

Master Plan Amendment Housing Plan Element and Fair Share Plan Round 4

Borough of Matawan Monmouth County, New Jersey

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Monmouth County, New Jersey

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Housing Element

The Borough of Matawan, Monmouth County, adopted and endorsed a Housing Element and Fair Share Plan as an amendment to the municipal master plan in accordance with the New Jersey Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the New Jersey Fair Housing Act 2 (N.J.S.A. 52:27D-301 et seq.) in June 2025.

The Municipal Land Use Law requires that a municipal master plan include a housing element to enable the municipality to exercise the power to zone and regulate land use. The housing element is adopted by the municipal planning board and endorsed by the municipal governing body, and is drawn to achieve the goal of meeting the municipal obligation to provide for a fair share of the regional need for affordable housing.

This Housing Element and Fair Share Plan amended the Borough's master plan to address affordable housing planning requirements for the time period known as Round 4, which includes the decade between July 2025 and July 2035. It addressed the Borough's cumulative fair share obligation for the period from 1987 through 2035 and supersedes and replaces the Housing Element and Land Use Plan that was previously adopted by the Borough of Matawan Planning Board in January 2003.

Affordable Housing in New Jersey

The Mt. Laurel II doctrine requires that all municipalities provide a realistic opportunity for their fair share of low and moderate income housing. The Matawan Fair Share Plan is the Borough's proposal for satisfying its share of the regional affordable housing needs under applicable affordable housing regulations.

This Plan provides the Borough's fair share obligation and details its strategies for addressing its present, prior, and prospective housing needs. The New Jersey Fair Housing Act established the New Jersey Council on Affordable Housing (COAH). COAH was responsible for developing rules and regulations on affordable housing, as well as approving municipalities' submitted affordable housing plans. The COAH approval process was known as Substantive Certification.

COAH adopted its first set of rules, known as 'Round 1,' for the period of 1987 through 1993. COAH 'Round 2' covered the 1993 to 1999 time period. These rounds are now combined and collectively referred to as the 'Prior Round,' which covers the 1987 to 1999 time period.

COAH adopted its first Round 3 rules in 2005. The Round 3 rules included a new methodology for calculating affordable housing, known as Growth Share. These rules were challenged, and the Appellate Division invalidated the Round 3 rules in 2007. COAH then adopted its second set of Round 3 rules in 2008; these rules also used the Growth Share methodology and were found invalid by the Appellate Division in 2010.

COAH was directed to prepare new rules that used the Prior Round methodologies of assigning municipalities affordable housing obligations.

COAH prepared new rules in 2014, but failed to adopt them. In response, a motion was filed with the New Jersey Supreme Court to enforce litigant's rights in response to COAH's lack of action. On March 10, 2015 the Supreme Court issued its decision to enforce litigant's rights and established a procedure for municipalities to transition their COAH applications to the Courts.

Round 4 Affordable Housing

On March 20, 2024, Governor Murphy signed new legislation known as P.L.2024, c.2 that amended the state's Fair Housing Act and changed the affordable housing process in New Jersey.

The Fair Housing Act (FHA) Amendment ("FHA 2" or the "Act") eliminated the Council on Affordable Housing (COAH), directed the Department of Community Affairs (DCA) to prepare nonbinding affordable housing obligations, changed certain aspects of the vacant land process, eliminated and revised available bonus credits, and imposed strict deadlines on municipalities.

Pursuant to the deadlines established in the FHA Amendment, Matawan adopted a binding resolution on January 21, 2025 that established its Round 4 prospective need obligation as 68 affordable units and its present need obligation as zero (0) units. The New Jersey Builders Association initially challenged the Borough's obligation of 68 units, but it subsequently withdrew the challenge on the record at the Program's settlement conference held on March 28, 2025. Therefore, the Borough's Round 4 prospective need obligation was established at 68 units.

Pursuant to the FHA 2, municipalities must adopt a Housing Element and Fair Share Plan by June 30, 2025. This plan conforms to the requirements established in the legislation and FHA Amendment and addresses Matawan's Prior Round, Round 3 and Round 4 affordable housing obligations.

The Borough filed the adopted Housing Element and Fair Share Plan with the Court on June 19, 2025. The Fair Share Housing Center (FSHC) filed a letter pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) on the Borough's plan on August 29, 2025 seeking additional information and documentation before the Housing Element and Fair Share Plan could be approved by the Program and trial court. No other interested-party filed a challenge or any other communication.

The court reviewed the Borough's plan, attachments, and proposed implementing ordinances and resolutions and determined that they meet the "objective standard" and were in compliance with the Fair Housing Act and the Mount Laurel doctrine subject to certain conditions. This amended plan has been prepared in response to information reviewed and provided to FSHC and the Court.

Mandatory Contents of the Housing Element

Pursuant to the New Jersey Fair Housing Act (FHA 2), “a municipality’s housing element shall be designed to achieve the goal of access to affordable housing to meet present and prospective housing needs, with particular attention to low-and moderate-income housing.” The essential plan components are:

- 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;
- A projection of the municipality's housing stock, including the probable future construction of low- and moderate-income housing, for the next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
- 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); and,
- A consideration of the lands that are most appropriate for construction of low- and moderate-income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to provide low- and moderate-income housing;
- 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 P.L. 2024, 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.

This Housing Element and Fair Share Plan Amendment addresses the above requirements.

Analysis of Demographic, Housing, and Employment Characteristics

As required by N.J.S.A. 52:27D-310, all housing elements must contain a discussion of the municipality's demographic, housing, and economic characteristics. The following subsections fulfill this requirement by providing a profile of information for the Borough of Matawan from the US Census Bureau, the New Jersey Department of Labor and Workforce Development, and the North Jersey Transportation Planning Authority.

Population Characteristics

Table 1 shows the population trends for the Borough of Matawan and Monmouth County from 1930 to 2020. As shown, Matawan's population increased by 7,301 residents during this period. The greatest increases occurred in the periods from: 1960 to 1970, when the Borough's population increased by approximately 79.2 percent; 1950 to 1960, when there was an increase of approximately 36.3 percent; and between 1940 and 1950, when population increased by approximately 35.6 percent. The only periods where there was a decrease in population were between 1970 and 1980, when the Borough's population decreased by about 3.3 percent; between 1990 and 2000, when the Borough's population decreased by about 3.9 percent; and between 2000 and 2010, when the Borough's population decreased by about 1.1 percent.

Monmouth County's population also increased over the period from 1930 to 2020. Indeed, the County's population increased by 496,406 residents over this period. In no period since 1930 did the County's population experience a decrease. On average, the County's population increased by about 18.9 percent in every decade since 1930. By comparison, the Borough's population increased by about 19.8 percent in every decade since 1930.

Table 1
POPULATION CHANGE, 1930 – 2020
Borough of Matawan and Monmouth County

Borough of Matawan

<u>Year</u>	<u>Population</u>	<u>Number</u>	<u>Change</u>	<u>Percent</u>
1930	2,264	-----	-----	-----
1940	2,758	494		21.8
1950	3,739	981		35.6
1960	5,097	1,358		36.3
1970	9,136	4,039		79.2
1980	8,837	-299		-3.3
1990	9,270	433		4.9
2000	8,910	-360		-3.9
2010	8,810	-100		-1.1
2020	9,565	755		8.6

Monmouth County

<u>Year</u>	<u>Population</u>	<u>Number</u>	<u>Change</u>	<u>Percent</u>
1930	147,209	-----	-----	-----
1940	161,238	14,029		9.5
1950	225,327	64,089		39.7
1960	334,401	109,074		48.4
1970	461,849	127,448		38.1
1980	503,173	41,324		8.9
1990	553,124	49,951		9.9
2000	615,301	62,177		11.2
2010	630,380	15,079		2.5
2020	643,615	13,235		2.1

Sources:

1930 - 1950: "Number of Inhabitants, New Jersey."
<https://www2.Census.Gov/library/publications/decennial/1950/population-volume-2/23024255v2p30ch1.pdf>. U.S. Census Bureau, 1950;
 1940 - 2000: "New Jersey Population Trends 1790 to 2000." Division of Labor Market and Demographic Research New Jersey State Data Center, August 2001.
<https://www.nj.gov/labor/labormarketinformation/assets/PDFs/census/2kpub/njsdcp3.pdf>;
 2010: 2010 U.S. Census (Table P3); and,
 2020: 2020 U.S. Census (Table DP1)

Population Composition by Age

Table 2 shows population by age cohort in the Borough of Matawan during 2010 and 2020. As can be seen, the population increased by 755 residents or 8.6 percent between 2010 and 2020. The age cohorts with the largest increases were: 65-74, which increased by 290 residents or 55.8 percent; 55-64, which increased by 350 residents or 35.3 percent; 85+, which increased by 48 residents or 29.1 percent. The change in all other age cohorts was less than ± 20 percent.

Table 2
POPULATION BY AGE
Borough of Matawan

Age Group	2010 Population		2020 Population		Change 2010-2020	
	Persons	Percent	Persons	Percent	Persons	Percent
Under 5	599	6.8	512	5.4	-87	-14.5
5-14	1,061	12.0	1,103	11.5	42	4.0
15-24	1,041	11.8	1,017	10.6	-24	-2.3
25-34	1,290	14.6	1,517	15.9	227	17.6
35-44	1,323	15.0	1,343	14.0	20	1.5
45-54	1,478	16.8	1,301	13.6	-177	-12.0
55-64	991	11.2	1,341	14.0	350	35.3
65-74	520	5.9	810	8.5	290	55.8
75-84	342	3.9	408	4.3	66	19.3
85+	165	1.9	213	2.2	48	29.1
TOTALS	8,810	100.0	9,565	100.0	755	8.6

Sources:

2010: 2010 U.S. Census (Table PCT12); and,
2020: U.S. Census (Table DP1)

Table 2 shows considerable growth in the 55-64, 65-74, and 85+ age cohorts. The effects of the change in the distribution of Matawan's population among age cohorts can be summarized in the change in the median age of the Borough's population, which increased by approximately 1.4 years, from 38.3 years to 39.7 years, from 2010 to 2020. This represents an increase of about 3.7 percent. By comparison, the median age of Monmouth County's population increased by approximately 2.2 years, from 41.3 years to 43.5 years, which equates to an increase of about 5.3 percent. Table 3 summarizes the distribution of the Borough's and County's populations among age cohorts and the change in the median age of said populations.

Table 3

PERCENTAGE POPULATION DISTRIBUTION, 2010 & 2020
 Borough of Matawan and Monmouth County

<u>Age Group</u>	2010 Percentage of Population		2020 Percentage of Population	
	<u>Borough</u>	<u>County</u>	<u>Borough</u>	<u>County</u>
Under 5	6.8	5.5	5.4	4.6
5-14	12.0	13.8	11.5	11.8
15-24	11.8	12.4	10.6	12.4
25-34	14.6	10.3	15.9	11.3
35-44	15.0	13.7	14.0	11.7
45-54	16.8	17.6	13.6	13.9
55-64	11.2	13.0	14.0	15.9
65+	11.7	13.8	15.0	18.5
TOTALS	100	100	100	100
Median Age	38.3	41.3	39.7	43.5

Sources:

2010: 2010 U.S. Census (Tables PCT12, P13)

2020: 2020 U.S. Census (Tables DP1, P13)

Existing Housing Characteristics

Type of Household

A household is a group of people who occupy a housing unit as their usual place of residence. As shown in Table 4, there were 3,849 households in the Borough of Matawan in 2020. The majority, or approximately 72.4 percent, of households consisted of two or more persons. The remaining 27.6 percent of households consisted of one person. Table 4 provides additional details on the types of households in Matawan Borough during 2020.

Table 4
TYPES OF HOUSEHOLDS, 2020
Borough of Matawan

<u>Type of Households</u>	<u>Total</u>	<u>Number in Subgroup</u>	<u>Percent of Total</u>
TOTAL HOUSEHOLDS	3,849		
One Person		1,061	27.6
Male Householder	490		12.7
65 years or older	133		3.5
Female Householder	571		14.8
65 years or older	263		6.8
Two or More Persons		2,788	72.4
<i>Married Couple Families</i>	1,820		47.3
With Own Children Under 18	744		19.3
<i>Cohabiting Couple</i>	296		7.7
With Own Children Under 18	71		1.8
<i>Male Householder Not living alone</i>	212		5.5
With Own Children Under 18	47		1.2
<i>Female Householder Not living alone</i>	460		12.0
With Own Children Under 18	178		4.6

Household Size

Table 5 provides further details on household size in the Borough of Matawan during 2020. As shown, the most frequent household size was two persons, which accounted for 31.4 percent of all households in Matawan and 31.1 percent of all households in Monmouth County. The average household size in Matawan was 2.47, which is 0.13 years less than the average household size of 2.60 in Monmouth County during 2020.

Table 5
HOUSEHOLD SIZE, 2020
Borough of Matawan & Monmouth County

Household Size	Borough of Matawan		Monmouth County	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
1 Person	1,061	27.6	63,104	25.8
2 Persons	1,208	31.4	76,177	31.1
3 Persons	639	16.6	40,092	16.4
4 Persons	596	15.5	39,421	16.1
5 Persons	213	5.5	17,126	7.0
6+ Persons	132	3.4	8,710	3.6
TOTALS	3,849	100.0	244,630	100.0
Average Household Size	2.47		2.60	

Source: 2020 U.S. Census (Table H12)

Per Capita and Household Income

Table 6 displays the per capita income, median household income, and population poverty status of Matawan, Monmouth County and the State of New Jersey. This data is derived from the 2023 American Community Survey Five-Year Estimates and represents estimated average conditions over the five-year period ending in 2023.

As shown in Table 6, Matawan had a lower per capita income at \$51,890 than in Monmouth County and New Jersey, where the per capita incomes were \$65,545 and \$53,118, respectively. However, Matawan had a higher median household income at \$122,026 than in New Jersey, where the median household income was \$101,050, but a lower median household income than in Monmouth County, where the median household income was \$122,727. Additionally, the Borough had 10.1 percent of its population living below poverty status, which is significantly higher than the 6.4 percent and 9.8 percent exhibited by Monmouth County and New Jersey, respectively.

Table 6

PER CAPITA AND HOUSEHOLD INCOME; POVERTY STATUS 2023
Borough of Matawan, Monmouth County & New Jersey

	<u>Per Capita Income</u>	<u>Median Household Income</u>	<u>Percentage of Population Below Poverty Status</u>
Borough of Matawan	\$51,890	\$122,026	10.1
Monmouth County	\$65,545	\$122,727	6.4
New Jersey	\$53,118	\$101,050	9.8

Source: 2023 American Community Survey 5-Year Estimates (Tables BP19301, S1901 and S1701)

Family Income Distribution

Table 7 details family income for the Borough and County as represented by 2023 American Community Survey Five-Year Estimates. More than three-quarters (78.6 percent) of Matawan’s families earned \$75,000 or more. By comparison, 80.7 percent of Monmouth County’s families earned \$75,000 or more.

Table 7
FAMILY INCOME DISTRIBUTION, 2023
Borough of Matawan & Monmouth County

<u>Income Levels</u>	Borough of Matawan		Monmouth County	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$10,000	39	1.8	3,122	1.8
\$10,000 - \$14,999	87	4.1	1,370	0.8
\$15,000 - \$24,999	11	0.5	3,032	1.8
\$25,000 - \$34,999	56	2.6	4,280	2.5
\$35,000 - \$49,999	52	2.4	7,819	4.6
\$50,000 - \$74,999	211	9.9	13,075	7.7
\$75,000 - \$99,999	210	9.8	15,402	9.1
\$100,000 - \$149,999	583	27.3	33,228	19.6
\$150,000 - \$199,999	188	8.8	27,692	16.3
\$200,000 or more	698	32.7	60,796	35.8
TOTALS	2,135	100.0	169,816	100.0

Source: 2023 American Community Survey 5-Year Estimates (Table B19101)

Housing Affordability

Table 8 identifies the maximum income limits for low, very low- and moderate-income households in Housing Region 4. All of Mercer, Ocean and Monmouth counties are in Housing Region 4.

Matawan is in Housing Region 4. As of 2025, the median household income for a three-person household in Housing Region 4 was \$121,200. A three-person moderate income household, defined as a household with an income in excess of 50 percent but less than 80 percent of the median income, would have an income that does not exceed \$96,960. A four-person low-income household, defined as a household with income equal to or less than 50 percent but more than 30 percent of the median income, would have an income that does not exceed \$67,300. A two-person very low-income household, defined as a household with an income equal to 30 percent or less of the median income, would have an income that does not exceed \$32,310. Finally, the 1.5 person, three-person and 4.5-person columns are used for calculating the pricing for one-, two- and three-bedroom affordable units.

