development fees were not collected between 2010 and 2013, and the Stimulus Act Refunded fees in 2009, and thus the average will be calculated based on only the years they were collected, or 20 years. Thus, the average non-residential development fees collected by the Township represents \$6,077 per year. It is anticipated that the Township will therefore collect \$60,773 through 2035. Any such funds will be used to help fund (i) the Township's Rehabilitation Program, (ii) affordable housing programs, including Extension of Controls, (iii) Affordability Assistance, and (iv) Administrative costs.

The Township, as of January 31, 2025, had an amount of \$595,248.55 in the Affordable Housing Trust Fund. When adding the potential development fee collection amount of \$992,868.50 and existing account interest of \$2,976 (assuming a 0.50% fixed interest rate), a projected total development fee revenue of \$995,844 results. Combined with the existing funds, this results in a total of \$1,591,092.

**TABLE 1: PROJECTED REVENUES HOUSING TRUST FUND
SPARTA, SUSSEX COUNTY, NEW JERSEY**

SOURCE OF FUNDS	PROJECTED REVENUES-HOUSING TRUST FUND – JUNE 30, 2025 THROUGH JUNE 30, 2035											
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
(a) Development fees:												
1. Approved Development												
2. Development Pending Approval												
3. Projected Development	\$90,261	\$90,261	\$90,261	\$90,261	\$90,261	\$90,261	\$90,261	\$90,261	\$90,261	\$90,261	\$90,261	\$992,868
(b) Payments in Lieu of Construction												
(c) Other Funds												
(d) Interest on Existing Balance*	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$2,976
Total	\$90,531	\$90,531	\$90,531	\$90,531	\$90,531	\$90,531	\$90,531	\$90,531	\$90,531	\$90,531	\$90,531	\$995,844

*Table assumes a 0.50% fixed interest rate

The Township of Sparta projects a potential total of \$995,844 in revenue collected between June 30, 2025 and June 30, 2035. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing.

3. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The following procedural sequence for the collection and distribution of Development Fee revenues shall be followed by the Township of Sparta:

(a) Collection of Development Fee revenues:

Collection of Development Fee revenues shall be consistent with the Township of Sparta's Development Fee Ordinance for both residential and non-residential developments in accordance with the updated DCA rules and P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7), as amended.

At the time of construction permit application, the construction official will notify the tax assessor and request an initial calculation of the equalized assessed value (EAV) of the proposed development and the resulting fee to be posted. One-half of the fee will be due at the time of issuance of the first building permit. For non-residential development only, the developer will be provided a copy of Form N – RDF "State of New Jersey Non-Residential Development Certification/Exemption". This form will be used by the tax assessor to verify exemptions and to prepare estimated and final assessments.

At the time of request for the final inspection, the construction official will notify the tax assessor and request confirmation of, or modification of, the initial (EAV) as the case may be. The final (EAV) will be provided to the developer within ten (10) days of the request for final inspection. Payment of the fee will then become a condition of issuance of the certificate of occupancy.

(b) Distribution of Development Fee revenues:

A general description of the distribution of revenues is provided below:

The Municipal Housing Liaison forwards a requisition of affordability assistance and administrative costs (routine expenditures) and rehabilitation expenditures and costs for municipally sponsored 100% affordable housing development (significant expenditures) to the Finance Department recommending the expenditure of development fee revenues as set forth in this spending plan. The Finance Department reviews the request for consistency with the spending plan.

Once a request is approved by the Finance Department, the request is presented to the Township Council for approval. After receiving Township Council approval, the Township of Sparta Administrator releases the requested revenue from the trust fund for the specific use.

4. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) Special Needs/Supportive Housing Subsidy

The Township of Sparta will dedicate \$407,606 towards the creation of Special Needs/Supportive Housing units, including \$250,000 that was previously provided for the proposed Group Home on Block 12, Lot 3. The Township recognizes the growing need for specialized housing, and sets aside these funds to help create Special Needs/Supportive Housing units either through a private or non-profit organization/operator, or through the creation of these units as a segment of a larger inclusionary multi-family project. Supportive needs housing can be created through existing single-family housing, and this subsidy will help provide realistic opportunities for supportive housing and group home operators to produce and maintain units.

Special Needs/Supportive Housing expenditure: **\$407,607**

(b) Affordability Assistance N.J.A.C. 5:93-8.16(c)

Projected minimum Affordability Assistance requirement:

TABLE 2: PROJECTED MINIMUM AFFORDABILITY ASSISTANCE REQUIREMENTS SPARTA, SUSSEX COUNTY, NEW JERSEY		
Actual Development Fees and Other Income through 01/31/35		\$3,266,026
Development fees projected 2025-2035	+	\$992,868
Interest projected 2025-2035	+	\$2,976
Less housing activity expenditures through 01/31/35	-	\$2,461,899
	TOTAL	= \$1,799,971
30 percent requirement	x 0.30 =	\$539,991
Less Affordability assistance expenditures through 1/31/35	-	\$0.00
PROJECTED MINIMUM Affordability Assistance Requirement 06/30/2025 through 6/30/2035	=	\$539,991
PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement 06/30/2025 through 6/30/2035	÷ 3 =	\$179,997

The Township of Sparta will dedicate \$539,991 from the Affordable Housing Trust Fund to render units more affordable. Of this amount, \$179,997 will be utilized to encourage private sector provision of low- and moderate-income units through the offering of a subsidy for the development of said units or will be utilized to create very-low income units from existing or new low- and moderate-income units. The Township reserves the right to use even more of its affordability assistance funds to help subsidize these units.

The Township has an existing Affordability Assistance program manual, which includes the following programs:

For For-Sale Units, in the form of down-payment assistance loans, homeowner assistance loans for Condominium or Homeowner Association fees, and qualified closing cost assistance.

For Rental Units, in the form of security deposit assistance and first month rental assistance, which are enhanced for very low-income households.

Total Affordability Assistance Expenditure: **\$539,991**

(c) Administrative Expenses N.J.A.C. 5:93-8.16(e)

The Township of Sparta projects that up to an additional \$643,494 will be available from the Affordable Housing Trust Fund to be used for administrative purposes based upon collected and projected income, which includes the subtraction of \$208,879 expended to date. Additionally, based upon actual development fees and revenues collected to date and the expenditure of administrative expenses to date, \$444,327 are currently available for administrative costs.

TABLE 3: PROJECTED MAXIMUM ADMINISTRATIVE EXPENSES SPARTA, SUSSEX COUNTY, NEW JERSEY		
Development fees/interest collected to date		\$2,659,786
Other Payments	+	\$606,239
Development fees projected 2025-2035	+	\$992,868
Interest projected 2025-2035		\$2,976
Less RCA Expenditures	-	\$0.00
	TOTAL	\$4,261,869
20 percent maximum permitted administrative expenses	$\times 0.20 =$	\$852,373
Less administrative expenditures through to date	$-$	\$208,879
Projected allowed administrative expenditures	$=$	\$643,494

Projected administrative expenditures, subject to the 20 percent cap, are as follows:

- 1) Personnel wages, salaries and benefits for administering affordable housing activities;
- 2) Consulting fees for the preparation of Housing Element/Fair Share Plans, assisting in rehabilitation programs and other affordable housing activities including, but not limited to, professional planner and professional engineer consultant fees;
- 3) Fees for other consulting activity as may be found necessary supportive of affordable housing provision, including office supplies;
- 4) Legal fees; and

3) Fees for the administration of Affordability Assistance programs by qualified entities retained by the Township of Sparta.

Total Administrative Expenses Expenditures Thru 2035: **\$643,494**

5. EXPENDITURE SCHEDULE

The Township of Sparta intends to use Affordable Housing Trust Fund revenues for the creation of affordable housing units and for affordable housing programs. Where applicable, the funding schedule below parallels the proposed strategies presented thus far by the Township's HEFSP, and is summarized as follows.

TABLE 3: PROJECTED EXPENDITURE SCHEDULE 2025 - 2035
SPARTA, SUSSEX COUNTY, NEW JERSEY

Program <i>[Individually list programs and projects e.g. Rehab, Accessory Apartments, for-sale and rental municipally sponsored, etc.].</i>	Number of Units Projected	Funds Expended and/or Dedicated	PROJECTED EXPENDITURE SCHEDULE 2025 - 2035												
			2025-2035	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Supportive/Speci al Needs Housing	5-7	\$407,607		\$250,000	\$157,607										\$407,607
Total Programs	5-7	\$407,607		\$250,000	\$157,607										\$407,607
Affordability Assistance															
Affordability Assistance		\$539,991	\$49,090	\$49,090	\$49,090	\$49,090	\$49,090	\$49,090	\$49,090	\$49,090	\$49,090	\$49,090	\$49,090	\$539,991	
Administration															
Administration		\$643,494	\$58,499	\$58,499	\$58,499	\$58,499	\$58,499	\$58,499	\$58,499	\$58,499	\$58,499	\$58,499	\$58,499	\$643,494	
Total		\$1,591,092	\$107,590	\$357,590	\$265,197	\$107,590	\$1,591,092								

6. EXCESS OR SHORTFALL OF FUNDS

The Township of Sparta acknowledges that the actual amount of the Development Fees collected may be less than what is projected in this spending plan for a variety of reasons, including, but not limited to: (a) a moratorium on collection of fees may be imposed by law; (b) the actual amount of development in the Township may be less than what is anticipated; and (c) developers may choose to provide inclusionary developments in lieu of Development Fees. The Township has already provided more than enough units to satisfy its Prior Round obligation through already constructed and/or approved projects (as set forth in the Housing Element and Fair Share Plan). Likewise, the Township has already begun fulfilling its Rehabilitation Obligation and has set aside further funding for this program; and thus, in the event of a shortfall of funds, any shortfall will first be deducted from the Rehabilitation Program.

In the event that the shortfall exceeds the amount devoted to the Rehabilitation Program, any shortfall in funds necessary to fund the Rehabilitation Program shall be supplemented through the Township's participation in Sussex County's Home Improvement Grant Program. The Township will take the steps necessary to apply for and obtain funds from the Sussex County Home Improvement Grant Program in the amount necessary to cover any shortfall in funds collected through the Development Fees, which are needed to satisfy the Township's rehabilitation obligation as set forth in the Housing Element and Fair Share Plan.

Should there be a shortfall of funds; the Township agrees that in no event shall it utilize more than 20% of the Development Fees collected for administration.

In the event of excess funds, any remaining funds above the amount necessary to satisfy the municipal affordable housing obligation will be used to supplement the Township's Affordability Assistance Programs.

II. SUMMARY

The Township of Sparta intends to spend Affordable Housing Trust Fund revenues pursuant to N.J.A.C. 5:93-8.16 and consistent with the housing programs outlined in the Housing Element and Fair Share Plan.

The Township of Sparta had a balance of \$595,248.55 as of January 2025 and anticipates an additional \$992,868 in revenues over the Fourth Round prospective need period with interest in the amount of \$2,976, for a total of \$1,591,092. The municipality will dedicate \$407,607 towards subsidizing Supportive Housing/Special Needs projects; \$539,991 to render units more affordable; and \$643,494 to cover administrative costs. The municipality anticipates that the balance of revenues collected less expenses from 2025 to 2035 will be as close to zero dollars (\$0) as possible whereas any excess funds would be dedicated toward supplementing the various Affordable Housing and Affordability Assistance Programs described herein.

TABLE 4: SPENDING PLAN SUMMARY SPARTA, SUSSEX COUNTY, NEW JERSEY		
Balance as of 01/31/2025		\$595,248.55
PROJECTED REVENUE 06/2025 – 6/2035		
Development fees	+	\$992,868.00
Payments in lieu of construction	+	\$00.00
Other funds	+	\$00.00
Interest on existing funds	+	\$2,976.00
TOTAL REVENUE	=	\$995,844.00
TOTAL EXISTING AND PROJECTED INCOME	=	\$1,591,092.00
EXPENDITURES		
Funds Used for Supportive Housing/Special Needs	-	\$407,607.00
Affordability Assistance	-	\$539,991.00
Administration	-	\$643,494.00
TOTAL PROJECTED EXPENDITURES	=	\$1,591,092.00
REMAINING BALANCE	=	\$00.00

APPENDIX C.

MANDATORY SET-ASIDE ORDINANCE (DRAFT)

Township of Sparta, New Jersey
ORDINANCE No. 2025-

**AN ORDINANCE OF THE TOWNSHIP OF SPARTA, COUNTY OF SUSSEX AND STATE OF NEW JERSEY AMENDING
THE CODE OF THE TOWNSHIP OF SPARTA, CHAPTER 18 ENTITLED COMPREHENSIVE LAND MANAGEMENT CODE,
SECTION 4.2 ENTITLED GENERAL PROVISIONS, SUBSECTION "Q" "AFFORDABLE HOUSING" TO ADD ITEM "3"
MANDATORY SET-ASIDES**

WHEREAS, the State of New Jersey has a longstanding and well-established commitment to maximizing the opportunities for the development of housing affordable for very low-, low-, and moderate-income households; and

WHEREAS, the provision of "safe, decent and attractive housing that [lower-income households] can afford serves the community's interest in achieving an integrated, just and free society and promotes the general welfare of all citizens." De Simone v. Greater Englewood Hous. Corp., 56 N.J. 428, 441 (1970); and

WHEREAS, in the Mount Laurel decisions, the New Jersey Supreme Court held that the State's Constitution makes it "plain beyond dispute that proper provision for adequate housing of all categories of people is certainly an absolute essential in promotion of the general welfare required in all local land use regulation." S. Burlington Cty. NAACP v. Mount Laurel, 67 N.J. 151, 179 (1975) (Mount Laurel I); and

WHEREAS, the Court thus found that "each . . . municipality [must] affirmatively . . . plan and provide, by its land use regulations, the reasonable opportunity for an appropriate variety and choice of housing, including, of course, low and moderate cost housing, to meet the needs, desires and resources of all categories of people who may desire to live within its boundaries." Ibid; and

WHEREAS, the New Jersey Legislature itself affirmed this commitment when it enacted the Fair Housing Act of 1985, which established that it is in the State's interest "to maximize the number of low and moderate units by creating new affordable housing and by rehabilitating existing, but substandard, housing in the State." N.J.S.A. 52:27D-302; and

WHEREAS, accordingly, the New Jersey Supreme Court has determined that "[a]ffordable housing is a goal that is no longer merely implicit in the notion of the general welfare. It has been expressly recognized as a governmental end and codified under the FHA." Holmdel Builders Ass'n v. Holmdel, 121 N.J. 550, 567 (1990); and