Table 8
2025 REGIONAL INCOME LIMITS
HOUSING REGION 4

<u>Household Size</u>	<u>Median Income</u>	<u>Moderate Income</u>	<u>Low Income</u>	<u>Very Low Income</u>
1 Person	\$94,300	\$75,440	\$47,150	\$28,290
1.5 Person	\$101,000	\$80,800	\$50,500	\$30,300
2 Person	\$107,700	\$86,160	\$53,850	\$32,310
2.5 Person	\$114,450	\$91,560	\$57,225	\$34,335
3 Person	\$121,200	\$96,960	\$60,600	\$36,360
4 Person	\$134,600	\$107,680	\$67,300	\$40,380
4.5 Person	\$140,000	\$112,000	\$70,000	\$42,000
5 Person	\$145,400	\$116,320	\$72,700	\$43,620
6 Person	\$156,200	\$124,960	\$78,100	\$46,860
7 Person	\$167,000	\$133,600	\$83,500	\$50,100
8 Person	\$177,700	\$142,160	\$88,850	\$53,310

Source: 2025 Affordable Housing Regional Income Limits by Household Size, Prepared by Affordable Housing Professionals of New Jersey (AHPNJ) – May 16, 2025

Housing Unit Data

In 2020, there were 4,010 housing units in Matawan, of which 3,849 were occupied. By comparison, the County had 268,912 housing units, of which 244,630 were occupied.

As shown in Table 9, owner-occupied housing stock comprised a lower percentage of the Borough's housing stock than in the County's housing stock. In 2020, approximately 56.2 percent of the Borough's housing stock, versus 72.8 percent of the County's housing stock, was owner-occupied.

Table 9
HOUSING UNIT DATA, 2020
Borough of Matawan & Monmouth County

	Borough of Matawan		Monmouth County	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Unit Type				
Occupied	3,849	96.0	244,630	91.0
Vacant, Seasonal & Migratory	161	4.0	24,282	9.0
TOTALS	4,010	100.0	268,912	100.0
Owner vs Renter Occupied Units				
Owner Occupied	2,165	56.2	178,051	72.8
Renter Occupied	1,684	43.8	66,579	27.2
TOTALS	3,849	100.0	244,630	100.0

Source: 2020 U.S. Census (Table DP1)

Year Householder Moved into Unit

Table 10 provides the year the current householders moved into the Matawan and Monmouth County homes. As shown, 80.8 percent of the Borough's households moved into their current residences during or after 2000, compared to 73.7 percent countywide. Approximately 19.2 percent of the Borough's households and 26.3 percent of the County's households moved into their residences before 2000.

Table 10
YEAR HOUSEHOLDER MOVED INTO UNIT, 2023
Borough of Matawan & Monmouth County

<u>Year Householder Moved into Unit</u>	Borough of Matawan		Monmouth County	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
2021 or later	400	10.8	17,064	6.8
2010 - 2020	2,136	57.5	118,565	47.4
2000 - 2009	468	12.6	48,741	19.5
1990 - 1999	316	8.5	35,471	14.2
1989 or earlier	396	10.7	30,354	12.1
TOTALS	3,716	100.0	250,195	100.0

Source: 2023 American Community Survey 5-Year Estimates (Table DP04)

Housing Unit Information

Table 11 includes a variety of information from the American Community Survey on the Borough of Matawan and Monmouth County housing stocks, including when the housing unit was built, the number of units per structure, and the number of rooms and bedrooms per unit.

As shown, approximately 50.9 percent of the Borough's housing stock consists of single-family detached structures. In contrast, single-family detached homes comprise approximately 66.1 percent of the County's housing stock.

As shown in Table 11, the Borough's housing stock contains fewer rooms than the County's housing stock. In 2023, about 48.1 percent of Matawan's housing units contained six (6) or more rooms, while approximately 62.8 percent of the County's housing stock recorded the same number of rooms. Similarly, about 27.1 percent of the Borough's housing units contain four or more bedrooms, compared with approximately 35.7 percent of the County's housing stock.

Finally, approximately 64.7 percent of the Borough's housing stock was built before 1980, compared to 57.2 percent in the County overall.

Table 11
HOUSING UNIT INFORMATION, 2023
Borough of Matawan & Monmouth County

	Borough of Matawan		Monmouth County	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Total Units	3,853	100.0	269,728	100.0
<u>Units in Structure</u>				
One (Single Family Detached)	1,961	50.9	178,168	66.1
One (Single Family Attached)	60	1.6	25,506	9.5
Two+ Units	1,832	47.5	63,001	23.4
Mobile Home, Trailer Other	0	0.0	3,053	1.1
<u>Number of Rooms</u>				
1 Room	29	0.8	4,251	1.6
2 or 3 Rooms	602	15.6	28,679	10.6
4 or 5 Rooms	1,371	35.6	67,296	24.9
6 or 7 Rooms	1,140	29.6	74,500	27.6
8+ Rooms	711	18.5	95,002	35.2
<u>Number of Bedrooms</u>				
No Bedroom	29	0.8	4,640	1.7
1 Bedroom	820	21.3	33,991	12.6
2 or 3 Bedrooms	1,958	50.8	134,707	49.9
4+ Bedrooms	1,046	27.1	96,390	35.7
<u>Year Structure Built</u>				
2020 - later	0	0.0	1,508	0.6
2010 - 2019	437	11.3	15,661	5.8
2000 - 2009	122	3.2	25,378	9.4
1990 - 1999	217	5.6	30,407	11.3
1980 - 1989	586	15.2	42,506	15.8
1960 - 1979	1,468	38.1	73,238	27.2
1940 - 1959	497	12.9	44,536	16.5
1939 or earlier	526	13.7	36,494	13.5

Source: 2023 American Community Survey 5-Year Estimates (Table DP04)

Housing Conditions

Housing conditions in Matawan are good. As shown in Table 12, none of the Borough's housing units lack complete plumbing or kitchen facilities, compared to 0.2 and 0.8 percent countywide, respectively. Additionally, just 0.3 percent of the Borough's housing units lack telephone service, compared to 0.8 percent of the County's housing units.

In addition to the above, only about 2.0 percent of the Borough's housing stock has more than one person per room, compared to about 1.7 percent of the County's housing stock. Having more than one person per room in an indicator of overcrowding.

Table 12
INDICATORS OF HOUSING CONDITIONS, 2023
Borough of Matawan & Monmouth County

	Borough of Matawan		Monmouth County	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
<u>Total Occupied Units</u>	3,716		250,195	
Units Lacking Complete Plumbing	0	0.0	394	0.2
Units Lacking Kitchen Facilities	0	0.0	1,931	0.8
No telephone service	12	0.3	2,043	0.8
<u>Persons per Room, Occupied Units</u>				
1.00 or less	3,642	98.0	245,890	98.3
1.01 to 1.50	74	2.0	2,936	1.2
1.51 or more	0	0.0	1,369	0.5
TOTALS	3,716	100.0	250,195	100.0

Source: 2023 American Community Survey 5-Year Estimates (Table DP04)

Housing Values

Table 13 shows 2023 housing values for the Borough of Matawan and Monmouth County. As indicated, approximately 89.9 percent of the Borough’s owner-occupied housing units are valued at over \$300,000. This is slightly higher than in the County, where only about 87.7 percent of the owner-occupied housing units are valued at over \$300,000. The median value of owner-occupied units is \$447,000 in Matawan, but \$566,500 in Matawan Borough.

Table 13
OWNER-OCCUPIED HOUSING VALUES, 2023
Borough of Matawan & Monmouth County

<u>Housing Value</u>	Borough of Matawan		Monmouth County	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$50,000	64	3.0	3,202	1.7
\$50,000 - \$99,999	0	0.0	2,703	1.4
\$100,000 - \$149,999	0	0.0	1,760	0.9
\$150,000 - \$199,999	47	2.2	2,797	1.5
\$200,000 - \$299,999	103	4.8	12,780	6.8
\$300,000 - \$499,999	1,148	54.0	55,119	29.2
\$500,000 - \$999,999	762	35.9	88,909	47.1
\$1,000,000 or more	0	0.0	21,308	11.3
TOTALS	2,124	100.0	188,578	100.0
Median Value	\$ 447,000		\$ 566,500	

Source: 2023 American Community Survey 5-Year Estimates (Table DP04)

Contract Rents

Table 14 details the gross rents for renter-occupied units in Matawan and Monmouth County. As shown, the median monthly rent in Matawan was \$1,714, which was slightly lower than the median rent of \$1,771 in Monmouth County. In Matawan, about 64.8 percent of all cash rents were more than \$1,500. In Monmouth County, about 64.2 percent of all cash rents were more than \$1,500.

Table 14
GROSS RENTS, 2023
OCCUPIED UNITS PAYING RENT
Borough of Matawan & Monmouth County

<u>Contract Rents</u>	<u>Borough</u>		<u>County</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$500	71	4.6	4,045	6.8
\$500 - \$999	63	4.0	3,453	5.8
\$1,000 - \$1,499	416	26.7	13,711	23.2
\$1,500 - \$1,999	538	34.5	15,499	26.2
\$2,000 - \$2,499	380	24.4	10,920	18.4
\$2,500 - \$2,999	82	5.3	6,150	10.4
\$3,000 or more	10	0.6	5,445	9.2
TOTALS	1,560	100.0	59,223	100.0
Median Rent	\$ 1,714		\$ 1,771	

Source: 2023 American Community Survey 5-Year Estimates (Table DP04)

Employment Data

Data from the New Jersey Department of Labor indicates that there was an average total of 6,703 private sector jobs located in Matawan during 2023. This represents jobs located in Matawan, not the occupational characteristics of Matawan's residents.

Table 15 details the occupational characteristics of Matawan residents as indicated by 2023 American Community Survey Five-Year Estimates. As indicated, the largest occupational group among Matawan residents aged 16 years and over engaged in the civilian labor force is "Management, Business Science & Arts" with about 50.9 percent. This was also the largest occupational group in Monmouth County with about 51.6 percent of County residents aged 16 years and over engaged in the civilian labor force. The second largest occupational group was "Sales & Office Occupations," which accounted for 20.3 percent and 20.7 percent of the Borough and County residents aged 16 years and over engaged in the civilian labor force, respectively. The third largest occupational group was "Service Occupations," which accounted for 11.2 percent of the Borough residents and 13.7 percent of the County residents aged 16 years and over engaged in the civilian labor force. In total, these three occupational groups accounted for 82.4 percent of the Borough residents and 86.0 percent of the County residents aged 16 years and over engaged in the civilian labor force.

With regard to the industry of employment, it is noted that the top-three industries of employment among Borough residents aged 16 years and over and engaged in the civilian labor force were "Educational Services, Health Care/Social Assist." with 27.5 percent; "Professional, Scientific, Management" with 17.3 percent; and "Construction" with 10.5 percent. Among County residents, the top-three industries of employment were "Educational Services, Health Care/Social Assist." with 24.4 percent; "Professional, Scientific, Management" with 15.5 percent; and "Retail Trade" with 10.5 percent.

Table 15

OCCUPATIONAL CHARACTERISTICS, 2023
Borough of Matawan & Monmouth County

<u>Occupation Group</u>	Borough of Matawan		Monmouth County	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Management, Business, Science & Arts	2,623	50.9	170,896	51.6
Service Occupations	576	11.2	45,502	13.7
Sales & Office Occupations	1,046	20.3	68,454	20.7
Nat. Resources, Construction & Maint.	536	10.4	22,769	6.9
Production, Transportation & Material	377	7.3	23,397	7.1
TOTALS	5,158	100.0	331,018	100.0

<u>Industry</u>	Borough of Matawan		Monmouth County	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Agriculture, Forestry, Fishing	0	0.0	1,182	0.4
Construction	541	10.5	23,110	7.0
Manufacturing	208	4.0	20,514	6.2
Wholesale Trade	49	0.9	8,111	2.5
Retail Trade	483	9.4	34,706	10.5
Transportation and Warehousing	348	6.7	14,580	4.4
Information	241	4.7	10,518	3.2
Finance, Insurance, Real Estate	364	7.1	34,219	10.3
Professional, Scientific, Management	892	17.3	51,201	15.5
Edu. Services, Health Care/Social Assist.	1,419	27.5	80,748	24.4
Arts, Entertain., Recreation, Food Services	168	3.3	25,455	7.7
Other Services, Except Public Admin.	186	3.6	12,401	3.7
Public Administration	259	5.0	14,273	4.3
TOTALS	5,158	100.0	331,018	100.0

Source: 2023 American Community Survey 5-Year Estimates (Tables S2401, S2405)

Table 16 provides data on the sector of employment of 6,703 private jobs located within the Borough of Matawan. Of these jobs, 1,195 or 17.8 percent were classified as “Health/Social.” An additional 1,059 jobs or 15.8 percent were classified as “Construction,” and an additional 794 jobs or 11.8 percent were classified as “Admin/Waste Remediation.” Finally, a total of 660 jobs or 9.8 percent were classified as “Accommodations/Food.” These four employment sectors account for about 55.2 percent of all jobs located within the Borough of Matawan.

Table 16
EMPLOYMENT BY SECTOR, 2023
Borough of Matawan

<u>Employee Sector</u>	Borough of Matawan	
	<u>Number</u>	<u>Percent</u>
Utilities	Undisclosed	Undisclosed
Construction	1,059	15.8
Manufacturing	Undisclosed	Undisclosed
Wholesale Trade	464	6.9
Retail Trade	267	4.0
Transportation/Warehousing	312	4.7
Information	Undisclosed	Undisclosed
Finance/Insurance	504	7.5
Real Estate	Undisclosed	Undisclosed
Professional/Technical	430	6.4
Management	Undisclosed	Undisclosed
Admin/Waste Remediation	794	11.8
Education	41	0.6
Health/Social	1,195	17.8
Arts/Entertainment	Undisclosed	Undisclosed
Accommodations/Food	660	9.8
Other Services	389	5.8
Unclassified	17	0.3
TOTAL	6,703	100.0

Source: 2023 American Community Survey 5-Year Estimates (Tables S2401, S2405)

Residential Construction

Table 17 contains data on dwelling units authorized by building permit and demolished with a demolition permit from 2012 through 2023. This data has been obtained from the New Jersey Department of Community Affairs.

In the reported period, a total of 190 new units were created and 5 units were demolished, resulting in a net increase of 185 units. The average annual net change in the reported period was slightly more than 15.4 units.

Table 17

**NEW DWELLING UNITS AUTHORIZED BY BUILDING PERMIT & HOUSING UNITS
DEMOLISHED: 2012 - 2023
Borough of Matawan**

<u>Year</u>	<u>New Units</u>	<u>Demolitions</u>	<u>Net Increase</u>
2012	0	0	0
2013	0	0	0
2014	8	0	8
2015	100	0	100
2016	33	0	33
2017	43	1	42
2018	2	1	1
2019	1	0	1
2020	0	0	0
2021	0	3	-3
2022	3	0	3
2023	0	0	0
TOTALS	190	5	185

Source: "Development Trends Viewer." State of New Jersey Department of Community Affairs, September 16, 2024. Accessed February 4, 2025.
https://www.nj.gov/dca/codes/reporter/Development_Trend_Viewer.xlsb.

Population and Household Projection

The North Jersey Transportation Planning Authority (NJTPA) has released 2050 population and household projections for its constituent municipalities. These projections have a base of 2015 and are published on the NJTPA's website at: <https://www.njtpa.org/Data-Maps/Demographics-GIS/Forecasts.aspx>.

The 2050 population projection for Matawan is 9,268, which represents an increase over the projection's base 2015 population of 8,776. The 2050 household projection for Matawan is 3,654, which represents an increase over the projection's base 2015 household count of 3,377.

N.J.S.A. 52:27D-310.b require that Housing Elements and Fair Share Plans include a household projection for the next ten years. When the 2050 projections of the North Jersey Transportation Planning Authority are linearly adjusted to represent 2035 values, projections of 9,057 residents and 3,769 households result. This is summarized in Table 18.

Table 18

POPULATION AND HOUSEHOLD PROJECTION, 2015 - 2050
Borough of Matawan

<u>2015 Base Population</u>	<u>2035 Population Projection (Adjusted from 2050)</u>	<u>2050 Population Projection</u>
8,776	9,057	9,268
<u>2015 Base Households</u>	<u>2035 Household Projection (Adjusted from 2050)</u>	<u>2050 Household Projection</u>
3,377	3,535	3,654

Sources:

2035: Calculated by T&M based on 2050 values; and,
2015 and 2050: North Jersey Transportation Planning Authority.

It is noted that the 2020 United States Census population count of 9,565 already surpasses the foregoing 2035 Population Projection of 9,057 by about 5.6 percent, and the 2050 Household Projection of 9,268 by about 2.3 percent.

Similarly, it is noted that the 2020 United States Census household count of 3,848 already surpasses the foregoing 2035 Household Projection of 3,535 by about 8.9 percent, and the 2050 Household Projection of 3,654 by about 5.3 percent.

Based on the above, it is clear that actual growth has exceeded the NJTPA's projected growth. While it is theoretically possible that the Borough will lose population and household to ultimately match the NJTPA's 2050 population, such a scenario is unlikely considering the development foreseen by this Housing Element and Fair Share Plan. It is, therefore, recommended that future population and household growth be monitored as new data becomes available.

The foregoing information has been provided for informational purposes only and in response to N.J.S.A. 52:27D-310.b.

Employment Projection

The North Jersey Transportation Planning Authority (NJTPA) has released a 2050 employment projection for the Borough of Matawan of 4,406 jobs, which represents an increase of 381 jobs or about 9.5 percent over the projection's 2015 base of 4,025 jobs.