WHEREAS, since then, New Jersey's courts have consistently recognized that "[t]he public policy of this State has long been that persons with low and moderate incomes are entitled to affordable housing," and furthermore that those policies do not end when a municipality has satisfied its minimum obligation under the FHA because "[t]here cannot be the slightest doubt that shelter, along with food, are the most basic human needs." Homes of Hope, Inc. v. Eastampton Tp. Land Use Planning Bd., 409 N.J. Super. 330, 337 (App. Div. 2009) (quoting Mount Laurel I, 67 N.J. at 178); and

WHEREAS, the Township of Sparta has a fair share obligation consisting of a prior round obligation of 76 units, a third round need of 377 units, and a fourth round obligation of 311; and

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Council of the Township of Sparta, Sussex County, New Jersey, that the Land Development Regulations set forth in Chapter 18 entitled Comprehensive Land Development Code, at Section 4.2 entitled "General Provisions", Subsection "q" entitled "Affordable Housing Provisions", is hereby amended, modified and supplemented as follows:

Section 1. Section 18-4.2, Subsection q, shall be amended to add the new section "3", entitled "Mandatory Affordable Housing Set-Aside", as follows:

3. Mandatory Affordable Housing Set-Aside.

- A. Affordable Housing Set-Aside. A mandatory on-site affordable housing set-aside requirement shall apply beginning with the effective date of this ordinance to any residential development, including the residential portion of a mixed-use project, which consists of five (5) or more new residential units, which results, in whole or in part, from: (i) a municipal rezoning or zoning amendment adopted after the effective date of this Ordinance; (ii) any variance pursuant to N.J.S.A. 40:55D-70(d), including but not limited to any use variance or a density variance increasing the permissible density; and (iii) the adoption of a new or amended redevelopment plan or rehabilitation plan. The set-aside shall be twenty percent (20%).
 - (1) All affordable housing controls and standards are subject to the rules of the Council on Affordable Housing ("COAH") or any subsequent state agency, or as approved by the Court. The development, marketing and sale of the affordable units shall be pursuant to applicable state regulations and §154-205 of this chapter, and any subsequent amendments thereto.
 - (2) This requirement shall not impose any obligation on a development, or the nonresidential portion of a mixed-use development, that is subject to the Statewide Non-Residential Development Fee Act, N.J.S.A. 40:55D-8.1 et seq.
 - (3) All subdivision and site plan approvals of qualifying developments shall be conditioned upon compliance with the provisions of the mandatory affordable housing set-aside.
 - (4) No subdivision shall be permitted or approved for the purpose of avoiding compliance with the mandatory affordable housing set-aside. A developer may not, for example, subdivide a project into two lots and then plan each of them to produce a number of units below the threshold. The approving authority may impose any reasonable conditions to ensure such compliance.
 - (5) The mandatory affordable housing set-aside shall not give any developer the right to any rezoning, variance, redevelopment designation or redevelopment or rehabilitation plan approval, or any other such relief, or establish any obligation on the part of the municipality to grant such rezoning, variance, redevelopment designation, redevelopment or rehabilitation plan approval, or other such or further relief.

Section II.

Severability. If any article, section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held by a court of competent jurisdiction to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance and they shall remain in full force and effect and shall be deemed valid and effective.

Inconsistencies. In the event of any inconsistencies between the provisions of this Ordinance and any prior ordinance of the municipality, the provisions hereof shall be determined to govern and those inconsistent provisions shall be repealed to the extent of such inconsistency.

Referral to Planning Board. A copy of this Ordinance shall be referred to the Planning Board following its introduction for review pursuant to N.J.S.A. 40A:55D-26A.

Effective Date and Scope. This Ordinance shall immediately take effect upon its passage and publication, and as otherwise provided for by law. The provisions of this Ordinance shall be applicable within the entire municipality upon final adoption and shall become a part of the Code once completed and adopted.

INTRODUCED the _____ day of _____, 2025.

ADOPTED the _____ day of _____, 2025.

APPENDIX D.
AMENDMENT TO SECTION 18-8.5,
“INCENTIVE ZONING
AND MANDATORY SET-ASIDES” (DRAFT)

TOWNSHIP OF SPARTA

ORDINANCE NO. 2025-XXX

**AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE TOWNSHIP OF SPARTA
AMENDING CHAPTER XVIII, ENTITLED "COMPREHENSIVE LAND MANAGEMENT CODE" OF
THE TOWNSHIP OF SPARTA CODE TO AMEND SECTION 18-8.5 ENTITLED "INCENTIVE
ZONING AND MANDATORY SET ASIDES"**

WHEREAS, the Township of Sparta Planning Board adopted the Housing Element and Fair Share Housing Plan of the Township of Sparta Master Plan, dated March 14, 2016 in November 2016;

WHEREAS, the Township of Sparta entered into a Settlement Agreement between the Township of Sparta ("Sparta"), the Planning Board of the Township of Sparta, the declaratory judgment petitioners ("Sparta" or "Petitioners"), and Fair Share Housing Center ("FSHC"), dated September 9, 2016.

WHEREAS, the Township of Sparta was issued a Judgment of Compliance and Repose ("JOR") in September 2016;

WHEREAS, the Housing Element and Fair Share Plan adopted in November 2016 recognizes the existing zoning of the Town Center Professional Business (TCPB) Zone as providing a realistic opportunity to produce inclusionary, affordable housing;

WHEREAS, Paragraph 8 of the Settlement Terms included that, "In addition, in an effort to satisfy its unmet need that is the subject of a durational adjustment, Sparta...will update and continue to implement its incentive zoning, density and intensity bonuses and mandatory set aside ordinances set forth in Code Section 18-8.5 to require a 15 percent set-aside for all new rental housing constructed in the Township and 20 percent set-aside for all new for-sale housing constructed in the Township in developments of more than four residential lots;

WHEREAS, Chapter 18, Section 8.5 of the Township of Sparta Code was amended as part of the Third Round Settlement and provides for "Incentive Zoning and Mandatory Set-Asides", which apply to "all residential construction in all zones, mixed use residential and nonresidential construction, in the Town Center Commercial Zone (TCC), Town Center Commercial Office Zone (TCCO), Town Center Limited Commercial Zone (TCLC) and Town Center Professional Business (TCPB), C-2 Commercial Office and Service Zone, R-4, and C-1 Community Commercial Zone and all nonresidential zones and developments" as a mechanism to address the unmet need that is the subject of a durational adjustment in accordance with N.J.A.C. 5:93-4.2(h);

WHEREAS, the Township of Sparta finds it in the best interest to create additional affordable housing opportunities, and desires to change the required set-aside within the overlay zone to 20%;

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Council of the Township of Sparta, Sussex County, New Jersey as follows:

Section 1. Chapter XVIII, entitled "Comprehensive Land Management Code", Section 8.5 entitled "Incentive Zoning and Mandatory Set-Asides" of *The Revised General Ordinances of the Township of Sparta*, is hereby amended existing subsection "b" as follows:

b. Affordable Units Required for Residential Developments. Except for residential "inclusionary" developments which are otherwise required to have a set-aside of "very low," "low" and "moderate" income units as set forth in Subsection 18-4.2, any applicant for a residential development in Sparta Township that includes four or more residential lots and/or dwelling units shall be required to provide the number of affordable housing units equivalent to 20% of the total number of market rate units, regardless of tenure, which will result from the proposed development, with any decimal amount rounded to the next highest whole number.

Section 2. Chapter XVIII, entitled "Comprehensive Land Management Code", Section 8.5 entitled "Incentive Zoning and Mandatory Set-Asides" of *The Revised General Ordinances of the Township of Sparta*, is hereby amended existing subsection "I", items "b" and "c" shall be replaced in their entirety as follows:

I. Additional Incentives and Set Aside Requirements and Standards in the TCC, TCCO, TCLC and TCPB Zone Districts

(b) The incentives shall include the following for lots greater than two (2) acres in size:

- i. Apartment/multifamily unit buildings and mixed-use buildings that include apartments/multifamily units ("mixed-use") with a height up to three (3) stories and forty-two (42) feet, including up to two (2) stories of underground or basement parking shall be permitted.
- ii. The maximum impervious coverage for lots dedicated specifically to an apartment/multifamily use or mixed-use development as described in this ordinance may be increased to seventy percent (70%).

- 1. In the TCLC Zone, the increase in the permitted impervious coverage as described in this Section shall be calculated based only on the lot(s) devoted solely to the apartments/multifamily or mixed-use buildings and structures. The overall coverage provisions of the TCLC Zone shall continue to apply to the overall site plan for the entire site.
- 2. In the TCPB Zone, the increase in the permitted impervious coverage as described in this Section shall be calculated based only on the lot(s) devoted solely to the apartments/multifamily or mixed-use buildings and structures. The overall impervious coverage provisions of the TCPB Zone shall continue to apply to the overall site plan for the entire site.

iii. The maximum density permitted for apartment/multifamily unit buildings and mixed-use developments shall be as follows:

1. Thirty (30) dwelling units per acre.
2. In the TCBP Zone, the maximum number of apartment/multifamily units shall continue to be one hundred (100) units with a minimum of twenty-five (25) affordable units. The standards under Section 18-8.5.l(b).i regarding building height and underground parking and Section 18-8.5.l(b).ii regarding impervious coverage shall apply the TCBP Zone.

(c) The following standards shall apply to apartment/multifamily unit buildings and mixed-uses:

i. Setbacks:

1. A minimum side yard setback of 10 feet shall be required.
2. A minimum rear yard setback of 20 feet shall be required.
3. A minimum front yard setback of twenty-five (25) feet.

ii. For all apartment/multifamily uses or mixed-use developments, the mandatory set aside shall be twenty percent (20%).

iii. No three-bedroom market rate units shall be permitted. Affordable three-bedroom units shall be permitted, as required by DCA, UHAC rules and the Township Code.

Section 3. Severability. If any section, paragraph, subdivision, clause or provision of this Ordinance shall be deemed to be invalid, such adjudication shall apply only to such section, paragraph, subdivision, clause or provision and the remainder of this Ordinance shall be deemed valid and effective.

Section 4. All ordinances, or parts thereof, that are inconsistent with this Ordinance are hereby repealed to the extent of any inconsistency.

Section 5. This Ordinance shall take effect upon adoption and publication according to law.

INTRODUCED the _____ day of _____, 2025.

ADOPTED the _____ day of _____, 2025.

ATTEST:

Neill Clark, Mayor

Roxanne Landy, Township Clerk

APPENDIX E.

CREDITING DOCUMENTATION

H&W

SUSSEX COUNTY RECORDING COVER PAGE
Honorable Jeffrey M. Parrott
Sussex County Clerk



This cover page is required to be part of any document affecting land title being recorded in Sussex County, New Jersey. It is part of the recorded instrument and permanent record and should not be detached from the original document.

708

8

Official Use Only – Barcode



20191030010215160 1/4
10/30/2019 08:29:30 AM MUN-D AGREE
Bk: 3536 Pg: 653
Jeffrey M. Parrott, County Clerk
Sussex County, NJ

Record & Return To:
Angelo J. Bolcato, Esq.
Laddey, Clark & Ryan, LLP
60 Blue Heron Road
Suite 300
Sparta, NJ 07871

Official Use Only – Realty Transfer Fee

Date of Document:
September 17, 2019

Type of Document:
Deed Restriction

First Party Name:
Township of Sparta

Second Party Name:
CGP&H, LLC

Additional Parties To Be Indexed:
NV MF Holdings LLC

PROPERTY INFORMATION (MANDATORY FOR DEEDS)

Block:
16001, 16008

Lot:
4.01 and 4

Municipality:

Consideration:

Mailing Address of Grantee:

**THIS SECTION PERTAINS TO ASSIGNMENTS, RELEASES, SATISFACTIONS, DISCHARGES, ETC. WHICH REQUIRE
YOU PROVIDE THE ORIGINAL INSTRUMENT'S BOOK & PAGE RECORDING INFORMATION.**

Original Book:

Original Page:

SUSSEX COUNTY RECORDING COVER PAGE

Do not detach this page from the original document as it contains important recording information and is part of the permanent record.

After Recording Return To:

Prepared by: Megan York

· Megan York
CGP&H
101 Interchange Plaza, Suite 301
Cranbury, NJ 08512

Deed Restriction

THIS DEED RESTRICTION, entered into as of this the 17th day of September, 2019, by and between the CGP&H, LLC, with offices at 101 Interchange Plaza, Suite 301, Cranbury, NJ 08512 ("Administrative Agent"), or its successor, acting on behalf of the Township of Sparta, with offices at 65 Main Street, Sparta, NJ 07871, and NV MF Holdings LLC whose mailing address is 334 Sparta Ave., Suite B, Sparta, NJ 07871 the developer/sponsor (the "Owner") of a 60 unit mixed income residential project with affordable and market rate rental units (the "Project"):

WITNESSETH

Article 1. Consideration

In consideration of benefits and/or right to develop received by the Owner from the Municipality regarding this rental Project, the Owner hereby agrees to abide by the covenants, terms and conditions set forth in this Deed restriction, with respect to the land and improvements more specifically described in Article 2, hereof (the Property).

Article 2. Description of Property

The Property consists of all of the land, and a portion of the improvements thereon, that is located in the municipality of the Township of Sparta, County of Sussex, State of New Jersey, and described more specifically as Block No. 16001, Lot 4.01 and Block 16008, Lot 4, and known by the street address 1 and 2 Prosper Place, Sparta, New Jersey.

There shall be 27 affordable housing units, of which 3 shall be very low income, 11 low income, and 13 moderate income (the Restricted Units) and 33 market rate units. Of the 27 Restricted Units, two shall be 1-bedroom units, twenty shall be 2-bedroom units and five shall be a 3-bedroom units. There shall be 33 market rate housing units which are not restricted units.