It should be noted, however, that the NJTPA projection's 2015 base of 4,025 jobs is much lower than the 2015 average of 5,676 private sector jobs that have been identified by the New Jersey Department of Labor and Workforce Development (NJDLWD) in Matawan. The measure of employment used by the NJTPA projections is clearly different and, therefore, not compatible with NJDLWD data.

Notwithstanding the above, it is noted that if the change projected by the NJTPA for the period from 2015 through 2050 is annualized and applied to the NJDLWD's 2023 average count of 6,703 jobs that has been reported above in Table 16, an adjusted projection of 6,914 jobs in 2035 can be obtained to satisfy the requirement of N.J.S.A. 52:27D-310.d, which stipulates that Housing Element and Fair Share Plans include an analysis of the existing and probable future employment characteristics of the municipality. This is done in Table 19.

Table 19

EMPLOYMENT PROJECTION, 2023 - 2050
Borough of Matawan

<u>2015</u> <u>NJTPA Employment</u> <u>Projection Base</u>	<u>2050</u> <u>NJTPA Employment</u> <u>Projection</u>	<u>2050</u> <u>NJTPA-Projected</u> <u>Change (Number)</u>	<u>2050</u> <u>NJTPA-Projected Change</u> <u>(Annual Percent)</u>
4,025	4,406	381	0.26
	<u>2023</u> <u>NJDLWD Average</u> <u>Employment</u>		<u>2035</u> <u>Adjusted Projection</u> <u>Average Employment</u>
	6,703		6,914

Sources:

2023: New Jersey Department of Labor and Workforce Development; 2035: Calculated by T&M; and, 2015 and 2050: North Jersey Transportation Planning Authority.

Note (2025 Adjusted Projection Average Employment):

2023 NJDLWD Average Employment × (1 + NJTPA-Projected Change (Annual Percent))¹²

The foregoing information has been provided for informational purposes only and in response to N.J.S.A. 52:27D-310.d.

Fair Share Plan

Affordable Housing Obligation

The Borough's affordable housing obligation is described in the following subsections.

A municipality's affordable housing obligation is made up of both a present need (rehabilitation obligation) and a prospective need obligation. Obligations are calculated in time periods known as "rounds."

Previous Round obligations have either been determined by the New Jersey Council on Affordable Housing (COAH), or by Court decisions. However, pursuant to FHA 2, for Round 4 and subsequent rounds, the Department of Community Affairs (DCA) was directed to provide a non-binding calculation of regional need and municipal present and prospective need obligations in accordance with the formula contained in the Act.

DCA calculated a Round 4 present need obligation of zero (0) units and a prospective need obligation of 70 units for the Borough of Matawan. The Borough analyzed the data that resulted in the obligation and, as permitted under the FHA 2, calculated a prospective need obligation of 68 units. The Borough adopted a binding resolution stipulating its Round 4 affordable housing obligations on January 21, 2025. As was previously described, the Borough's final Round 4 obligation was established at 68 units on March 28, 2025.

Matawan's affordable housing obligations are as follows:

- Prior Round (Rounds 1 & 2, from 1987-1999) Obligation: 141 units
- Round 3 (from 1999-2025) Prospective Need Obligation: 157 Units
- Round 4 (from 2025-2035) Present Need (Rehabilitation Obligation): 0 units
- Round 4 (from 2025-2035) Prospective Need Obligation: 68 Units

The Borough's affordable housing obligation and the manner in which it has met, and intends to meet it, is described in the following subsections.

Round 4 Present Need

The present need is a measure of overcrowded and deficient housing that is occupied by low- and moderate-income households. The present need has previously been called "rehabilitation share." The Borough of Matawan's Round 4 present need is zero (0) units.

Prior Round Obligation

The Prior Round obligation covers the period from 1987 through 1999. The Borough's prior round obligation is **141 units**.

Round 3 Prospective Need

The Round 3 prospective need covers the period from 1999 through 2025. The Borough's Round 3 prospective need is **157 units**.

Based on the above, the Borough of Matawan's Prior Round and Round 3 total obligation is 298 units (141 + 157 = 298). The Borough has the following compliance plan to address, and, in fact, exceed, the 298-unit Prior Round and Round 3 obligation.

Affordable Housing Sites to Address Prior Round & Round 3 Prospective Need

The Borough of Matawan has identified sites to address its Prior Round and Round 3 prospective need obligations as shown in the above compliance table. In total, these sites and associated bonus credits provide or will provide an estimated 310 units of credit to address the 298-unit obligation.

Credit Tabulation: Prior Round and Round 3
Borough of Matawan, Monmouth County, New Jersey

PRIOR ROUND OBLIGATION (1987-1999)		ROUND 3 PROSPECTIVE NEED OBLIGATION (1999-2025)		TOTAL PRIOR + PROSPECTIVE
OBLIGATION		OBLIGATION		TOTALS
Prior Round Obligation	141	Prospective Need Obligation	157	298
BONUSES/CAPS		BONUSES/CAPS		TOTALS
Senior Cap (25% of Obligation, rounded down)	35	Senior Cap (25% of RDP, rounded down)	39	74
Rental Bonus Cap (25% of Obligation, rounded down)	35	Rental Bonus Cap (25% of RDP, rounded down)	39	74
Rental Obligation (25% of Obligation, rounded up)	36	Rental Obligation (25% of Obligation Rounded up)	40	76
COMPLIANCE MECHANISMS		COMPLIANCE MECHANISMS		TOTALS
Family Rental Units	106	Family Rental Units	130	236
Site 1: The Preserve at Matawan	31	Site 5: Remaining Train Station Redevelopment Area (Buildout)	130	
Site 2: 126 Main Street	2			
Site 3: Wilt Group Site A (Train Station Redevelopment Area)	10			
Site 4: 160 Main Street	8			
Site 5: Remaining Train Station Redevelopment Area (Buildout)	47			
Site 6: 114-116 Main Street	8			
TOTALS		TOTALS		TOTALS
Total Unit Count	106	Total Unit Count	130	236
Rental Bonus Credits Applied	35	Rental Bonus Credits Applied	39	74
Total Compliance Credits (Units + Bonuses)	141	Total Compliance Credits (Units + Bonuses)	169	310
Surplus	0	Surplus	12	12

The following subsections provide complete descriptions of each of the affordable housing sites that will contribute to the fulfillment of the Borough's Prior Round and Round 3 prospective need obligations.

Site 1: The Preserve at Matawan

The subject property is located on Sloan Court on Block 120, Lot 5.01, within the R-C (Residential Cluster) Multi-Family Zone District. The property in its entirety is approximately 23.5 acres, with approximately 13.9 acres devoted to a conservation easement along the Gravelly Brook and 9.6 acres devoted to the multi-family residential development. The site is bound by Route 79 to the west, commercial and residential uses to the north and south, and the Gravelly Brook and conservation easement areas to the east.

The Preserve at Matawan inclusionary development received Unified Planning & Zoning Board of Adjustment approval in July 2007 for the development of 157 dwelling units, consisting of **31 affordable family rental units** (representing a 20 percent set-aside). Per the board approval, 31 affordable units consist of nine (9) three-bedroom units, 16 two-bedroom units, and six (6) one-bedroom units. The development was fully developed with certificates of occupancy by 2010.

Site 2: 126 Main Street

The subject property is comprised of Block 24, lots 3.01 and 5, and is located at 126 Main Street in the GB (General Business) Zone District. The property is approximately 0.73 acres.

Amended site plan approval with use and bulk variances was granted in December 2018 for the development of a mixed-use development. The approval required that the development include two units of affordable housing. This development provides **two (2) affordable family rental** units of credits.

The residential units are constructed and occupied.

Site 3: Wilt Group (Train Station Redevelopment Area)

The Wilt Group received Unified Planning Board/Zoning Board of Adjustment approval as memorialized in a November 7, 2022 resolution. The board approved a mixed-use building on the approximately 1.882-acre property. The development includes ground floor retail, with 103 residential units, of which ten are affordable units, on the upper floors. The approval requires conformance with all UHAC requirements. This property provides **10 affordable family rental units**.

The site has been cleared in preparation for the approved development.

Site 4: 160 Main Street

In November 2024, Borough entered into a settlement agreement with 160 Main, LLC regarding the property located at 160 Main Street. The agreement provided for a mixed-use development on the subject property. Retail use would be permitted on the first floor, with 46 residential apartments located on both the first floor and upper floors. Eight (8) of the residential units would be affordable and subject to the UHAC requirements.

A zoning ordinance has been introduced to implement the settlement agreement. 160 Main Street provides for **8 affordable family rental credits**.

Site 5: Remaining Train Station Redevelopment Area (Buildout)

Within areas of the Train Station Redevelopment Area that are not covered by the proposal of the Wilt Group that has been described above, it is estimated that there is potential for additional dwelling units at buildout.

Analysis of the Train Station Redevelopment Area results in the potential development of 968 units with a set-aside of 20 percent¹. This results in a total of 187 affordable units². Ten (10) of the 187 affordable units are accounted for in Site 3; the remaining 177 affordable units are creditable in Prior Round and Round 3. For the purposes of this plan, it is assumed that all additional affordable units would be family rental units.

The Train Station Redevelopment Area provides **47 units of credit to satisfy the Prior Round obligation and 130 units of credit to satisfy the Round 3 obligation.**

Site 6: 114-116 Main Street

The applicant, 114-116 Main Street, LLC, received Unified Planning Board/Zoning Board approval as detailed in a resolution memorialized on July 10, 2023. The approval is for a 32,925 square foot property known as Block 6, Lots 20-23 and 24.01, which is located in the General Business (GB) Zone District.

The approval is for a mixed-use building containing 2,250 square feet of retail space and a total of 52 units, of which **eight (8) would be affordable family rental units.**

Therefore, the Borough has fully satisfied its Prior Round and Round 3 prospective need obligations and, in fact, actually exceeded the obligation by 12 units, which will be carried forward to address the Round 4 obligation.

Round 4 Prospective Need

Matawan's Round 4 prospective need obligation is **68 units**. The Borough does not have sufficient land to zone or to build for its full Round 4 obligation.

Because the Borough does not have sufficient vacant land to zone for or build for its full Round 4 obligation, it is entitled to a Vacant Land Adjustment (VLA) for Round 4. The Round 4 VLA table and associated mapping is included in Appendix A. The VLA was prepared pursuant to COAH Round 2 rules contained in N.J.A.C. 5:93-4.2 and the FHA 2.

The VLA analyzed vacant lots with a tax assessment classification of 1, vacant land or 15C, public property. Full lots, or portions thereof, that contain environmental

¹ Appendix E provides a copy of an ordinance to amend the Redevelopment Plan for the Train Station Redevelopment Area to require a set-aside of 20 percent on all new multi-family housing, whether for sale or rent.

² The total number of affordable units required is calculated on a site-by-site basis and rounded-up to the next whole number. In calculating the total number of affordable units required, a set-aside of less than 20 percent was applied to sites with an existing approvals or redevelopment agreements in place; for such sites the set-aside was calculated as specified in the approval or redevelopment agreement.

constraints, were excluded from the analysis. Properties that are listed on the Borough's Recreation and Open Space Inventory (ROSI) were excluded, in addition to properties that are a Round 3 compliance mechanism or are otherwise not developable. An eight-unit per acre density was applied to the remaining lots or portions thereof, with a resulting calculation of a six (6) unit RDP.

The six-unit RDP is fully satisfied by the 12-unit carryover from Prior Round and Round 3. Therefore, the RDP is fully satisfied, with a six (6) unit surplus.

Unmet Need

The Borough needs to address its unmet need requirement. Due to the six-unit RDP, and the six (6)-unit surplus, the unmet need is 56 units (68 - 12 = 56).

The FHA 2 includes the following language (emphasis added):

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

Therefore, the Borough needs to address 25% of its 56-unit unmet need obligation with realistic zoning. With a 56-unit unmet need requirement, the Borough needs to provide realistic zoning for 14 affordable units.

To address the unmet need obligation, the Borough proposes to create a new overlay zone district for two existing Highway Improvement (HI) Zone Districts that are located along Rt. 34. The combined acreage of the of these HI districts approximates 19 acres. The proposed zoning ordinance is attached in Appendix D and would permit multifamily residential development at a density of 14 units per acre with a required 20% affordable housing set-aside. Therefore, the new overlay zoning offers the potential for 266 units, of which 53 would be affordable units. The proposed overlay zoning exceeds the 25% requirement as referenced above, and provides realistic opportunity for the provision of affordable housing.

As required by affordable housing rules, the overlay zoning locations meet the definitions of approvable, available, developable and suitable. The property will be rezoned to permit inclusionary development, has access to water and sewer infrastructure, and is situated in an area where growth is identified to occur.

In addition to the proposed overlay zoning, the following will also be used to address the Borough's unmet need:

- The Borough's mandatory set-aside ordinance as contained in the proposed new Affordable Housing Ordinance contained in Appendix B.
- The Borough will collect development fees to assist with future affordable housing needs. A development fee ordinance is contained in Appendix B.

Consideration of Lands Appropriate for Affordable Housing

Matawan is a developed community with minimal vacant land. The Borough anticipates that future development and growth will predominantly be limited to the Train Station Redevelopment Area and the HI zones that were identified for overlay zoning. The Borough's anticipated land use pattern is, therefore, expected to be consistent with the Borough's adopted land use plan, redevelopment plan and zone plan.

The majority of the Borough of Matawan is located within State Planning Area 1 and has a developed infrastructure. As has been previously stated, the Borough anticipates that future development and growth will predominantly be limited to redevelopment activity, as well as infill development and expansions as may be permitted under the Borough's zone plan. Public water and sewer services are available in the areas where future development is expected.

No property owners came forward to express a commitment to provide affordable housing in Round 4.

Consistency with the State Development and Redevelopment Plan

The New Jersey State Planning Commission adopted its most recent State Development and Redevelopment Plan (SDRP) in December 2025.

The 2025 SDRP identifies several state planning areas. The current State Plan Policy Map, which facilitates the implementation of the SDRP, indicates that Matawan is located within State Planning Area 1, which is known as the Metropolitan Planning Area. As outlined in the SDRP, the intent of the Metropolitan Planning Area is to:

- provide for much of the state's future growth in compact development and redevelopment;
- revitalize cities, towns and neighborhoods, and in particular overburdened neighborhoods;
- address existing legacy issues such as air pollution, urban heat islands, lead contamination, Brownfields, urban highways, and combined sewer systems;
- prevent displacement and gentrification;
- promote growth that occurs in Centers, other appropriate areas that are pedestrian friendly, and in compact transit-oriented forms;
- rebalance urbanization with natural systems;
- promote increased biodiversity and habitat restoration;
- stabilize and enhance older inner ring suburbs;
- redesign and revitalize auto oriented areas; and
- protect and enhance the character of existing stable communities.

In addition to the above, it is noted that the SDRP includes several "State Planning Goals." One of these goals relates to housing and is centered around the following principle:

Provide an adequate supply of housing for residents of all ages and incomes in communities of their choosing that meet their needs and offer ready access to the full range of supportive goods and services.

(2025 SDRP, Page 27)

Based on its intents for the Metropolitan Planning Area and its promotion of affordable housing, it is concluded that this Housing Element and Fair Share Plan is generally consistent with the 2025 SDRP.

Multigenerational Housing Continuity

In 2021, the New Jersey Senate and General Assembly of the State of New Jersey enactment C.52:27D-329.20, which established the Multigenerational Family Housing Continuity Commission.

The commission's responsibilities include preparing and adopting recommendations on how to best advance the goal of "enabling senior citizens to reside at the homes of their extended families, thereby preserving and enhancing multigenerational family continuity, through the modification of State and local laws and policies in the areas of housing, land use planning, parking and streetscape planning, and other relevant areas." The commission members and associated staff shall conduct research, obtaining public input, and adopt recommendations on how to most effectively advance the goal of enhancing multigenerational family housing continuity.

We note that the Borough of Matawan's Housing Element includes a variety of inclusionary development options, including near the train station, on Main Street and along Rt. 34. Therefore, the Borough's ordinances advance the goals of preserving multifamily generational continuity.

Minimums & Maximums

C.52:27D-311.k(10)1 stipulates certain requirements, which the Matawan plan meets, as follows:

- A maximum of 30% of a municipality's Round 4 prospective need obligation may be met with age restricted housing: the Borough's plan conforms. No Round 4 units are age-restricted housing.
- A minimum of 50% of a municipality's Round 4 prospective need obligation must be satisfied with the creation of housing available to families with children. All units proposed for Round 4 are available to families with children.
- A minimum of 25% of a municipality's Round 4 prospective need obligation must be satisfied through rental housing. The 12 units carried over from Round 3 are rental units.

Conclusion

Matawan will provide for its fair share of affordable housing despite having a vacant land deficiency. As shown, the Borough exceeded its Prior Round and Round 3 obligations and meets its Round 4 RDP. The Borough has proposed sufficient overlay zoning to address its unmet need obligation. This area is located within Planning Area 1 of the State Plan, which is the location where such growth is encouraged.