More specifically, the 27 Restricted Units designated by unit number, bedroom size, and income restriction are listed below:

1 Prosper Place, Unit 1, 2-bedroom, Very Low income
1 Prosper Place, Unit 2, 2-bedroom, Mod income
1 Prosper Place, Unit 3, 2-bedroom, Low income
1 Prosper Place, Unit 4, 2-bedroom, Mod income
1 Prosper Place, Unit 5, 2-bedroom, Mod income
1 Prosper Place, Unit 6, 2-bedroom, Low income
1 Prosper Place, Unit 7, 2-bedroom, Low income
1 Prosper Place, Unit 8, 2-bedroom, Mod income
1 Prosper Place, Unit 9, 2-bedroom, Mod income
1 Prosper Place, Unit 10, 2-bedroom, Low income
1 Prosper Place, Unit 29, 3-bedroom, Very Low income
1 Prosper Place, Unit 30, 3-bedroom, Mod income
1 Prosper Place, Unit 31, 3-bedroom, Low income
1 Prosper Place, Unit 37, 3-bedroom, Mod income
1 Prosper Place, Unit 38, 3-bedroom, Low income
2 Prosper Place, Unit 47, 2-bedroom, Mod income
2 Prosper Place, Unit 48, 2-bedroom, Low income
2 Prosper Place, Unit 49, 2-bedroom, Low income
2 Prosper Place, Unit 50, 2-bedroom, Mod income
2 Prosper Place, Unit 53, 1-bedroom, Low income
2 Prosper Place, Unit 54, 1-bedroom, Mod income
2 Prosper Place, Unit 55, 2-bedroom, Very Low income
2 Prosper Place, Unit 56, 2-bedroom, Mod income
2 Prosper Place, Unit 57, 2-bedroom, Mod income
2 Prosper Place, Unit 58, 2-bedroom, Low income
2 Prosper Place, Unit 59, 2-bedroom, Low income
2 Prosper Place, Unit 60, 2-bedroom, Mod income

Article 3. Affordable Housing Covenants

The following covenants (the “Covenants”) shall run with the land for the period of time (the “Control Period”), determined separately with respect for each Restricted Unit, commencing upon the date on which the first certified household occupies the unit, and shall expire as determined under the Uniform Controls, as defined below.

In accordance with N.J.A.C. 5:80-26.11, each Restricted Unit shall remain subject to the requirements of this subchapter, the “Control Period,” until the municipality in which the unit is located elects to release the unit from such requirements. Prior to such a municipal election, a Restricted Unit must remain subject to the requirements of this subchapter for a period of at least 30 years.

- A. Sale and use of the Restricted Units is governed by regulations known as the Uniform Housing Affordability Controls, which are found in New Jersey Administrative Code at Title 5, chapter 80, subchapter 26 (N.J.A.C. 5:80-26.1, et seq., the “Uniform Controls”)
- B. The Restricted Units shall be used solely for the purpose of providing dwelling units for very low, low, or moderate income households, and no commitment for any such dwelling unit shall be given or implied, without exception, to any person who has not been certified for that unit in writing by the Administrative Agent. So long as any Restricted Unit remains within its Control Period, sale of the Property must be expressly subject to these Deed Restrictions, deeds of conveyance must have these Deed Restrictions appended thereto, and no sale of Restricted Units shall be lawful, unless approved in advance and in writing by the Administrative Agent.
- C. No improvements may be made to the Property that would affect the bedroom configuration of any of the Restricted Units, and any improvements to the Restricted Units must be approved in advance and in writing by the Administrative Agent.
- D. The Owner shall notify the Administrative Agent and the Municipality of any foreclosure actions filed with respect to the Property within five (5) business days of service upon Owner.
- E. The Owner shall notify the Administrative Agent and the Municipality within three (3) business days of the filing of any petition for protection from creditors or reorganization filed by or on behalf of the Owner.
- F. This Deed Restriction shall not be terminated or released in the event a Judgment of Foreclosure, or similar order or judgment, is entered involving the Property. An execution or foreclosure sale by any creditor or mortgagee shall not result in the termination or release of the affordable housing units from the provisions and restrictions within this Deed Restriction, nor shall the filing of bankruptcy, an assignment for the benefit of creditors or similar proceeding, affect the continued enforceability of this Deed Restriction.

Article 4. Remedies for Breach of Affordable Housing Covenants

A breach of the Covenants will cause irreparable harm to the Administrative Agent, to the Municipality and to the public, in light of the public policies set forth in the New Jersey Fair Housing Act, the Uniform Housing Affordability Control rules found at N.J.A.C. 5:80-26, and the obligation for the provision of low and moderate-income housing.

- A. In the event of a threatened breach of any of the Covenants by the Owner, or any successor in interest of the Property, the Administrative Agent and the Municipality shall have all remedies provided at law or equity, including the right to seek injunctive relief or specific performance.
- B. Upon the occurrence of a breach of any Covenants by the Grantee, or any successor in interest or other owner of the Property, the Administrative Agent and the Municipality shall have all remedies provided at law or equity, including but not limited to, forfeiture, foreclosure, acceleration of all sums due under any mortgage, recouping of any funds from a sale in violation of the Covenants, diverting of rent proceeds from illegal rentals, injunctive relief to prevent further violation of said Covenants, entry on the premises, those provided under Title 5, Chapter 80, Subchapter 26 of the New Jersey Administrative Code and specific performance.

IN WITNESS WHEREOF, the Administrative Agent and the Owner have executed this Deed Restriction in triplicate as of the date first above written.

CGP&H, LLC

NV MF HOLDINGS LLC

BY: Megan York
Megan York, Vice President of CGP&H, LLC
and Administrative Agent for the Township
of Sparta

BY: Owen Dykstra, Manager

APPROVED BY the TOWNSHIP OF SPARTA

BY: M. Whilesmit
Molly Whilesmith, Mayor

New Jersey
Middlesex County

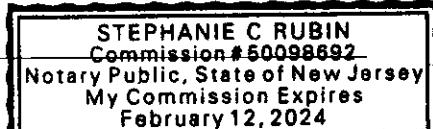
ACKNOWLEDGEMENTS

On this the 25th day of September, 2019 before me came Megan York, to me known and known to me to be the Administrative Agent for The Township of Sparta who states that (s)he has signed said Agreement on behalf of said Municipality for the purposes stated therein.

Stephanie C. Rubin
A NOTARY PUBLIC of the STATE OF NEW JERSEY

(Seal)

My commission expires:



New Jersey, Sussex County

On this the 24th day of September, 2019 before me came Owen Dykstra, Manager of NV MF Holdings LLC, to me known and known to me to be the Owner of the Property, who states that (s)he has signed said Agreement for the purposes stated therein.

Judith A. Devantoy
A NOTARY PUBLIC of the STATE OF NEW JERSEY

(Seal)

My commission expires: JUDITH A. DEVANTOY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 9/3/2022

On this the 3rd day of October, 2019 before me came Molly Whilesmith known and known to me to be Mayor of the Township of Sparta, the Municipality identified as such in the foregoing Agreement, who states that (s)he is duly authorized to execute said Agreement on behalf of said Municipality, and that (s)he has so executed the foregoing Agreement for the purposes stated therein

Kate D. Chambers
A NOTARY PUBLIC of the STATE OF NEW JERSEY

(Seal)

My commission expires: KATE D. CHAMBERS
NOTARY PUBLIC OF NEW JERSEY
My Commission Exp. Feb. 16, 2020

20191030010215160
10/30/2019 08:29:30 AM
MUN-D AGREE
NUMBER OF PAGES : 4
Recording Fee : \$8.00

SUSSEX COUNTY RECORDING COVER PAGE Honorable Jeffrey M. Parrott Sussex County Clerk	<i>Official Use Only – Barcode</i>   20190813010152600 1/10 08/13/2019 08:20:37 AM MUN-D AGREE Bk: 3527 Pg: 606 Jeffrey M. Parrott, County Clerk Sussex County, NJ
This cover page is required to be part of any document affecting land title being recorded in Sussex County, New Jersey. It is part of the recorded instrument and permanent record and should not be detached from the original document.	
Record & Return To: Angelo J. Bolcato, Esq. Laddey, Clark & Ryan, LLP 60 Blue Heron Road Suite 300 Sparta, NJ 07871	<i>Official Use Only – Realty Transfer Fee</i>