All affordable units will conform to necessary rules, legislation and regulations, including but not limited to bedroom distribution and income distribution. At least 13% of all affordable housing units will be available to very low-income households. Matawan's Round 4 plan addresses the Borough's affordable housing obligation within the confines of sound planning, and while respecting its built environment and development characteristics.

Appendices

This report contains the following appendices.

Appendix A: Vacant Land Adjustment Documentation

Appendix B: Affordable Housing Ordinance, which also includes a Development Fee Ordinance and a Mandatory Set-Aside.

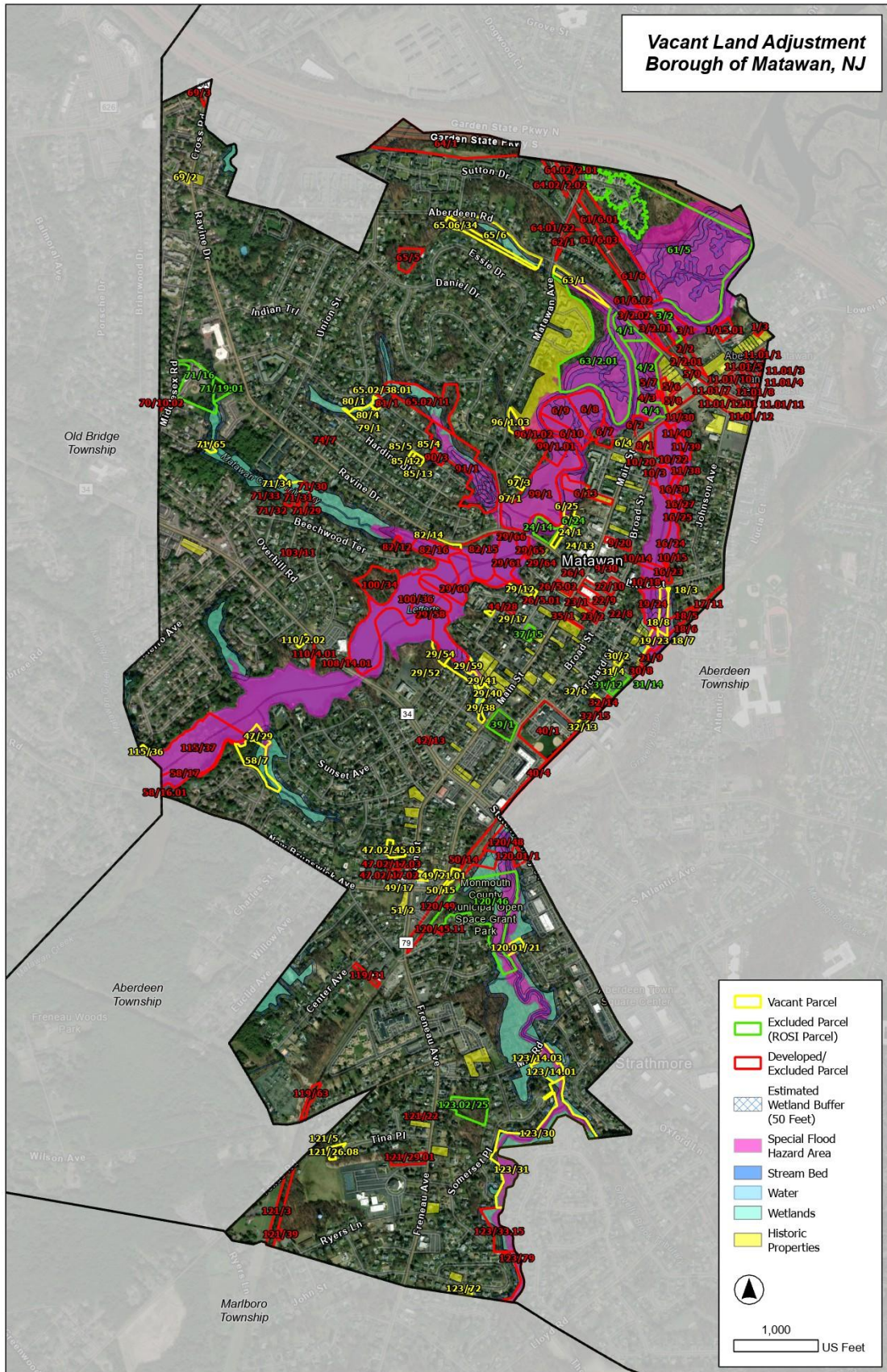
Appendix C: Resolution Appointing the Municipal Housing Liaison

Appendix D: Ordinance and Associated Map for the HI-AH Overlay Zone

Appendix E: Ordinance to Amend Train Station Redevelopment Plan

Appendix F: Spending Plan

Appendix A: Vacant Land Adjustment Documentation



Housing Element and Fair Share Plan Borough of Matawan — Originally Adopted: June 16, 2025; Amendment Prepared: February 19, 2026

DRAFT Vacant Land Adjustment Matawan Brough, Monmouth County, New Jersey June 6, 2025

BLOCK	LOT	LOCATION	PROPERTY CLASS	OWNER	TRAIN STATION REDEVELOPMENT AREA	ROSI	VACANT	TOTAL ACRES	ENCUMBERED ACRES	NET ACRES	ADJACENT CODE	ASSUMED DENSITY	TOTAL YIELD	ROP (# Units)
100	34	CROFTWOOD RD	Class 1 - Vacant Land	DOUGLAS CLUB W/ MEGAN GELTERBERG			EXCLUDE (LANDLOCKED)	1.37	0.13	1.23				
123	33.15	DOMESTIC PK	Class 15C - Public Property	BORO OF MATAWAN-VACANT LAND			EXCLUDE (LANDLOCKED)	2.35	2.09	0.26				
130	48	TALLEY DR B	Class 15C - Public Property	BORO OF MATAWAN-WATER TOWER			EXCLUDE (LANDLOCKED)	0.83	0.88	0.00				
131	28	BEAR OF PINE LN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LANDLOCKED)	0.13		0.13				
61	6.02	MATAWAN CREEK	Class 15C - Public Property	NU TRANSIT PROPERTY MANAGEMENT			EXCLUDE (LANDLOCKED)	0.09	0.09	0.00				
67.02	17.02	ZIEGLER PL REAR	Class 1 - Vacant Land	SPRING DEVELOPMENT GROUP, LLC			EXCLUDE (LANDLOCKED)	0.25		0.25				
47.02	17.02	ZIEGLER PL REAR	Class 1 - Vacant Land	SPRING DEVELOPMENT GROUP, LLC			EXCLUDE (LANDLOCKED)	0.18		0.18				
64.01	21	MATAWAN AVE	Class 1 - Vacant Land	ZALEPKA, JOSEPH & LAURIE			EXCLUDE (LANDLOCKED)	0.11		0.11				
50	14	BROAD ST REAR	Class 15C - Public Property	BORO OF MATAWAN-VACANT LAND			EXCLUDE (LANDLOCKED)	0.07		0.07				
123	28	EMMETT BIRKOK	Class 15C - Public Property	BORO OF MATAWAN-VACANT LAND			EXCLUDE (LANDLOCKED)	0.48	0.48					
10	20	LAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAKE MATAWAN)	1.95	1.95					
10	22	LAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAKE MATAWAN)	2.88	2.86	0.02				
16	25	LAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAKE MATAWAN)	0.18	0.18					
16	26	LAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAKE MATAWAN)	0.18	0.18					
16	27	LAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAKE MATAWAN)	0.09	0.09	0.00				
16	28	LAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAKE MATAWAN)	0.11	0.11					
16	29	LAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAKE MATAWAN)	0.06	1.95	0.05				
16	29	LAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAKE MATAWAN)	0.22	0.22					
16	30	LAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAKE MATAWAN)	0.20	0.20					
11	27	LAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAKE MATAWAN)	0.22	0.22					
11	38	LAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAKE MATAWAN)	0.18	0.18					
11	40	LAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN	TRAIN STATION REDEVELOPMENT AREA		EXCLUDE (LAKE MATAWAN)	0.04	0.04					
11	41	LAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN	TRAIN STATION REDEVELOPMENT AREA		EXCLUDE (LAKE MATAWAN)	0.11	0.11					
11	42	LAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN	TRAIN STATION REDEVELOPMENT AREA		EXCLUDE (LAKE MATAWAN)	0.30	0.30					
16	24	LAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAKE MATAWAN)	1.76	1.76	0.03				
11	39	LAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAKE MATAWAN)	0.13	0.49	0.49				
10	3	BROAD ST	Class 1 - Vacant Land	PETERSON, JANICE L			EXCLUDE (LAKE MATAWAN)	0.38	0.24	0.14				
10	15	BROAD ST	Class 15C - Public Property	BORO OF MATAWAN-VACANT LAND			EXCLUDE (LAKE MATAWAN)	0.11	0.40	0.11				
10	18	LAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAKE MATAWAN)	0.17	0.17					
100	36	LAKE LEFFERTS	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAKE LEFFERTS)	11.22	11.45	0.07				
29	60	LAKE LEFFERTS	Class 1 - Vacant Land	PROSPECT POINT GARDENS INC			EXCLUDE (LAKE LEFFERTS)	1.85	1.84	0.01				
29	61	LAKE LEFFERTS	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAKE LEFFERTS)	1.80	1.80	0.00				
29	58	LAKE LEFFERTS	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAKE LEFFERTS)	1.85	1.85					
29	63	LAKE LEFFERTS	Class 1 - Vacant Land	COUNTYMAN, BARTLEY/DEEDMEYER BRIANA			EXCLUDE (LAKE LEFFERTS)	0.08	0.07	0.01				
29	64	LAKE LEFFERTS	Class 1 - Vacant Land	COUNTYMAN, BARTLEY/DEEDMEYER BRIANA			EXCLUDE (LAKE LEFFERTS)	0.06	0.04	0.02				
29	65	LAKE LEFFERTS	Class 1 - Vacant Land	COUNTYMAN, BARTLEY/DEEDMEYER BRIANA			EXCLUDE (LAKE LEFFERTS)	0.02	0.02	0.00				
29	66	LAKE LEFFERTS	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAKE LEFFERTS)	0.06	0.06					
82	15	RAINING CR	Class 15C - Public Property	BORO OF MATAWAN-STORAGE BLDG			EXCLUDE (LAKE LEFFERTS)	4.55	3.39	0.76				
82	16	LAKE LEFFERTS	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAKE LEFFERTS)	1.94	1.92	0.03				
17	11	ATLANTIC AVE	Class 15C - Public Property	NU TRANSIT PROPERTY MANAGEMENT			EXCLUDE (ELECTRICAL TRANSMISSION LINE)	0.90		0.90				
18	4	DORNDORF AVE	Class 15C - Public Property	NU TRANSIT PROPERTY MANAGEMENT			EXCLUDE (ELECTRICAL TRANSMISSION LINE)	4.40		0.72				
40	4	CHURCH ST	Class 15C - Public Property	NU TRANSIT PROPERTY MANAGEMENT			EXCLUDE (ELECTRICAL TRANSMISSION LINE)	1.87	0.93	1.64				
80	8	STILLWELL ST	Class 15C - Public Property	NU TRANSIT PROPERTY MANAGEMENT			EXCLUDE (ELECTRICAL TRANSMISSION LINE)	1.14	0.97	1.09				
22	23	CANTON ST	Class 15C - Public Property	NU TRANSIT PROPERTY MANAGEMENT			EXCLUDE (ELECTRICAL TRANSMISSION LINE)	0.31	0.03	0.29				
130	49	FRENCH JCT	Class 15C - Public Property	NU TRANSIT PROPERTY MANAGEMENT			EXCLUDE (ELECTRICAL TRANSMISSION LINE)	1.50	0.55	1.95				
21	9	CENTER ST	Class 15C - Public Property	NU TRANSIT PROPERTY MANAGEMENT			EXCLUDE (ELECTRICAL TRANSMISSION LINE)	1.48	1.35	0.13				
44	28	WYCKOFF ST	Class 15C - Public Property	BORO OF MATAWAN-VACANT LAND			EXCLUDE (DRIVEWAY)	0.11		0.11				
9	9	LOTUS & DONALD	Class 15C - Public Property	BORO OF MATAWAN-VACANT LAND			EXCLUDE (DRIVEWAY)	0.01		0.01				
90	3	FOREST AVE	Class 15C - Public Property	BORO OF MATAWAN-VACANT LAND			EXCLUDE (HEAVILY ENCUMBERED, UNENCUMBERED AREA VERY FRAGMENTED)	0.41	0.40	0.01	B			
91	1	MATAWAN AVE	Class 15C - Public Property	BORO OF MATAWAN-VACANT LAND			EXCLUDE (HEAVILY ENCUMBERED, UNENCUMBERED AREA VERY FRAGMENTED)	7.80	4.80	1.95	B			
65.02	11	WEDDER	Class 15C - Public Property	BORO OF MATAWAN-VACANT LAND			EXCLUDE (HEAVILY ENCUMBERED, UNENCUMBERED AREA VERY FRAGMENTED)	2.54	3.93	1.75	B			
81	1	SOMER AVE	Class 1 - Vacant Land	TROWBRIDGE, FRANK			EXCLUDE (HEAVILY ENCUMBERED, UNENCUMBERED AREA VERY FRAGMENTED)	0.39	0.31	0.08	B			
71	29	BEECHWOOD TERN	Class 1 - Vacant Land	JAMBERTON, JOSEPH C			EXCLUDE (HEAVILY ENCUMBERED, SMALL UNENCUMBERED AREA S LANDLOCKED)	0.12	0.17	0.15	G			
71	30	BEECHWOOD	Class 1 - Vacant Land	SPIRITS, JENIFERY & ELIZABETH			EXCLUDE (HEAVILY ENCUMBERED, SMALL UNENCUMBERED AREA S LANDLOCKED)	0.76	0.64	0.29	G			
71	31	BEECHWOOD	Class 1 - Vacant Land	BLYTHER, EDWARD & EVERS, STACY ANN			EXCLUDE (HEAVILY ENCUMBERED, SMALL UNENCUMBERED AREA S LANDLOCKED)	0.11	0.04	0.07	G			
71	33	BEECHWOOD	Class 1 - Vacant Land	FLETCHER, EDWARD & EVERS, STACY ANN			EXCLUDE (HEAVILY ENCUMBERED, SMALL UNENCUMBERED AREA S LANDLOCKED)	0.20	0.06	0.11	G			
71	33	BEECHWOOD TERN	Class 1 - Vacant Land	LESHAN, MICHAEL & ARY			EXCLUDE (HEAVILY ENCUMBERED, SMALL UNENCUMBERED AREA S LANDLOCKED)	0.33	0.15	0.18	G			
64.02	2.05	REAR OF MATAWAN AVE	Class 15C - Public Property	IN V & B BLDG ROAD			EXCLUDE (LANDLOCKED)	0.77		0.77				
119	31	CENTER AVE	Class 1 - Vacant Land	CPAL N GPU SERVICES TAX DEPARTMENT			EXCLUDE (CPAL UTILITY)	0.40		0.40				
62	1	MATAWAN AVE	Class 15C - Public Property	STATE OF NEWJERSEY AUTHORITY			EXCLUDE (RHS HIGHWAY AUTHORITY)	1.07	0.04	1.03				
61	6.03	MATAWAN AVE	Class 15C - Public Property	NU TRANSIT PROPERTY MANAGEMENT			EXCLUDE (NU TRANSIT)	2.40	0.17	2.23				
108	14.03	PTEN	Class 15C - Public Property	BORO OF MATAWAN-PUMPING STATION			EXCLUDE (PUMP STATION)	0.06		0.06				
11	30	MAIN ST	Class 15C - Public Property	BORO OF MATAWAN-VACANT LAND	TRAIN STATION REDEVELOPMENT AREA		EXCLUDE (EMPTY OF DEVELOP SITE)	0.15	0.09	0.07				
1	3	DOCK ST	Class 1 - Vacant Land	HICORON INC	TRAIN STATION REDEVELOPMENT AREA		EXCLUDE (BRD ROUND REPT)	0.22		0.22				
2	2	MAIN & HIGH ST	Class 1 - Vacant Land	PATEL, JAYANT	TRAIN STATION REDEVELOPMENT AREA		EXCLUDE (BRD ROUND REPT)	0.87	0.00	0.86				
5	9	MAIN & HIGH ST	Class 1 - Vacant Land	KCS CHERRY ASSOCIATES, LLC	TRAIN STATION REDEVELOPMENT AREA		EXCLUDE (BRD ROUND REPT)	0.85		0.85				
TOTAL														5.90

**Appendix B: Affordable Housing Ordinance,
Including a Development Fee Ordinance and
Mandatory Set-Aside**

ORDINANCE 26-09

AMENDING AND SUPPLEMENTING THE REVISED GENERAL ORDINANCES OF THE BOROUGH OF MATAWAN CHAPTER 34 – DEVELOPMENT REGULATIONS, ARTICLE XVI – AFFORDABLE HOUSING, NEW SUBSECTION 34-110 – AFFORDABLE HOUSING OBLIGATIONS

WHEREAS, the State of New Jersey has adopted an Amended Fair Housing Act at P.L. 2024, c. 2 (A4) which provides new Fourth Round affordable housing fair share requirements for each municipality; and

WHEREAS, the State has adopted new Fourth Round substantive affordable housing regulations at N.J.A.C. 5:99; and

WHEREAS, The New Jersey Department of Community Affairs (DCA) and the Housing and Mortgage Finance Agency (NJHMFA) have adopted new Uniform Housing and Affordability Controls (UHAC) at N.J.A.C. 5:80-26.1 et seq; and

WHEREAS, in order to maintain compliance with said state regulations regarding affordable housing, the Borough of Matawan (the “Borough”) must amend certain sections of the Borough Code; and

WHEREAS, Article XVI, Section 34-110 contains requirements for affordable housing provisions based on previous COAH regulations and regulations regarding affordable housing development fees; and **NOW, THEREFORE, BE IT ORDAINED**, by the Borough Council of the Borough of Matawan, County of Monmouth, State of New Jersey, that Article XVI, Section 34-110 of the Borough Code are hereby repealed and replaced as follows:

34-110 Introduction & Applicability

- A. This section of the Code sets forth regulations regarding the very low-, low- and moderate-income housing units in the Borough of Matawan consistent with the provisions outlined in P.L. 2024, Chapter 2, including the amended Fair Housing Act (“FHA”) at N.J.S.A. 52:27D-301 et seq., as well as the Department of Community Affairs, Division of Local Planning Services (“LPS”) at N.J.A.C. 5:99 et seq., statutorily upheld existing regulations of the now-defunct Council on Affordable Housing (“COAH”) at N.J.A.C. 5:93 and 5:97, the Uniform Housing Affordability Controls (“UHAC”) at N.J.A.C. 5:80-26.1 et seq., and as reflected in the adopted municipal Fourth Round Housing Element and Fair Share Plan (“HEFSP”).
- B. This Ordinance is intended to ensure that very low-, low- and moderate-income units (“affordable units”) are created with controls on affordability over time and that very low-, low- and moderate-income households shall occupy these units pursuant to statutory requirements. This Ordinance shall apply to all inclusionary developments, individual affordable units, and 100% affordable housing developments except where inconsistent with applicable law. Low-Income Housing Tax Credit financed developments shall adhere to the provisions set forth below in item E(3) below.
- C. The Matawan Unified Planning/Zoning Board of Adjustment has adopted a HEFSP pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1, et seq. The Fair Share Plan describes the ways the Borough shall address its fair share of very low-, low- and moderate-income housing as approved by the Superior Court and documented in the Housing Element.
- D. This Ordinance implements and incorporates the relevant provisions of the HEFSP and addresses the requirements of P.L. 2024, Chapter 2, the FHA, N.J.A.C. 5:99, NJ Supreme Court upheld COAH regulations at N.J.A.C. 5:93 and 5:97, and UHAC at N.J.A.C. 5:80-26.1, as may be amended and supplemented.

E. Applicability

- (1) The provisions of this Ordinance shall apply to all affordable housing developments and affordable housing units that currently exist and that are proposed to be created pursuant to the Borough's most recently adopted HEFSP.
- (2) This Ordinance shall apply to all developments that contain very low-, low- and moderate-income housing units included in the Municipal HEFSP, including any unanticipated future developments that will provide very low-, low- and moderate-income housing units.
- (3) Projects receiving federal Low Income Housing Tax Credit financing and are proposed for credit shall comply with the low/moderate split and bedroom distribution requirements, maximum initial rents and sales prices requirements, affirmative fair marketing requirements of UHAC at N.J.A.C. 5:80-26.16 and the length of the affordability controls applicable to such projects shall be not less than a 30-year compliance period plus a 15-year extended-use period, for a total of not less than 45 years.

34-110.1 Definitions

As used herein the following terms shall have the following meanings:

"Accessory apartments" means a residential dwelling unit that provides complete independent living facilities with a private entrance for one or more persons, consisting of provisions for living, sleeping, eating, sanitation, and cooking, including a stove and refrigerator, and is located within a proposed preexisting primary dwelling, within an existing or proposed structure that is an accessory to a dwelling on the same lot, constructed in whole or part as an extension to a proposed or existing primary dwelling, or constructed as a separate detached structure on the same lot as the existing or proposed primary dwelling. Accessory apartments are also referred to as "accessory dwelling units".

"Act" means the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 et seq.

"Adaptable" means constructed in compliance with the technical design standards of the barrier free subcode adopted by the Commissioner of Community Affairs pursuant to the "State Uniform Construction Code Act," P.L.1975, c. 217 (C.52:27D-119 et seq.) and in accordance with the provisions of section 5 of P.L.2005, c. 350 (C.52:27D-123.15).

"Administrative agent" means the entity approved by the Division responsible for the administration of affordable units, in accordance with N.J.A.C. 5:99-7, and UHAC at N.J.A.C. 5:80-26.15.

"Affirmative marketing" means a regional marketing strategy designed to attract buyers and/or renters of affordable units pursuant to N.J.A.C. 5:80-26.16.

"Affirmative Marketing Plan" means the municipally adopted plan of strategies from which the administrative agent will choose to implement as part of the Affirmative Marketing requirements.

"Affirmative Marketing Process" or "Program" means the actual undertaking of Affirmative Marketing activities in furtherance of each project with very low- low- and moderate-income units.

"Affordability assistance" means the use of funds to render housing units more affordable to low- and moderate-income households and includes, but is not limited to, down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowner's association or condominium fees and special assessments, common maintenance expenses, and assistance with emergency repairs and rehabilitation to bring deed-restricted units up to code, pursuant to N.J.A.C. 5:99-2.5.

"Affordability average" means an average of the percentage of regional median income at which restricted units in an affordable development are affordable to low- and moderate-income households.

"Affordable" means, in the case of an ownership unit, that the sales price for the unit conforms to the standards set forth at N.J.A.C. 5:80-26.7 and, in the case of a rental unit, that the rent for the unit conforms to the standards set forth at N.J.A.C. 5:80-26.13.

"Affordable housing development" means a development included in a Borough's housing element and fair share plan, and includes, but is not limited to, an inclusionary development, a municipally sponsored affordable housing project, or a 100 percent affordable development. This

includes developments with affordable units on-site, off-site, or provided as a payment in-lieu of construction only if such a payment-in-lieu option has been previously approved by the Program or Superior Court as part of the HEFSP. Payments in lieu of construction were invalidated per P.L. 2024, c.2.

“Affordable Housing Dispute Resolution Program” or “the Program” refers to the dispute resolution program established pursuant to N.J.S.A. 52:27D-313.2.

“Affordable Housing Monitoring System” or “AHMS” means the Department’s cloud-based software application, which shall be the central repository for municipalities to use for reporting detailed information regarding affordable housing developments, affordable housing unit completions, and the collection and expenditures of funds deposited into the municipal affordable housing trust fund.

“Affordable Housing Trust Fund” or “AHTF” means that non-lapsing, revolving trust fund established in DCA pursuant to N.J.S.A. 52:27D-320 and N.J.A.C. 5:43 to be the repository of all State funds appropriated for affordable housing purposes. All references to the “Neighborhood Preservation Nonlapsing Revolving Fund” and “Balanced Housing” mean the AHTF.

“Affordable unit” means a housing unit proposed or developed pursuant to the Act, including, but not limited to, units created with municipal affordable housing trust funds.

“Age-restricted housing” means a housing unit that is designed to meet the needs of, and is exclusively for, an age-restricted segment of the population such that: 1. All the residents of the development where the unit is situated are 62 years or older; 2. At least 80 percent of the units are occupied by one person that is 55 years or older; or 3. The development has been designated by the Secretary of HUD as “housing for older persons” as defined in Section 807(b)(2) of the Fair Housing Act, 42 U.S.C. § 3607.

“Agency” means the New Jersey Housing and Mortgage Finance Agency established by P.L.1983, c. 530 (C.55:14K-1 et seq.).

“Assisted living residence” means a facility licensed by the New Jersey Department of Health to provide apartment-style housing and congregate dining and to ensure that assisted living services are available when needed for four or more adult persons unrelated to the proprietor. Apartment units must offer, at a minimum, one unfurnished room, a private bathroom, a kitchenette, and a lockable door on the unit entrance.

“Barrier-free escrow” means the holding of funds collected to adapt affordable unit entrances to be accessible in accordance with N.J.S.A. 52:27D-311a et seq. Such funds shall be held in a municipal affordable housing trust fund pursuant to N.J.A.C. 5:99-2.6.

“Builder’s remedy” means court-imposed site-specific relief for a litigant who seeks to build affordable housing for which the court requires a municipality to utilize zoning techniques, such as mandatory set-asides or density bonuses, including techniques which provide for the economic viability of a residential development by including housing that is not for low- and moderate-income households.

“Certified household” means a household that has been certified by an administrative agent as a very-low-income household, a low-income household, or a moderate-income household.

“CHOICE” means the no-longer-active Choices in Homeownership Incentives for Everyone Program, as it was authorized by the Agency.

“COAH” or the “Council” means the Council on Affordable Housing established in, but not of, DCA pursuant to the Act and that was abolished effective March 20, 2024, pursuant to section 3 at P.L. 2024, c. 2 (N.J.S.A. 52:27D-304.1).

“Commissioner” means the Commissioner of the Department of Community Affairs.

“Compliance certification” means the certification obtained by a municipality pursuant to section 3 of P.L.2024, c. 2 (C.52:27D-304.1), that protects the municipality from exclusionary zoning litigation during the current round of present and prospective need and through July 1 of the year the next round begins, which is also known as a “judgment of compliance” or “judgment of repose.” The term “compliance certification” shall include a judgment of repose granted in an action filed pursuant to section 13 of P.L.1985, c. 222 (C.52:27D-313).

“Construction” means new construction and additions, but does not include alterations, reconstruction, renovations, conversion, relocation, or repairs, as those terms are defined in the State Uniform Construction Code promulgated pursuant to the State Uniform Construction Code Act, P.L. 1975, c. 217(N.J.S.A. 52:27D-119 et seq.).

“County-level housing judge” means a judge appointed pursuant to section 5 at P.L. 2024, c. 2, to resolve disputes over the compliance of municipal fair share affordable housing obligations and municipal Fair Share plans and housing elements with the Act.

“DCA” and “Department” mean the State of New Jersey Department of Community Affairs.

“Deficient housing unit” means a housing unit with health and safety code violations that require the repair or replacement of a major system. A major system includes weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement and/or load bearing structural systems.

“Department” means the New Jersey Department of Community Affairs.

“Developer” means the legal or beneficial owner or owners of a lot or of any land proposed to be included in a proposed development, including the holder of an option or contract to purchase, or other person having an enforceable proprietary interest in such land.

“Development” means the division of a parcel of land into two or more parcels, the construction, reconstruction, conversion, structural alteration, relocation, or enlargement of any building or other structure, or of any mining, excavation, or landfill, and any use or change in the use of any building or other structure, or land or extension of use of land, for which permission may be required pursuant to the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq.

“Development fee” means money paid by a developer for the improvement of residential and non-residential property as permitted pursuant to N.J.S.A. 52:27D-329.2 and 40:55D-8.1 through 40:55D-8.7 and N.J.A.C. 5:99-3.

“Dispute Resolution Program” means the Affordable Housing Dispute Resolution Program, established pursuant to section 5 at P.L. 2024, c. 2 (N.J.S.A. 52:27D-313.2).

“Division” means the Division of Local Planning Services within the Department of Community Affairs.

“Emergent opportunity” means a circumstance that has arisen whereby affordable housing will be able to be produced through a delivery mechanism not originally contemplated by or included in a fair share plan that has been the subject of a compliance certification.

“Equalized assessed value” or “EAV” means the assessed value of a property divided by the current average ratio of assessed to true value for the municipality in which the property is situated, as determined in accordance with sections 1, 5, and 6 at P.L. 1973, c. 123 (N.J.S.A. 54:1-35a, 54:1-35b, and 54:1-35c). Estimates at the time of building permit may be obtained by the tax assessor using construction cost estimates. Final EAV shall be determined at project completion by the municipal assessor.

“Equity share amount” means the product of the price differential and the equity share, with the equity share being the whole number of years that have elapsed since the last non-exempt sale of a restricted ownership unit, divided by 100, except that the equity share may not be less than five percent and may not exceed 30 percent.

“Exit sale” means the first authorized non-exempt sale of a restricted unit following the end of the control period, which sale terminates the affordability controls on the unit.

“Exclusionary zoning litigation” means litigation challenging the fair share plan, housing element, ordinances, or resolutions that implement the fair share plan or housing element of a municipality based on alleged noncompliance with the Act or the Mount Laurel doctrine, which litigation shall include, but shall not be limited to, litigation seeking a builder’s remedy.

“Extension of expiring controls” means extending the deed restriction period on units where the controls will expire in the current round of a housing obligation, so that the total years of a deed restriction is at least 60 years.

“Fair share obligation” means the total of the present need and prospective need, including prior rounds, as determined by the Affordable Housing Dispute Resolution Program, or a court of competent jurisdiction.

“Fair share plan” means the plan or proposal, with accompanying ordinances and resolutions, by which a municipality proposes to satisfy its constitutional obligation to create a realistic opportunity to meet its fair share of low- and moderate-income housing needs of its region and which details the affirmative measures the municipality proposes to undertake to achieve its fair share of low- and moderate-income housing, as provided in the municipal housing element, and which addresses the development regulations necessary to implement the housing element,

including, but not limited to, inclusionary requirements and development fees, and the elimination of unnecessary housing cost-generating features from the municipal land use ordinances and regulations.

“FHA” means the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 et seq.

“Green Building Strategies” means the strategies that minimize the impact of development on the environment, and enhance the health, safety and well-being of residents by producing durable, low-maintenance, resource-efficient housing while making optimum use of existing infrastructure and community services.

“HMFA” or “the Agency” means the New Jersey Housing and Mortgage Finance Agency established pursuant to P.L. 1983, c. 530 (N.J.S.A. 55:14K-1 et seq.).

“Household income” means a household’s gross annual income calculated in a manner consistent with the determination of annual income pursuant to section 8 of the United States Housing Act of 1937 (Section 8), not in accordance with the determination of gross income for Federal income tax liability.

“Housing element” means the portion of a municipality’s master plan adopted in accordance with the Municipal Land Use Law (MLUL) at N.J.S.A. 40:55D-28.b(3) and the Act consisting of reports, statements proposals, maps, diagrams, and text designed to meet the municipality’s fair share of its region’s present and prospective housing needs, particularly with regard to low- and moderate-income housing, which shall include the municipal present and prospective obligation for affordable housing, determined pursuant to subsection f. at N.J.S.A. 52:27D-304.1.

“Housing region” means a geographic area established pursuant to N.J.S.A. 52:27D-304.2b.

“Inclusionary development” means a residential housing development in which a substantial percentage of the housing units are provided for a reasonable income range of low- and moderate-income households.

“Judgment of compliance” or “judgment for repose” means a determination issued by the Superior Court approving a municipality’s fair share plan to satisfy its affordable housing obligation for a particular 10-year round.

“Low-income household” means a household with a household income equal to 50 percent or less of the regional median income.

“Low-income unit” means a restricted unit that is affordable to a low-income household.

“Major system” means the primary structural, mechanical, plumbing, electrical, fire protection, or occupant service components of a building which include but are not limited to, weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement or load bearing structural systems.

“Mixed use development” means any development that includes both a non-residential development component and a residential development component, and shall include developments for which: (1) there is a common developer for both the residential development component and the non-residential development component, provided that for purposes of this definition, multiple persons and entities maybe considered a common developer if there is a contractual relationship among them obligating each entity to develop at least a portion of the residential or non-residential development, or both, or otherwise to contribute resources to the development; and (2) the residential and non-residential developments are located on the same lot or adjoining lots, including, but not limited to, lots separated by a street, a river, or another geographical feature.

“Moderate-income household” means a household with a household income in excess of 50 percent but less than 80 percent of the regional median income.

“Moderate-income unit” means a restricted unit that is affordable to a moderate-income household.

“MONI” means the no-longer-active Market Oriented Neighborhood Investment Program, as it was authorized by the Agency.

“Municipal housing liaison” or “MHL” means an appointed municipal employee who is, pursuant to N.J.A.C. 5:99-6, responsible for oversight and/or administration of the affordable units created within the municipality.

“Municipal affordable housing trust fund” means a separate, interest-bearing account held by a municipality for the deposit of development fees, payments in lieu of constructing affordable units on sites zoned for affordable housing previously approved prior to March 20, 2024 (per P.L. 2024, c.2), barrier-free escrow funds, recapture funds, proceeds from the sale of affordable units, rental income, repayments from affordable housing program loans, enforcement fines, unexpended RCA funds remaining from a completed RCA project, application fees, and any other funds collected by the municipality in connection with its affordable housing programs, which shall be used to address municipal low- and moderate-income housing obligations within the time frames established by the Legislature and this chapter.

“Municipal development fee ordinance” means an ordinance adopted by the governing body of a municipality that authorizes the collection of development fees.