Date of Document: July 30, 2019	Type of Document: Amendment No. 2 to the Developer's Agreement
First Party Name: Township of Sparta	Second Party Name: CC Holdings LLC
Additional Parties To Be Indexed: Sparta Senior Living, LLC	

PROPERTY INFORMATION (MANDATORY FOR DEEDS)	
Block:	Lot:
Municipality:	
Consideration:	
Mailing Address of Grantee:	

THIS SECTION PERTAINS TO ASSIGNMENTS, RELEASES, SATISFACTIONS, DISCHARGES, ETC. WHICH REQUIRE YOU PROVIDE THE ORIGINAL INSTRUMENT'S BOOK & PAGE RECORDING INFORMATION.	
Original Book: 3389	Original Page: 376

SUSSEX COUNTY RECORDING COVER PAGE Do not detach this page from the original document as it contains important recording information and is part of the permanent record.	
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**AMENDMENT NO. 2 TO THE
DEVELOPER'S AGREEMENT
BETWEEN
THE TOWNSHIP OF SPARTA AND CC HOLDINGS LLC**

THIS AMENDMENT NO. 2 to the Developer's Agreement Between the Township of Sparta and CC Holdings LLC ("Amendment No. 2") dated July 30, 2019 is made and entered between the **Township of Sparta**, a municipal corporation of the State of New Jersey, with offices located at the Municipal Building, 65 Main Street, Sparta, New Jersey 07871 (the "Municipality") and **CC HOLDINGS LLC**, with a mailing address of 11 Lawrence Road, Newton, New Jersey 07860 (the "Developer") and Sparta Senior Living LLC, with a mailing address of 316 South Avenue, Fanwood, New Jersey 07023.

RECITALS

WHEREAS, the Municipality and Developer previously executed a Developer's Agreement, effective April 8, 2016, which was recorded in the Sussex County Clerk's Office on April 29, 2016 in Book 3389 Page 376 ("Developer's Agreement"); and

WHEREAS, the Municipality and Developer executed an Amendment to the Developer's Agreement dated December 13, 2017, which was recorded in the Sussex County Clerk's Office on January 6, 2018, in Book 3459, Page 810 ("Amendment No. 1");

WHEREAS, this Amendment is also being entered into to incorporate changes to the Affordable Housing Component of the Developer's Project.; and

WHEREAS, Sparta Senior Living LLC is made a party to the Developer's Agreement and this Amendment to the extent these documents address its COAH obligations; and

WHEREAS, all the approvals for the development required compliance with COAH regulations and this Amendment sets forth with particularity the COAH contribution by the Developer

NOW, THEREFORE, in consideration of Developer's request for Amendments to the Developer's Agreement, and the Sparta Township Council's agreement to amend the Developer's Agreement, it is mutually agreed by and between the parties as follows:

1. Paragraph #4 from Amendment No. 1 is replaced in its entirety as follows:

COAH. Based on the Planning and Zoning Board approvals referenced in the Recital section of the Developer's Agreement and Amendment No. 1 and the anticipated build out of the residential portion of the project comprised of 92 Single Family Homes, 60 Mixed Income Units, 60 Multifamily/Duplex Units and 18 Apartments, the Developer shall provide 42 COAH credits at North Village at Sparta, comprised of 27 apartment units and 15 COAH credits in assisted living residential units, constructed onsite. The Developer shall pay to the Municipality the non-residential development fee as required by the Statewide Non-Residential Development Fee Act (N.J.S.A. 40:55D-8.1, et seq.). Developer shall be responsible for ensuring that the COAH units that it constructs meet the affordable housing requirements (pursuant to N.J.A.C. 5:94-7). The units shall be deed restricted as required by COAH regulations as such reference to the COAH regulations and restrictions must be included in the property deed, which must be recorded in the Sussex County Clerk's Office prior to the Certificate of Occupancy being issued for these units. All documents shall be in a form acceptable to COAH and to the Municipality. In addition, the property owner will remain responsible for ensuring that the COAH units remain COAH compliant which includes

but is not limited to maintaining affordability controls and periodic reports of the units continuing affordability as required by COAH (N.J.A.C 5:94-9). In addition, the property owner must comply with all on-going COAH requirements as same may be amended from time to time. The Developer and Sparta Senior Living LLC shall prepare and submit to the Municipality for review and approval the appropriate deed restrictions for the affordable housing units. Once approved by the Municipality the Developer and/or Sparta Senior Living LLC shall record the deed restrictions and provide a recorded copy to the Municipality. In addition, the Developer and Sparta Senior Living LLC shall execute and record, as applicable or directed by Municipality or another government entity, any other forms and documents including, but not limited to, property deeds and/or agreements required to maintain the continued affordability controls for the COAH units,

I. The breakdown for the construction of the affordable housing units is in the table below:

- a. Very Low Income Units/Beds:
 - i. 3 (Three) Assisted Living Beds
 - ii. 2 (Two) Two Bedroom Family Units in Mixed Income Apartments
 - iii. 1 (One) Three Bedroom Family Unit in Mixed Income Apartments
- b. Low Income Units/Beds
 - i. 5 (Five) Assisted Living Beds
 - ii. 1 (One) One Bedroom Family Unit in Mixed Income Apartments
 - iii. 8 (Eight) Two Bedroom Family Units in Mixed Income Apartments
 - iv. 2 (Two) Three Bedroom Family Units in Mixed Income Apartments
- c. Moderate Income Units/Beds
 - i. 7 (Seven) Assisted Living Beds
 - ii. 1 (One) One Bedroom Family Unit in Mixed Income Apartments
 - iii. 10 (Ten) Two Bedroom Family Units in Mixed Income Apartments
 - iv. 2 (Two) Three Bedroom Family Units in Mixed Income Apartments

II. The Developer agrees to construct the affordable units as the market units are developed, based on the following schedule:

Total number of Market	230		
Total number of affordable	42		
Minimum Percentage of low and moderate	Minimum Number of Low/mod completed	% of Market Rate units completed	Number of Market Completed
0%	0	25%	58
10%	4	25%+1	59
50%	21	50%	115
75%	32	75%	173
100%	42	90%	207

Notwithstanding the Developer's affordable housing obligations as stated above, in the event that any of the approvals are amended or modified, or if additional development approvals are obtained which exceed the proposed build out density of 230 units (92 Single Family Homes, 60 Mixed Income Units, 60 Multifamily/Duplex Units and 18 Apartments), Developer shall comply with the then current affordable housing requirements at the time of such approval as directed by the Municipality.

2. **Review with Counsel.** Developer acknowledges and agrees that it has been represented by legal counsel of its choosing during the negotiation and execution of the Developer's Agreement, Amendment No. 1 and Amendment No. 2. Developer fully understands and accepts full responsibility for its obligations under this Amendment.

3. **Affirmance of Developer's Agreement.** Except as modified by this Amendment, Amendment No. 1 and the terms, covenants, agreements, stipulations and

conditions of the Developer's Agreement and Amendment No. 1 remain in full force and effect and are hereby reaffirmed. Except as specifically modified in this Amendment, none of the Developer's obligations or liabilities under the Developer's Agreement and Amendment No. 1 shall be diminished, impaired or released by any provision of this Amendment No. 2, nor shall this Amendment No. 2 in any way impair, diminish or affect any of the Municipality's rights or remedies under the Developer's Agreement and Amendment No. 1.