“New construction” means the creation of a new housing unit under regulation by a code enforcement official regardless of the means by which the unit is created. Newly constructed units are evidenced by the issuance of a certificate of occupancy and may include new residences created through additions and alterations, adaptive reuse, subdivision, or conversion of existing space, and moving a structure from one location to another.

“New Jersey Affordable Housing Trust Fund” means an account established pursuant to N.J.S.A. 52:27D-320.

“New Jersey Housing Resource Center” or “Housing Resource Center” means the online affordable housing listing portal, or its successor, overseen by the Agency pursuant to N.J.S.A. 52:27D-321.3 et seq.

“95/5 restriction” means a deed restriction governing a restricted ownership unit that is part of a housing element that received substantive certification from COAH pursuant to N.J.A.C. 5:93, as it was in effect at the time of the receipt of substantive certification, before October 1, 2001, or any other deed restriction governing a restricted ownership unit with a seller repayment option requiring 95 percent of the price differential to be paid to the municipality or an instrument of the municipality at the closing of a sale at market price.

“Non-exempt sale” means any sale or transfer of ownership of a restricted unit to one’s self or to another individual other than the transfer of ownership between spouses or civil union partners; the transfer of ownership between former spouses or civil union partners ordered as a result of a judicial decree of divorce or judicial separation, but not including sales to third parties; the transfer of ownership between family members as a result of inheritance; the transfer of ownership through an executor’s deed to a class A beneficiary; and the transfer of ownership by court order.

“Nonprofit” means an organization granted nonprofit status in accordance with section 501(c)(3) of the Internal Revenue Code.

“Non-residential development” means:

Any building or structure, or portion thereof, including, but not limited to, any appurtenant improvements, which is designated to a use group other than a residential use group according to the State Uniform Construction Code, N.J.A.C. 5:23, promulgated to effectuate the State uniform Construction Code Act, N.J.S.A. 52:27D-119 et seq., including any subsequent amendments or revisions thereto;

Hotels, motels, vacation timeshares, and child-care facilities; and

The entirety of all continuing care facilities within a continuing care retirement community which is subject to the Continuing Care Retirement Community Regulation and Financial Disclosure Act, N.J.S.A.52:27D-330 et seq.

“Non-residential development fee” means the fee authorized to be imposed pursuant to N.J.S.A. 40:55D-8.1 through 40:55D-8.7.

“Order for repose” means the protection a municipality has from a builder’s remedy lawsuit for a period of time from the entry of a judgment of compliance by the Superior Court. A judgment of compliance often results in an order for repose.

“Payment in lieu of constructing affordable units” means the prior approval of the payment of funds to the municipality by a developer when affordable units were not produced on a site zoned for an inclusionary development. The statutory permission for payments in lieu of constructing affordable units was eliminated per P.L. 2024, c.2.

“Prospective need” means a projection of housing needs based on development and growth which is reasonably likely to occur in a region or a municipality, as the case may be, as a result of actual determination of public and private entities. Prospective need shall be determined by the methodology set forth pursuant to sections 6 and 7 of P.L.2024, c. 2 (C.52:27D-304.2 and C.52:27D-304.3) for the fourth round and all future rounds of housing obligations.

“Qualified Urban Aid Municipality” means a municipality that meets the criteria established pursuant to N.J.S.A. 52:27D-304.3.c(1).

“Person with a disability” means a person with a physical disability, infirmity, malformation, or disfigurement which is caused by bodily injury, birth defect, aging, or illness including epilepsy and other seizure disorders, and which shall include, but not be limited to, any degree of paralysis, amputation, lack of physical coordination, blindness or visual impairment, deafness or hearing impairment, the inability to speak or a speech impairment, or physical reliance on a service animal, wheelchair, or other remedial appliance or device.

“Price differential” means the difference between the controlled sale price of a restricted unit and the contract price at the exit sale of the unit, determined as of the date of a proposed contract of sale for the unit. If there is no proposed contract of sale, the price differential is the difference between the controlled sale price of a restricted unit and the appraised value of the unit as if it were not subject to UHAC, determined as of the date of the appraisal. If the controlled sale price exceeds the contract price or, in the absence of a contract price, the appraised value, the price differential is zero dollars.

“Prior round unit” means a housing unit that addresses a municipality’s fair share obligation from a round prior to the fourth round of affordable housing obligations, including any unit that: (1) received substantive certification from COAH; (2) is part of a third-round settlement agreement or judgment of compliance approved by a court of competent jurisdiction, inclusive of units created pursuant to a zoning designation adopted as part of the settlement agreement or judgment of compliance to create a realistic opportunity for development; (3) is subject to a grant agreement or other contract with either the State or a political subdivision thereof entered into prior to July 1, 2025, pursuant to either item (1) or (2) above; or (4) otherwise addresses a municipality’s fair share obligation from a round prior to the fourth round of affordable housing obligations. A unit created after the enactment of P.L. 2024, c. 2 (N.J.S.A. 52:27D-304.1) on March 20, 2024, is not a prior round unit unless: (1) it is created pursuant to a prior round development plan or zoning designation that received COAH or court approval on or before the cutoff date of June 30, 2025, or the date that the municipality adopts the implementing ordinances and resolutions for the fourth round of affordable housing obligations, whichever occurs sooner; and (2) its siting and creation are consistent with the form of the prior round development plan or zoning designation in effect as of the cutoff date, without any amendment or variance.

“Program” means the Affordable Housing Dispute Resolution Program, established pursuant to section 5 of P.L.2024, c. 2 (C.52:27D-313.2).

“Random selection process” means a lottery process by which currently income-eligible applicant-households are selected, at random, for placement in affordable housing units such that no preference is given to one applicant over another, except in the case of a veterans’ preference where such an agreement exists; for purposes of matching household income and size with an appropriately priced and sized affordable unit; or another purpose allowed pursuant to N.J.A.C. 5:80-26.7(k)3. This definition excludes any practices that would allow affordable housing units to be leased or sold on a first-come, first-served basis.

“RCA administrator” means an appointed municipal employee who is responsible for oversight and/or administration of affordable units and associated revenues and expenditures within the municipality that were funded through regional contribution agreements.

“RCA project plan” means a past application, submitted by a receiving municipality in an RCA, delineating the manner in which the receiving municipality intended to create or rehabilitate low- and moderate-income housing.

“Receiving municipality” means, for the purposes of an RCA, a municipality that contractually agreed to assume a portion of another municipality’s fair share obligation.

“Reconstruction” means any project where the extent and nature of the work is such that the work area cannot be occupied while the work is in progress and where a new certificate of occupancy is required before the work area can be reoccupied, pursuant to the Rehabilitation Subcode of the uniform Construction Code, N.J.A.C. 5:23-6. Reconstruction shall not include projects comprised only of floor finish replacement, painting or wallpapering, or the replacement of

equipment or furnishings. Asbestos hazard abatement and lead hazard abatement projects shall not be classified as reconstruction solely because occupancy of the work area is not permitted.

“Recreational facilities and community centers” means any indoor or outdoor buildings, spaces, structures, or improvements intended for active or passive recreation, including, but not limited to, ballfields, meeting halls, and classrooms, accommodating either organized or informal activity.

“Regional contribution agreement” or “RCA” means a contractual agreement, pursuant to the Act, into which two municipalities voluntarily entered into and was approved by COAH and/or Superior Court prior to July 18, 2008, to transfer a portion of a municipality’s affordable housing obligation to another municipality within its housing region.

“Regional median income” means the median income by household size for an applicable housing region, as calculated annually in accordance with N.J.A.C. 5:80-26.3.

“Rehabilitation” means the repair, renovation, alteration, or reconstruction of any building or structure, pursuant to the Rehabilitation Subcode, N.J.A.C. 5:23-6.

“Rent” means the gross monthly cost of a rental unit to the tenant, including the rent paid to the landlord, as well as an allowance for tenant-paid utilities computed in accordance with allowances published by DCA for its Section 8 program. With respect to units in assisted living residences, rent does not include charges for food and services.

“Residential development fee” means money paid by a developer for the improvement of residential property as permitted pursuant to N.J.S.A. 52:27D-329.2 and N.J.A.C. 5:99-3.2.

“Restricted unit” means a dwelling unit, whether a rental unit or ownership unit, that is subject to the affordability controls of this subchapter but does not include a market-rate unit that was financed pursuant to UHORP, MONI, or CHOICE.

“Spending plan” means a method of allocating funds contained in an affordable housing trust fund account, which includes, but is not limited to, development fees collected and to be collected pursuant to an approved municipal development fee ordinance, or pursuant to N.J.S.A. 52:27D-329.1 et seq., for the purpose of meeting the housing needs of low- and moderate-income individuals.

“State Development and Redevelopment Plan” or “State Plan” means the plan prepared pursuant to sections 1 through 12 of the “State Planning Act,” P.L.1985, c. 398 (C.52:18A-196 et al.), designed to represent a balance of development and conservation objectives best suited to meet the needs of the State, and for the purpose of coordinating planning activities and establishing Statewide planning objectives in the areas of land use, housing, economic development, transportation, natural resource conservation, agriculture and farmland retention, recreation, urban and suburban redevelopment, historic preservation, public facilities and services, and intergovernmental coordination pursuant to subsection f. of section 5 of P.L.1985, c. 398 (C.52:18A-200).

“Supportive housing household” means a very low-, low- or moderate-income household certified as income eligible by an administrative agent in accordance with N.J.A.C. 5:80-26.14, in which at least one member is an individual who requires supportive services to maintain housing stability and independent living and who is part of a population identified by federal or state statute, regulation, or program guidance as eligible for supportive or special needs housing. Such populations include, but are not limited to: persons with intellectual or developmental disabilities, persons with serious mental illness, person with head injuries (as defined in Section 2 of P.L. 1977), persons with physical disabilities or chronic health conditions, persons who are homeless as defined by the U.S. Department of Housing and Urban Development at 24 C.F.R. Part 578, survivors of domestic violence, youth aging out of foster care, and other special needs populations recognized under programs administered by the U.S. Department of Housing and Urban Development, the Low-Income Housing Tax Credit Program, the McKinney–Vento Act, or the New Jersey Department of Human Services. A supportive housing household may include family members, unrelated individuals, or live-in aides, provided that the household meets the income eligibility requirements of this subchapter, except that in the case of unrelated individuals not operating as a family unit, income eligibility shall be tested on an individual basis rather than in the aggregate; the unit is leased or sold subject to the affordability controls established herein; and the supportive services available to the household are designed to promote housing stability, independent living, and community integration. The determination of whether unrelated individuals are operating as a family unit shall be made based on the applicant’s self-identification of household members on the affordable housing application.

“Supportive housing sponsoring program” means grant or loan program which provided financial assistance to the development of the unit.

“Supportive housing unit” means a restricted rental unit, as defined by N.J.S.A. 34:1B-21.24, that is affordable to very low-, low- or moderate-income households and is reserved for occupancy by a supportive housing household. Supportive housing units are also referred to as permanent supportive housing units.

“Transitional housing” means temporary housing that: (1) includes, but is not limited to, single-room occupancy housing or shared living and supportive living arrangements; (2) provides access to on-site or off-site supportive services for very low-income households who have recently been homeless or lack stable housing; (3) is licensed by the department; and (4) allows households to remain for a minimum of six months.

“Treasurer” means the Treasurer of the State of New Jersey.

“UHAC” means the Uniform Housing Affordability Controls set forth at N.J.A.C. 5:80-26.

“UHORP” means the Agency’s Urban Homeownership Recovery Program, as it was authorized by the Agency Board.

“Unit type” means type of dwelling unit with various building standards including but not limited to single-family detached, single-family attached/townhouse, stacked townhouse (attached building containing 2 units each with separate entrances), duplex (detached building containing 2 units each with separate entrances), triplex (3 units each with separate entrance), quadplex (4 units each with separate entrance), multifamily / flat (2 or more units with a shared entrance). Inclusion of a garage, or not, shall not define the unit type.

“Very-low-income household” means a household with a household income less than or equal to 30 percent of the regional median income.

“Very-low-income housing” means housing affordable according to the Federal Department of Housing and Urban Development or other recognized standards for home ownership and rental costs and occupied or reserved for occupancy by households with a gross household income equal to 30 percent or less of the median gross household income for households of the same size within the housing region in which the housing is located.

“Very-low-income unit” means a restricted unit that is affordable to a very-low-income household.

“Veteran” means a veteran as defined at N.J.S.A. 54:4-8.10.

“Veterans’ preference” means the agreement between a municipality and a developer or residential development owner that allows for low- to moderate-income veterans to be given preference for up to 50 percent of rental units in relevant projects, as provided for at N.J.S.A. 52:27D-311.j.

“Weatherization” means building insulation (for attic, exterior walls and crawl space), siding to improve energy efficiency, replacement storm windows, replacement storm doors, replacement windows and replacement doors and is considered a major system for rehabilitation.

34-110.2 Monitoring and Reporting Requirements

A. The Borough shall comply with the following monitoring and reporting requirements regarding the status of the implementation of its court-approved Housing Element and Fair Share Plan:

- (1) The Borough shall provide electronic monitoring data with the Department pursuant to P.L. 2024, Chapter 2 and N.J.A.C. 5:99 through the Affordable Housing Monitoring System (AHMS). All monitoring information required to be made public by the FHA shall be available to the public on the Department’s website at <https://www.nj.gov/dca/dlps/hss/MuniStatusReporting.shtml>.
- (2) On or before February 15 of each year, the Borough shall provide annual reporting of its municipal Affordable Housing Trust Fund activity to the Department on the AHMS portal. The reporting shall include an accounting of all municipal Affordable Housing Trust Fund activity, including the sources and amounts of funds collected and the amounts and purposes for which any funds have been expended, for the previous year from January 1st to December 31st.

- (3) On or before February 15 of each year, the annual reporting of the status of all affordable housing activity shall be provided to the Department on the AHMS portal, for the previous year from January 1st to December 31st.

34-110.3 Borough-wide Mandatory Set-Aside

- A. A development, other than single-family detached, providing a minimum of five new housing units created through any municipal rezoning or Zoning Board action, use or density variance, new redevelopment plan, or rehabilitation plan that provides for densities at or above six units per acre, is required to include an affordable housing set-aside of 20%. In any situation where the 20% set-aside results in a fraction, the required set-aside shall be rounded upward to the next full integer.
- B. Any affordable units generated through such mandatory set-aside shall be subject to all other provisions of this ordinance.
- C. All such affordable units shall be governed by this ordinance and by the affordability controls, including bedroom distribution and affirmative marketing requirements, set forth at UHAC in N.J.A.C. 5:80-26.1 et seq., any successor regulation, and all other applicable laws.
- D. No subdivision shall be permitted or approved for the purpose of avoiding compliance with this requirement. Developers cannot, for example, subdivide a project into two lots and then make each of them a number of units just below the threshold.
- E. The mandatory set-aside requirements of this section do not give any developer the right to any rezoning, variance or other relief, or establish any obligation on the part of the Borough to grant such rezoning, variance or other relief.
- F. This Borough-wide mandatory set-aside requirement does not apply to any sites or specific zones otherwise identified in the HEFSP, for which density and set-aside requirements shall be governed by the specific standards as set forth therein.

34-110.4 New Construction (per N.J.A.C. 5:93 as may be updated per various sections in N.J.A.C. 5:97 and N.J.S.A. 52:27D-301 et seq.). Per the definition of "New Construction," this section governs the creation of new affordable housing units regardless of the means by which the units are created. Newly constructed units may include new residences constructed or created through other means.

- A. The following requirements shall apply to all new or planned developments that contain very low-, low- and moderate-income housing units. To the extent possible, details related to the adherence to the requirements below shall be outlined in the resolution granting municipal subdivision or site plan approval of the project to assist municipal representatives, developers and Administrative Agents.
- B. Completion Schedule (previously known as phasing). Final site plan or subdivision approval shall be contingent upon the affordable housing development meeting the following completion schedule for very low-, low- and moderate-income units whether developed in a single-phase development, or in a multi-phase development:

Maximum Percentage of Market-Rate Units Issued a Temporary or Final Certificate of Occupancy	Minimum Percentage of Affordable Units Issued a Temporary or Final Certificate of Occupancy
25+1	10
50	50
75	75
90	100

- C. Design. The following design requirements apply to affordable housing developments, excluding prior round units.

(1) Design of 100 percent affordable developments:

- (a) Restricted units must meet the minimum square footage required for the number of inhabitants for which the unit is marketed and the minimum square footage

required for each bedroom, as set forth in the Neighborhood Preservation Balanced Housing rules at N.J.A.C. 5:43-2.4.

- (b) Each bedroom in each restricted unit must have at least one window.
 - (c) Restricted units must include adequate air conditioning and heating.
- (2) Design of developments comprising market-rate rental units and restricted rental units. The following does not apply to prior round units, unless stated otherwise.
- (a) Restricted units must use the same building materials and architectural design elements (for example, plumbing, insulation, or siding) as market-rate units of the same unit type (for example, flat or townhome) within the same development, except that restricted units and market-rate units may use different interior finishes. This shall apply to prior round units.
 - (b) Restricted units and market-rate units within the same affordable development must be sited such that restricted units are not concentrated in less desirable locations.
 - (c) Restricted units may not be physically clustered so as to segregate restricted and market-rate units within the same development or within the same building, but must be interspersed throughout the development, except that age-restricted and supportive housing units may be physically clustered if the clustering facilitates the provision of on-site medical services or on-site social services. Prior round affordable units shall be integrated with market rate units to the extent feasible.
 - (d) Residents of restricted units must be offered the same access to communal amenities as residents of market-rate units within the same affordable development. Examples of communal amenities include, but are not limited to, community pools, fitness and recreation centers, playgrounds, common rooms and outdoor spaces, and building entrances and exits. This shall apply to prior round units.
 - (e) Restricted units must include adequate air conditioning and heating and must use the same type of cooling and heating sources as market-rate units of the same unit type. This shall apply to prior round units.
 - (f) Each bedroom in each restricted unit must have at least one window.
 - (g) Restricted units must be of the same unit type as market-rate units within the same building.
 - (h) Restricted units and bedrooms must be no less than 90 percent of the minimum size prescribed by the Neighborhood Preservation Balanced Housing rules at N.J.A.C. 5:43-2.4.
- (3) Design of developments containing for-sale units, including those with a mix of rental and for-sale units. Restricted rental units shall meet the requirements of section b above. Restricted sale units shall comply with the below:
- (a) Restricted units must use the same building standards as market-rate units of the same unit type (for example, flat, townhome, or single-family home), except that restricted units and market-rate units may use different interior finishes. This shall apply to prior round units.
 - (b) Restricted units may be clustered, provided that the buildings or housing product types containing the restricted units are integrated throughout the development and are not concentrated in an undesirable location or in undesirable locations. Prior round affordable units shall be integrated with market rate units to the extent feasible.
 - (c) Restricted units may be of different unit housing product types than market-rate units, provided that there is a restricted option available for each market rate housing type. Developments containing market-rate duplexes, townhomes, and/or single-family homes shall offer restricted housing options that also include duplexes, townhomes, and/or single-family homes. Penthouses and higher priced end townhouses *may* be exempt from this requirement. The proper ratio for restricted to market-rate unit type shall be subject to municipal ordinance or, if not specified, shall be determined at the time of site plan approval.

- (d) Restricted units must meet the minimum square footage required for the number of inhabitants for which the unit is marketed and the minimum square footage required for each bedroom, as set forth in the Neighborhood Preservation Balanced Housing rules at N.J.A.C. 5:43-2.4.
- (e) Penthouse and end units may be reserved for market-rate sale, provided that the overall number, value, and distribution of affordable units across the development is not negatively impacted by such reservation(s).
- (f) Residents of restricted units must be offered the same access to communal amenities as residents of market-rate units within the same affordable development. Examples of communal amenities include, but are not limited to, community pools, fitness and recreation centers, playgrounds, common rooms and outdoor spaces, and building entrances and exits. This shall apply to prior round units.
- (g) Each bedroom in each restricted unit must have at least one window; and
- (h) Restricted units must include adequate air conditioning and heating.

D. Utilities.

- (1) Affordable units shall utilize the same type of cooling and heating source as market-rate units within the affordable housing development.
- (2) Tenant-paid utilities that are included in the utility allowance shall be so stated in the lease and shall be consistent with the utility allowance in accordance with N.J.A.C. 5:80-26.13(e).

E. Low/moderate split and bedroom distribution

- (1) Affordable units shall be divided equally between low- and moderate-income units, except that where there is an odd number of affordable housing units, the extra unit shall be a low-income unit.
- (2) In each affordable housing development, at least 50% of the restricted units within each bedroom distribution, rounded up to the nearest whole number, shall be required to be for low-income households earning 50 percent or less of the regional median income, including 13 percent of the affordable units within each bedroom distribution shall be required to be for very low income households earning 30 percent or less of the regional median income.
- (3) Within rental developments, of the total number of affordable rental units, at least 13%, rounded up to the nearest whole number, shall be affordable to very low-income households. The very low-income units shall be distributed between each bedroom count as proportionally as possible, to the nearest whole unit, to the total number of restricted units within each bedroom count, and counted as part of the required number of low-income units within the development.
- (4) Affordable housing developments that are not age-restricted or supportive housing shall be structured such that:
 - (a) At a minimum, the number of bedrooms within the restricted units equals twice the number of restricted units;
 - (b) Two-bedroom and/or three-bedroom units compose at least 50 percent of all restricted units;
 - (c) The combined number of efficiency and one-bedroom units shall be no greater than 20%, rounded down, of the total number of low- and moderate-income units.
 - (d) At least 30% of all low- and moderate-income units, rounded up shall be two-bedroom units..
 - (e) At least 20% of all low- and moderate-income units, rounded to the nearest whole number, shall be three-bedroom units.
 - (f) The remaining units may be allocated among two- and three- bedroom units at the discretion of the developer.
- (5) Affordable housing developments that are age-restricted or supportive housing, except those supportive housing units whose sponsoring program determines the unit arrangements, shall be structured such that, at a minimum, the number of bedrooms

shall equal the number of age-restricted or supportive housing low- and moderate-income units within the inclusionary development. Supportive housing units whose sponsoring program determines the unit arrangement shall comply with all requirements of the sponsoring program. The standard may be met by having all one-bedroom units or by having a two-bedroom unit for each efficiency unit. In affordable housing developments with 20 or more restricted units that are age-restricted or supportive housing, two-bedroom units must comprise at least 5% of those restricted units.

F. Accessibility requirements.

- (1) Any new construction shall be adaptable; however, elevators shall not be required in any building or within any dwelling unit for the purpose of compliance with this section. In buildings without elevator service, only ground floor dwelling units shall be required to be constructed to conform with the technical design standards of the barrier free subcode. "Ground floor" means the first floor with a dwelling unit or portion of a dwelling unit, regardless of whether that floor is at grade. A building may have more than one ground floor.
- (2) Notwithstanding the exemption for townhouse dwelling units in the barrier free subcode, the first floor of all townhouse dwelling units and of all other multifloor dwelling units that are attached to at least one other dwelling unit shall be subject to the technical design standards of the barrier free subcode and shall include the following features:
 - (a) An adaptable toilet and bathing facility on the first floor;
 - (b) An adaptable kitchen on the first floor;
 - (c) An interior accessible route of travel however an interior accessible route of travel shall not be required between stories;
 - (d) An adaptable room that can be used as a bedroom, with a door, or the casing for the installation of a door that is compliant with the Barrier Free Subcode, on the first floor;
 - (e) If not all of the foregoing requirements in b.i. through b.iv. can be satisfied, then an interior accessible route of travel shall be provided between stories within an individual unit; and
 - (f) An accessible entranceway as set forth in P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.) and the Barrier Free Subcode, N.J.A.C. 5:23-7, or evidence that the Borough has collected funds from the developer sufficient to make 10% of the adaptable entrances in the development accessible:
 - [1] Where a unit has been constructed with an adaptable entrance, upon the request of a disabled person who is purchasing or will reside in the dwelling unit, an accessible entrance shall be installed.
 - [2] To this end, the builder of restricted units shall deposit funds within the Affordable Housing Trust Fund sufficient to install accessible entrances in 10% of the affordable units that have been constructed with adaptable entrances.
 - [3] The funds deposited shall be expended for the sole purpose of making the adaptable entrance of an affordable unit accessible when requested to do so by a person with a disability who occupies or intends to occupy the unit and requires an accessible entrance.
 - [4] The developer of the restricted units shall submit to the Construction Official a design plan and cost estimate for the conversion from adaptable to accessible entrances.
 - [5] Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible meets the requirements of the Barrier Free Subcode, N.J.A.C. 5:23-7, and that the cost estimate of such conversion is reasonable, payment shall be made to the Affordable Housing Trust Fund and earmarked appropriately.
 - (g) Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that it is "site-impracticable" to meet the requirements. If full

compliance with this section would be site impracticable, compliance with this section for any portion of the dwelling shall be required to the extent that it is not site impracticable. Determinations of site impracticability shall comply with the Barrier Free Subcode at N.J.A.C. 5:23-7.

34-110.5 Affordable Housing Programs

- A. Pursuant to amended UHAC regulations at N.J.A.C. 5:80-26.1 et seq. and, in addition, pursuant to P.L. 2024, c.2 and specifically to the amended FHA at N.J.S.A. 52:27D-311.m, "All parties shall be entitled to rely upon regulations on municipal credits, adjustments, and compliance mechanisms adopted by the Council on Affordable Housing unless those regulations are contradicted by statute, including but not limited to P.L. 2024, c.2, or binding court decisions." The following are many of the main provisions of the COAH regulations at either N.J.A.C. 5:93 or 5:97 that have been upheld by the NJ Supreme Court. Municipalities should consult the cited full COAH regulations when preparing the HEFSP for required documentation, etc. Additional compliance details may also be included in the specific municipal program manual.
- B. Extension of Controls Program (for ownership units per N.J.A.C. 5:97-6.14 and UHAC at N.J.A.C. 5:80-26.6(h) through (k) and (m); and for rental units per N.J.A.C. 5:97-6.14 and N.J.A.C. 5:80-26.12(h) through (k)).
- (1) An extension of affordability controls program is established to maintain and extend the affordability of deed restricted units scheduled to come out of their affordability control period, subject to N.J.A.C. 5:97-6.14 and UHAC, including the following:
 - (a) The affordable unit meets the criteria for prior cycle (April 1, 1980 - December 15, 1986) or post December 15, 1986 credits set forth in N.J.A.C. 5:97.
 - (b) The affordability controls for the unit are scheduled to expire in the current round; or in the next round of housing obligations if the municipal election to extend controls is made no earlier than one year before the end of the current round;
 - (c) The Borough shall obtain a continuing certificate of occupancy or a certified statement from the municipal building inspector stating that the restricted unit meets all code standards.
 - (d) If a unit requires repair and/or rehabilitation work in order to receive a continuing certificate of occupancy or certified statement from the municipal building inspector, the Borough shall fund and complete the work.
 - (e) The Borough shall adhere to the process for extending controls pursuant to UHAC for extending ownership units and rental units, either inclusionary or 100% affordable developments.
 - (f) The deed restriction for the extended control period shall be filed with the County Clerk.
- C. Assisted Living Residence (per N.J.A.C. 5:97-6.11).
- (1) An assisted living residence is a facility licensed by the New Jersey Department of Health to provide apartment-style housing and congregate dining and to assure that assisted living services are available. All or a designated number of apartments in the facility shall be restricted to low- and moderate-income households.
 - (2) The unit of credit shall be the apartment. However, a two-bedroom apartment shall be eligible for two units of credit if it is restricted to two unrelated individuals.
 - (3) A recipient of a Medicaid waiver shall automatically qualify as a low- or moderate-income household.
 - (4) Assisted living units are considered age-restricted housing in a HEFSP and shall be included with the maximum number of units that may be age-restricted.
 - (5) Low- and moderate-income residents cannot be charged any upfront fees.
 - (6) The units shall comply with UHAC with the following exceptions:
 - (a) Affirmative marketing (N.J.A.C. 5:80-26.16); provided that the units are restricted to recipients of Medicaid waivers;
 - (b) The deed restriction may be on the facility, rather than individual apartments or rooms;

- (c) Low/moderate income split and affordability average (N.J.A.C. 5:80-26.4); only if all of the affordable units are affordable to households at a maximum of 60 percent of median income; and
 - (7) Tenant income eligibility (N.J.A.C. 5:80-26.14); up to 80 percent of an applicant's gross income may be used for rent, food and services based on occupancy type and the affordable unit must receive the same basic services as required by the Agency's underwriting guidelines and financing policies. The cost of non-housing related services shall not exceed one and two-thirds times the rent established for each unit.
- D. Supportive Housing and Group Homes (per N.J.A.C. 5:97-6.10).
- (1) The following provisions shall apply to group homes, residential health care facilities, and supportive shared living housing:
 - (a) Units are subject to Affirmative Marketing requirements, household certification, and administrative agent oversight; and may, with the approval of the municipal housing liaison and the administrative agent, be leased either by the bedroom or to a single household in the case of multi-bedroom configurations, provided such arrangement is consistent with the Federal Fair Housing Act (Title VIII of the Civil Rights Act of 1968).
 - (b) Units may, with the approval of the administrative agent, be subject to a master lease by an approved supportive housing operator, provided that all subleases are to be certified supportive housing households and remain fully subject to the affordability controls of this subchapter. Rents for supportive housing units shall not exceed the rent standards established and published by the New Jersey Department of Human Services.
 - (c) The unit of credit shall be the bedroom. However, the unit of credit shall be the unit if occupied by a single person or household.
 - (d) Housing that is age-restricted shall be included with the maximum number of units that may be age-restricted pursuant to the Act.
 - (e) Occupancy shall not be restricted to youth under 18 years of age.
 - (f) In affordable developments with 20 or more restricted units that are supportive housing, two-bedroom units must compose at least five percent of those restricted units.
 - (g) The bedrooms and/or units shall comply with UHAC with the following exceptions:
 - [1] Affirmative marketing; however, group homes, residential health care facilities, permanent supportive housing, and supportive shared living housing shall be affirmatively marketed to broadest possible population of qualified individuals with special needs in accordance with a plan approved by the sponsoring program;
 - [2] Affordability average and bedroom distribution (N.J.A.C. 5:80-26.4).
 - (h) With the exception of units established with capital funding through a 20-year operating contract with the Department of Human Services, Division of Developmental Disabilities, group homes, residential health care facilities, supportive shared living housing and permanent supportive housing shall have the appropriate controls on affordability in accordance with the Act. In the event that a supportive housing provider is unable to record or execute a long-term deed restriction, the units shall be subject to annual recertification by the Municipal Housing Liaison to confirm continued occupancy and compliance with this Section.
 - (i) Objective standards shall be applied in the selection of tenants for supportive housing units and shall be designed to ensure that individuals are not excluded in an arbitrary or capricious manner.
 - (j) The following documentation shall be submitted by the sponsor to the Borough prior to marketing the completed units or facility:
 - [1] An Affirmative Marketing Plan; and

[2] If applicable, proof that the supportive and/or special needs housing is regulated by the New Jersey Department of Health and Senior Services, the New Jersey Department of Human Services or another State agency in accordance with the requirements of this section, which includes validation of the number of bedrooms or units in which low- or moderate-income occupants reside.

(k) The sponsor/owner shall complete annual monitoring as directed by the MHL.

E. Market to Affordable program (per N.J.A.C. 5:97-6.9).

- (1) The market to affordable program permits the purchase or subsidization of unrestricted units through a mortgage write-down provided to an income-certified buyer or through a sale or rental as a low- or moderate-income unit to an income-eligible household. The market to affordable program may produce both low- and moderate-income units.
- (2) At the time they are offered for sale or rental, eligible units may be new, pre-owned or vacant.
- (3) The units shall be certified to be in sound condition as a result of an inspection performed by a licensed building inspector.
- (4) A minimum subsidy of \$25,000 per moderate-income unit and/or \$30,000 per low-income unit shall be provided, with additional subsidy depending on the market prices or rents in a municipality.
- (5) The units shall comply with UHAC with the following exceptions:
 - (a) Bedroom distribution (N.J.A.C. 5:80-26.4).
 - (b) Low/moderate income split (N.J.A.C. 5:80-26.4).
- (6) Affordability average (N.J.A.C. 5:80-26.4); however:
 - (a) The maximum rent for a moderate-income unit shall be affordable to households earning no more than 60 percent of median income and the maximum rent for a low-income unit shall be affordable to households earning no more than 44 percent of median income; and
 - (b) The maximum sales price for a moderate-income unit shall be affordable to households earning no more than 70 percent of median income and the maximum sales price for a low-income unit shall be affordable to households earning no more than 40 percent of median income.

34-110.6 Regional Income Limits.

- A. Administrative agents shall use the current regional income limits for the purpose of pricing affordable units and determining income eligibility of households.
- B. Regional income limits are based on regional median income, which is established by a regional weighted average of the "median family incomes" published by HUD. The procedure for computing the regional median income is detailed in N.J.A.C. 5:80-26.3.
- C. Updated regional income limits are effective as of the effective date of the regional Section 8 income limits for the year, as published by HUD, or 45 days after HUD publishes the regional Section 8 income limits for the year, whichever comes later. The new income limits may not be less than those of the previous year.

34-110.7 Maximum Initial Rents And Sales Prices.

- A. In establishing rents and sales prices of affordable housing units, the Administrative Agent shall follow the procedures set forth in UHAC N.J.A.C. 5:80-26.4.
- B. The average rent for all restricted units within each affordable housing development shall be affordable to households earning no more than 52 percent of regional median income.
- C. The maximum rent for restricted rental units within each affordable housing development shall be affordable to households earning no more than 60% of regional median income. *The maximum rent may be increased at the Borough's sole discretion and pursuant to applicable law to no more than 70 percent of regional median income for moderate-income units within affordable developments where very-low-income units compose at least 13 percent of the restricted units; however, the number of units with rent affordable*

to households earning 70 percent of regional median income may not exceed the number of very-low-income units in excess of 13 percent (rounded up) of the restricted units.