4. Rule of Construction. THE PARTIES ACKNOWLEDGE AND AGREE THAT THIS IS A NEGOTIATED AGREEMENT AND THAT THE RULE OF CONSTRUCTION THAT ANY AMBIGUITIES BE CONSTRUED AGAINST THE DRAFTING PARTY SHALL NOT APPLY. EACH PARTY ACKNOWLEDGES AND AGREES THAT THEY HAVE HAD THE OPPORTUNITY TO REVIEW THIS AMENDMENT AND THE DEVELOPERS AGREEMENT AND DISCUSS ANY QUESTIONS OR CONCERNS ARISING OUT OF THIS AMENDMENT OR THE DEVELOPERS AGREEMENT WITH LEGAL COUNSEL OF THEIR CHOOSING REGARDLESS WHETHER SUCH PARTY ACTUALLY RETAINS OR CONSULTS WITH LEGAL COUNSEL.

5. Amendments. The Municipality reserves the right to require further amendments to the Developer's Agreement in the event that Developer obtains amendments to any of the existing approvals, and/or obtains additional approvals. The Municipality also reserves the right to require further amendments to the Developer's Agreement in the event that the Developer seeks to sell and/or transfer all or any portion of the development to any third party prior to the base coat pavement being installed, however, transfer of the lot for the assisted living facility shall be exempt from this provision.

6. **Binding.** This Agreement is binding on the parties and their successors and/or assigns.

7. **Developer's Approval.** The Developer, acting through its members, have authorized and approved this Amendment and all terms hereof as authorized by their Limited Liability Company Resolution of Approval, a copy of which has been provided to the Municipality.

8. **Municipality's Approval.** The Municipality has approved this Amendment by Resolution duly adopted by the Municipality's governing body.

Nothing in this Amendment or the Developer's Agreement obligates or requires the Municipality to accept the roads and/or any other public improvements unless and until all legal requirements for acceptance of the roads and/or any other public improvements have been satisfied, and the Township Engineer confirms that the roads and/or any other public improvements have been completed to the required specifications and the Municipality's governing body adopts an ordinance accepting the road(s) and/or any other public improvements .

IN WITNESS WHEREOF the parties have executed this Amendment on the date written below.

ATTEST:

Kate Chambers
Kate Chambers, Municipal Clerk

TOWNSHIP OF SPARTA

By: M. Whlesmith
Molly Whlesmith, Mayor

Dated: 7/30/2019

ATTEST:

Judie D. Reventar

CC HOLDINGS LLC

By: Owen Dykstra
Owen Dykstra,
Title: Manager

Dated: 7-22-19

By signing this agreement, Sparta Senior Living LLC hereby agrees and acknowledges that Lot 8, Block 16008 has a COAH obligation of 15 COAH credits within the assisted living facility and agrees to construct same in compliance with the COAH requirements within the Developer's Agreement and this Amendment, and further agrees to accept their deed of conveyance from the Developer with a COAH Deed restriction in a form acceptable to COAH and the Municipality.

ATTEST:

Marie Helfich

SPARTA SENIOR LIVING LLC

By: Herbert Helfich
Herbert Helfich
Title: Managing Member

Dated: 7/19/19

STATE OF NEW JERSEY, COUNTY OF SUSSEX SS:

I CERTIFY that on 7/30, 2019, **Kate Chambers** personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one, each person):

- (a) this person is the Municipal Clerk of the Township of Sparta, the municipal corporation named in this document;
- (b) this person is the attesting witness to the signing of this document by Gilbert Whilesmith ^{Molly} ~~Gibbs~~, the proper corporate officer who is the Mayor of the municipal corporation;
- (c) this document was signed and delivered by the municipal corporation as its voluntary act duly authorized by a proper resolution of its Board of Directors;
- (d) this person knows the proper seal of the municipal corporation which was affixed to this document; and
- (e) this person signed this proof to attest to the truth of these facts.

Signed and sworn to before me on this
30 day of JULY, 2019

Roxanne Landy (notary)
Title: Assistant Clerk

ROXANNE M. LANDY
NOTARY PUBLIC OF NEW JERSEY
Commission No. 50059767
My Commission Expires May 2, 2022

STATE OF NEW JERSEY, COUNTY OF SUSSEX SS:

I CERTIFY that on July 22, 2019, Over Dylstra personally came before me and acknowledged under oath, to my satisfaction, that:

1. this person (or if more than one, each person) is the person who executed this instrument as Manager of CC Holdings LLC, the Developer named in this instrument; and
2. this person stated that he/she is authorized to execute the instrument on behalf of CC Holdings LLC, and that he/she executed the instrument as the act of such Developer.

Signed and sworn to before me
on this 22 day of July, 2019.

Judith A. Devantoy
Title: _____
JUDITH A. DEVANTOY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 9/3/2022

Title: _____

STATE OF NEW JERSEY, COUNTY OF Union SS:

I CERTIFY that on July 19, 2019, Herbert Hettich personally came before me and acknowledged under oath, to my satisfaction, that:

1. this person (or if more than one, each person) is the person who executed this instrument as Managing Member of Sparta Senior Living, LLC, the _____ named in this instrument; and

2. this person stated that he/she is authorized to execute the instrument on behalf of Sparta Senior Living LLC, and that he/she executed the instrument as the act of such

Signed and sworn to before me
on this 19 day of July, 2019.

Gertrude Scocozza

Title: GERTRUDE SCOCOZZA
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 5/16/2023

Title:

20190813010152600
08/13/2019 08:20:37 AM
MUN-D AGREE
NUMBER OF PAGES : 10
Recording Fee : \$18.00



FILE NUMBER 2023022140

<p>SUSSEX COUNTY RECORDING COVER PAGE Honorable Jeffrey M. Parrott Sussex County Clerk</p> <p><i>4</i> <i>CD</i> <i>60</i> <i>70</i></p> <p>This cover page is required to be part of any document affecting land title being recorded in Sussex County, New Jersey. It is part of the recorded instrument and permanent record and should not be detached from the original document.</p>	<p><i>Official Use Only – Barcode</i></p> <p>RECORDED 12/13/2023 10:11:09 O - Bk 10286 Pg 385, DEED RES JEFFREY M. PARROTT, COUNTY CLERK SUSSEX COUNTY, NJ RCPT #: 24255; RECD BY: EO RECORDING FEES \$70.00 TOTAL TAX \$0.00</p>
<p>Record & Return To: Delmar Woodport, LLC 1 Main Street - Suite 9 Sparta, NJ 07871</p>	<p><i>Official Use Only – Realty Transfer Fee</i></p>

<p>Date of Document: November 20, 2023</p>	<p>Type of Document: Deed Restriction</p>
<p>First Party Name: Township of Sparta</p>	<p>Second Party Name: Delmar Woodport, LLC, a New Jersey Limited Liability Company</p>
<p>Additional Parties To Be Indexed:</p>	

PROPERTY INFORMATION (MANDATORY FOR DEEDS)	
<p>Block: P/O 2014</p>	<p>Lot: 7</p>
<p>Municipality: Sparta Township</p>	
<p>Consideration: 1.00</p>	
<p>Mailing Address of Grantee: 1 Main Street - Suite 9, Sparta, NJ 07871</p>	

THIS SECTION PERTAINS TO ASSIGNMENTS, RELEASES, SATISFACTIONS, DISCHARGES, ETC. WHICH REQUIRE YOU PROVIDE THE ORIGINAL INSTRUMENT'S BOOK & PAGE RECORDING INFORMATION.	
<p>Original Book:</p>	<p>Original Page:</p>

<p>SUSSEX COUNTY RECORDING COVER PAGE</p> <p>Do not detach this page from the original document as it contains important recording information and is part of the permanent record.</p>
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Deed Restriction

DEED-RESTRICTED AFFORDABLE HOUSING PROPERTY WITH RESTRICTIONS ON RESALE AND REFINANCING

TO Rental Property

With Covenants Restricting Rents, Conveyance and Improvements And Requiring Notice of
Foreclosure and Bankruptcy

THIS DEED RESTRICTION, entered into as of this 20th day of November, 2023, by and between the Township of Sparta, Sussex County, New Jersey ("Administrative Agent"), or its successor, acting on behalf of the Township of Sparta ("Municipality") with offices at 65 Main Street, Sparta New Jersey 07871, and Delmar Woodport, LLC, a New Jersey Limited Liability Company, with a mailing address of 1 Main Street, Suite 9, Sparta, New Jersey 07871, (the "Owner") of a very low-income rental project (the "Project"):

WITNESSETH

Greater Delmar Woodport LLC
Grantee Sparta Township and
~~Except~~

In consideration of benefits and/or rights to develop received by the Owner from the Municipality regarding this rental Project, the Owner hereby agrees to abide by the covenants, terms and conditions set forth in this Deed restriction, with respect to the land and improvements more specifically described in Article 2, hereof (the Property).

Article 2. Description of Property

For purposes of this Deed Restriction, the Property consists of one (1) Very Low-Income COAH Unit located at 200 Woodport Road, Sparta, New Jersey and identified as a portion of Block 2014 Lot 7. The unit is an efficiency apartment.

More specifically, the Property is designated as Unit # 3C

Article 3. Affordable Housing Covenants

The following covenants (the "Covenants") shall run with the land for the period of time (the "Control Period"), determined separately with respect to the dwelling unit in question, commencing upon the earlier of the date hereof or the date on which the first certified household occupies the unit, and shall expire as determined under the Uniform Controls, as defined below. The Control Period shall remain for a period of thirty (30) years.

- A. Sale and use of the Property is governed by regulations known as the Uniform Housing Affordability Controls, which are found in New Jersey Administrative Code at Title 5, chapter 80, subchapter 26 (N.J.A.C. 5:80-26-1, et seq, the "Uniform Controls").

- B. The Property shall be used solely for the purpose of providing rental dwelling units for very low-income households, and no commitment for any such dwelling unit shall be given or implied without exception, to any person who has not been certified for that unit in writing by the Administrative Agent. So long as any dwelling unit remains within its Control Period, sale of the Property must be expressly subject to these Deed Restrictions, deeds of conveyance must have these Deed Restrictions appended thereto, and no sale of the Property shall be lawful, unless approved in advance and in writing by the Administrative Agent.
- C. No improvements may be made to the Property that would affect the bedroom configuration of the dwelling unit, and any improvements to the Property must be approved in advance and in writing by the Administrative Agent.
- D. The Owner shall notify the Administrative Agent and the Municipality of any foreclosure actions filed with respect to the Property within five (5) business days of service upon Owner.
- E. The Owner shall notify the Administrative Agent and the Municipality within three (3) business days of the filing of any petition for protection from creditors or reorganization filed by or on behalf of the Owner.

Article 4. Remedies for Breach of Affordable Housing Covenants.

A breach of the Covenants will cause irreparable harm to the Administrative Agent, to the Municipality and to the public, in light of the public policies set forth in the New Jersey Fair Housing Act, the Uniform Housing Affordability Control rules found at N.J.A.C. 5:80-26, and the obligation for the provision of very low, low and moderate income housing.

- A. In the event of a threatened breach of any of the Covenants by the Owner, or any successor in interest of the Property, the Administrative Agent and the Municipality shall have all remedies provided at law or equity, including the right to seek injunctive relief or specific performance.
- B. Upon the occurrence of a breach of any Covenants by the Grantee, or any successor in interest or other owner of the Property, the Administrative Agent and the Municipality shall have all remedies provided at law or equity including but not limited to forfeiture, foreclosure, acceleration of all sums due under any mortgage, recouping of any funds from a sale in violation of the Covenants, diverting of rent proceeds from illegal rentals, injunctive relief to prevent further violation of said Covenants, entry on the premises, those provided under Title 5, Chapter 80, Subchapter 26 of the New Jersey Administrative Code and specific performance.

IN WITNESS WHEREOF, the Administrative Agent and the Owner have executed this Deed
Restriction in triplicate as of the date first written above.

Township of Sparta

BY: Megan York
~~Township of Sparta~~ - Sparta's Administrative Agent
megan York
Delmar Woodport, LLC

BY: Anthony Berardi
Anthony Berardi
Member

APPROVED BY Township of Sparta (Municipality)

John E. Ursin
Borough Clerk
Township Clerk

STATE OF NEW JERSEY, COUNTY OF

I CERTIFY that on November 21, 2023, before me came ANTHONY BERARDI, to me known
and known to me to be the Owner of the Property, who states that he has signed said agreement
for the purposes stated therein.

Member

John E. Ursin
JOHN E. URGIN
ATTORNEY AT LAW
STATE OF NEW JERSEY

STATE OF NEW JERSEY, COUNTY OF Middlesex

I CERTIFY that on December 8, 2023, before me came Megan York, and known
to me to be the Administrative Agent for Sparta Township (Municipality), who states that he has
signed said agreement on behalf of said Municipality for the purposes stated therein.

RECORD AND RETURN TO:
Schenck Price Smith & King LLP
Attn: John E. Ursin, Esq.
220 Park Avenue
Florham Park, NJ 07932



APPENDIX F.

MAP OF AFFORDABLE HOUSING SITES

NTSHARDYSTON TWP
SUSSEX COUNTYFRANKLIN BORO
SUSSEX COUNTYHARDYSTON TWP
SUSSEX COUNTYLAFAYETTE TWP
SUSSEX COUNTYOGDENSBURG BORO
SUSSEX COUNTYJEFFERSON TWP
MORRIS COUNTY**Highlands Regions**
Highlands Planning Area
Highlands Preservation Area**Prior Round Sites (Pink)**
1. Round Top
2. SCARC Group Home
3. Center for Humanistic Change
4. Broderick (MF-2)
5. Knoll View Assisted Living**Third Round Sites**6. Sparta Meadows
7. Advance Housing (116 Hunters)
8. Advance Housing (27 Oak Tree)
9. Advance Housing (21 Hunters)
10. Advance Housing (124 Woodport)
11. Advance Housing (7 Tamarack)12. 6 Ladley Lane
13. Wallace House (447 Glen)
14. Hamlet - Romeo and Juliet
15. The Pointe at Sparta
16. Lion's Gate
17. Sparta Village18. Twins on Main
19. North Village
20. The Delmar
21. 12 Woodport
22. Fluss Holdings
23. Town Center Professional Business Zone (TCPB)24. Blue Heron Village
25. Crossroads at Sparta/Former Millrace Village
26. Leo Companies Supportive Housing
27. Prior Cycle - Knoll Heights
28. Chelsea Assisted Living