- D. The developers and/or municipal sponsors of restricted rental units shall establish at least one rent for each bedroom type for both low-income and moderate-income units, provided that at least 13% of all low- and moderate-income rental units shall be affordable to households earning no more than 30% of median income. These very low-income units shall be part of the low-income requirement and very-low-income units should be distributed between each bedroom count as proportionally as possible, to the nearest whole unit, to the total number of restricted units within each bedroom count.
- E. The maximum sales price of restricted ownership units within each affordable housing development shall be affordable to households earning no more than 70% of median income, and each affordable housing development must achieve an affordability average that does not exceed 55% for all restricted ownership units. In achieving this affordability average, moderate-income ownership units must be available for at least three different prices for each bedroom type, and low-income ownership units must be available for at least two different prices for each bedroom type when the number of low- and moderate-income units permits.
- F. The master deeds and declarations of covenants and restrictions for affordable developments may not distinguish between restricted units and market-rate units in the calculation of any condominium or homeowner association fees and special assessments to be paid by low- and moderate-income purchasers and those to be paid by market-rate purchasers. Notwithstanding the foregoing sentence, condominium units subject to a municipal ordinance adopted before December 20, 2004, which ordinance provides for condominium or homeowner association fees and/or assessments different from those provided for in this subsection are governed by the ordinance.
- G. In determining the initial sales prices and rents for compliance with the affordability average requirements for restricted family units, the following standards shall be met:
 - (1) A studio or efficiency unit shall be affordable to a one-person household;
 - (2) A one-bedroom unit shall be affordable to a one and one-half person household;
 - (3) A two-bedroom unit shall be affordable to a three-person household;
 - (4) A three-bedroom unit shall be affordable to a four and one-half person household; and
 - (5) A four-bedroom unit shall be affordable to a six-person household.
- H. In determining the initial rents and sales prices for compliance with the affordability average requirements for restricted units in assisted living facilities and age-restricted and special needs and supportive housing developments, the following standards shall be met:
 - (1) A studio or efficiency unit shall be affordable to a one-person household;
 - (2) A one-bedroom unit shall be affordable to a one and one-half person household; and
 - (3) A two-bedroom unit shall be affordable to a two-person household or to two one-person households. Where pricing is based on two one-person households, the developer shall provide a list of units so priced to the Municipal Housing Liaison and the Administrative Agent.
- I. The initial purchase price for all restricted ownership units shall be calculated so that the monthly carrying cost of the unit, including principal and interest (based on a mortgage loan equal to 95 percent of the purchase price and the Freddie Mac 30-Year Fixed Rate-Mortgage rate of interest), property taxes, homeowner and private mortgage insurance and condominium or homeowner association fees do not exceed 30 percent of the eligible monthly income of the appropriate size household as determined pursuant to N.J.A.C. 5:80-26.7, as may be amended and supplemented; provided, however, that the price shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.4, as may be amended and supplemented.
- J. The initial rent for a restricted rental unit shall be calculated so that the total monthly housing expense, including an allowance for tenant-paid utilities, does not exceed 30 percent of the gross monthly income of a household of the appropriate size whose income is targeted to the applicable percentage of median income for the unit, as determined

pursuant to N.J.A.C. 5:80-26.3, as may be amended and supplemented. The rent shall also comply with the affordability-average requirement of N.J.A.C. 5:80-26.4, as may be amended and supplemented. The initial rent for a restricted rental unit shall be calculated so the eligible monthly housing expenses/income, including an allowance for tenant-paid utilities does not exceed 30 percent of gross income of and the appropriate household size as determined pursuant to N.J.A.C. 5:80-26.3, as may be amended and supplemented.

- K. At the anniversary date of the tenancy of the certified household occupying a restricted rental unit, following proper notice provided to the occupant household pursuant to N.J.S.A. 2A:18-61.1.f, the rent may be increased to an amount commensurate with the annual percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), specifically U.S. Bureau of Labor Statistics Series CUUR0100SAH, titled "Housing in Northeast urban, all urban consumers, not seasonally adjusted." Rent increases for units constructed pursuant to Low-Income Housing Tax Credit regulations shall be indexed pursuant to the regulations governing Low-Income Housing Tax Credits.

34-110.8 Affirmative Marketing.

- A. The Borough shall adopt, by resolution, an Affirmative Marketing Plan, subject to approval of the Superior Court, compliant with N.J.A.C. 5:80-26.16, as may be amended and supplemented.
- B. The Affirmative Marketing Plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age, or number of children, to housing units which are being marketed by a developer, sponsor or owner of affordable housing. The Affirmative Marketing Plan is intended to target those potentially eligible persons who are least likely to apply for affordable units in that region. It is a continuing program that directs all marketing activities toward Housing Region 4 and is required to be followed throughout the period of deed restriction.
- C. The Affirmative Marketing Plan provides the following preferences, provided that units that remain unoccupied after these preferences are exhausted may be offered to households without regard to these preferences
 - (1) Where the Borough has entered into an agreement with a developer or residential development owner to provide a preference for very-low-, low-, and moderate-income veterans who served in time of war or other emergency, pursuant to N.J.S.A. 52:27D-311.j, there shall be a preference for veterans for up to 50 percent of the restricted rental units in a particular project.
 - (2) There shall be a regional preference for all households that live and/or work in Housing Region 4 comprising Mercer, Monmouth and Ocean Counties.
- D. The Borough has the ultimate responsibility for adopting the Affirmative Marketing Plan and for the proper administration of the Affirmative Marketing Process, including the marketing of initial sales and rentals and resales and re-rentals. The Administrative Agent designated by the Borough shall implement the Affirmative Marketing Process to ensure the Affirmative Marketing of all affordable units, except for units in affordable programs that are exempt from Affirmative Marketing as noted herein.
- E. The Affirmative Marketing Process shall describe the media to be used in advertising and publicizing the availability of housing. In implementing the Affirmative Marketing Process, the Administrative Agent shall consider the use of language translations where appropriate.
- F. Applications for affordable housing or notices thereof, if offered online, shall be available in several locations, including, at a minimum, the County Administration Building and/or the County Library for each county within the housing region; the Borough Hall and Matawan Public Library ; and the developer's rental or sales office. The developer shall mail applications to prospective applicants upon request and shall make applications available through a secure online website address.
- G. In addition to other Affirmative Marketing strategies, the Administrative Agent shall provide specific notice of the availability of affordable housing units on the New Jersey Housing Resource Center website. Additional notice shall be provided to FSHC; the Latino Action Network; the New Jersey State Conference of the NAACP. Any other

entities, including developers or persons or companies retained to implement the Affirmative Marketing Process, shall comply with this paragraph.

- H. In implementing the Affirmative Marketing Process, the Administrative Agent shall provide a list of counseling services to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements, and landlord/tenant law.
- I. The Affirmative Marketing Process for available affordable units shall begin at least four months (120 days) prior to the expected date of occupancy.
- J. The cost to affirmatively market the affordable units shall be the responsibility of the developer, sponsor or owner, with the exception of Affirmative Marketing for resales.

34-110.9 Selection of Occupants of Affordable Housing Units.

- A. The Administrative Agent shall use a random selection process to select occupants of very low-, low- and moderate-income housing.
- B. A pool of interested households will be maintained in accordance with the provisions of N.J.A.C. 5:80-26.16.

34-110.10 Occupancy Standards.

- A. In referring certified households to specific restricted units, to the extent feasible, and without causing an undue delay in occupying the unit, the Administrative Agent shall strive to:
 - (1) Ensure each bedroom is occupied by at least one person, except for age-restricted and supportive and special needs housing units;
 - (2) Provide a bedroom for every two adult occupants;
 - (3) With regard to occupants under the age of 18, accommodate the household's requested arrangement, except that such arrangement may not result in more than two occupants under the age of 18 occupying any bedroom; and
 - (4) Avoid placing a one-person household into a unit with more than one bedroom.

34-110.11 Control Periods for Restricted Ownership Units and Enforcement Mechanisms.

- A. Control periods for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.6, as may be amended and supplemented, and each restricted ownership unit shall remain subject to the controls on affordability for a period of at least 30 years subject to the requirements of N.J.A.C. 5:80-26.6, as may be amended and supplemented.
- B. Rehabilitated housing units that are improved to code standards shall be subject to affordability controls for a period of not less than 10 years (crediting towards present need only).
- C. The affordability control period for a restricted ownership unit shall commence on the date the initial certified household takes title to the unit. The date of commencement shall be identified in the deed restriction.
- D. If existing affordability controls are being extended, the extended control period for a restricted ownership unit commences on the effective date of the extension, which is the end of the original control period.
- E. After the end of any control period, the restricted ownership unit remains subject to the affordability controls set forth in this subchapter until the owner gives notice of their intent to make an exit sale, at which point:
 - (1) If the Borough exercises the right to extend the affordability controls on the unit, no exit sale occurs and a new control period commences; or
 - (2) If the Borough does not exercise the right to extend the affordability controls on the unit, the affordability controls terminate following the exit sale.
- F. Prior to the issuance of any building permit for the construction/rehabilitation of restricted ownership units, the developer/owner and the Borough shall record a preliminary instrument provided by the Administrative Agent.
- G. Prior to the issuance of the initial certificate of occupancy for a restricted ownership unit and upon each successive sale during the period of restricted ownership, the Administrative Agent shall determine the restricted price for the unit and shall also

determine the nonrestricted, fair market value of the unit based on either an appraisal or the unit's equalized assessed value without the restrictions in place.

- H. At the time of the initial sale of the unit and upon each successive price-restricted sale, the initial purchaser shall execute and deliver to the Administrative Agent a recapture note obliging the purchaser, as well as the purchaser's heirs, successors, and assigns, to repay, upon the first non-exempt sale after the unit's release from the restrictions set forth in this Ordinance, an amount equal to the difference between the unit's non-restricted fair market value and its restricted price, and the recapture note shall be secured by a recapture lien evidenced by a duly recorded mortgage on the unit.
- I. The affordability controls set forth in this Ordinance shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to price-restricted ownership units.

34-110.12 Price Restrictions for Restricted Ownership Units and Resale Prices.

- A. Price restrictions for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.7, as may be amended and supplemented, including:
 - (1) The initial purchase price and affordability percentage for a restricted ownership unit shall be set by the Administrative Agent.
 - (2) The Administrative Agent shall approve all resale prices, in writing and in advance of the resale, to assure compliance with the standards set forth in N.J.A.C. 5:80-26.7.
 - (a) If the resale occurs prior to the one-year anniversary of the date on which title to the unit was transferred to a certified household, the maximum resale price for a is the most recent non-exempt purchase price.
 - (b) If the resale occurs on or after such anniversary date, the maximum resale price is the most recent non-exempt purchase price increased to reflect the cumulative annual percentage increases to the regional median income, effective as of the same date as the regional median income calculated pursuant to N.J.A.C. 5:80-26.3
 - (3) The owners of restricted ownership units may apply to the Administrative Agent to increase the maximum sales price for the unit on the basis of anticipated capital improvements. Eligible capital improvements shall be:
 - (a) those that render the unit suitable for a larger household or the addition of a bathroom.
 - (b) The maximum resale price may be further increased by an amount up to the cumulative dollar value of approved capital improvements made after the last non-exempt sale for improvements and/or upgrades to the unit, excluding capital improvements paid for by the entity favored on the recapture note and recapture lien described at N.J.A.C. 5:80-26.6(d);
 - (4) No increase for capital improvements is permitted if the maximum resale price prior to adjusting for capital improvements already exceeds whatever initial purchase price the unit would have if it were being offered for purchase for the first time at the initial affordability percentage. All adjustments for capital improvements are subject to 10-year, straight-line depreciation.
- B. Upon the resale of a restricted ownership unit, all items of property that are permanently affixed to the unit or were included when the unit was initially restricted (for example, refrigerator, range, washer, dryer, dishwasher, wall-to-wall carpeting) shall be included in the maximum allowable resale price. Other items may be sold to the purchaser at a reasonable price that has been approved by the Administrative Agent at the time of the signing of the agreement to purchase but shall be separate and apart from any contract of sale for the underlying real estate. The purchase of central air conditioning installed subsequent to the initial sale of the unit and not included in the base price may be made a condition of the unit resale provided the price of the air conditioning equipment, which shall be subject to 10-year, straight-line depreciation, has been approved by the Administrative Agent. Unless otherwise approved by the Administrative Agent, the purchase of any property other than central air conditioning shall not be made a condition of the unit resale. The seller and the purchaser must personally certify at the time of

closing that no unapproved transfer of funds for the purpose of selling and receiving property has taken place at the time of or as a condition of resale.

34-110.13 Buyer Income Eligibility.

- A. Buyer income eligibility for restricted ownership units shall be established pursuant to N.J.A.C. 5:80-26.17, as may be amended and supplemented, such that very low-income ownership units shall be reserved for occupancy by households with a gross household income less than or equal to 30% of median income, low-income ownership units shall be reserved for occupancy by households with a gross household income less than or equal to 50% of median income and moderate-income ownership units shall be reserved for occupancy by households with a gross household income less than 80% of median income.
- B. Notwithstanding the foregoing, the Administrative Agent may, upon approval by the Borough, and subject to the Division's approval, permit a moderate-income purchaser to buy a low-income unit if and only if the Administrative Agent can demonstrate that there is an insufficient number of eligible low-income purchasers in the housing region to permit prompt occupancy of the unit and all other reasonable efforts to attract a low-income purchaser, including pricing and financing incentives, have failed. Any such low-income unit that is sold to a moderate-income household shall retain the required pricing and pricing restrictions for a low-income unit. Similarly, the administrative agent may permit low-income purchasers to buy very-low-income units in housing markets where, as determined by the Division, units are reserved for very-low-income purchasers, but there is an insufficient number of very-low-income purchasers to permit prompt occupancy of the units. In such instances, the purchased unit must be maintained as a very-low-income unit and sold at a very-low-income price point such that on the next resale the unit will still be affordable to very-low-income households and able to be purchased by a very-low-income household. A very-low-income unit that is seeking bonus credit pursuant to N.J.S.A. 52:27D-311.k(9) must first be advertised exclusively as a very-low-income unit according to the Affirmative Marketing requirements at N.J.A.C. 5:80-26.16, then advertised as a very-low-income or low-income unit for at least 30 additional days prior to referring any low-income household to the unit.
- C. A certified household that purchases a restricted ownership unit must occupy it as the certified household's principal residence and shall not lease the unit; provided, however, that the Administrative Agent may permit the owner of a restricted ownership unit, upon application and a showing of hardship, to lease the restricted unit to another certified household for a period not to exceed one year.
- D. The Administrative Agent shall certify a household as eligible for a restricted ownership unit when the household is a low-income household or a moderate-income household, as applicable to the unit, and the estimated monthly housing cost for the particular unit (including principal, interest, property taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, as applicable) does not exceed 35 percent of the household's eligible monthly income; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:
 - (1) The household currently pays more than 35% (40% for households eligible for age-restricted units) of its gross household income for housing expenses, and the proposed housing expenses will reduce its housing costs;
 - (2) The household has consistently paid more than 35% (40% for households eligible for age-restricted units) of eligible monthly income for housing expenses in the past and has proven its ability to pay; or
 - (3) The household is currently in substandard or overcrowded living conditions;
 - (4) The household documents the existence of assets, within the asset limitation otherwise applicable, with which the household proposes to supplement the rent payments

34-110.14 Limitations on Indebtedness Secured by Ownership Unit; Subordination.

- A. Prior to incurring any indebtedness to be secured by a restricted ownership unit, the owner shall apply to the Administrative Agent for a determination in writing that the proposed indebtedness complies with the provisions of this Section, and the Administrative Agent shall issue such determination prior to the owner incurring such indebtedness.

- B. With the exception of original purchase money mortgages, neither an owner nor a lender shall at any time during the control period cause or permit the total indebtedness secured by a restricted ownership unit to exceed 95% of the maximum allowable resale price of that unit, as such price is determined by the Administrative Agent in accordance with N.J.A.C. 5:80-26.7(c).

34-110.15 Control Periods for Restricted Rental Units.

- A. Control periods for units that meet the definition of prior round units shall be pursuant to the 2001 UHAC rules originally adopted October 1, 2001, 33 N.J.R. 3432, and amended December 20, 2004, 36 N.J.R. 5713 and shall remain subject to the requirements of this ordinance for a period of at least 30 years as applicable unless otherwise indicated.
- B. Other than for prior round units, control periods for restricted rental units shall be in accordance with N.J.A.C. 5:80-26.12, as may be amended and supplemented, and each restricted rental unit shall remain subject to the requirements of this Ordinance for a period of at least 40 years. Restricted rental units created as part of developments receiving 9% Low-Income Housing Tax Credits must comply with a control period of not less than a 30-year compliance period plus a 15-year extended use period for a total of 45 years.
- C. The affordability control period for a restricted rental unit shall commence on the first date that a unit is issued a certificate of occupancy following the execution of the deed restriction or, if affordability controls are being extended, on the effective date of the extension, which is the end of the original control period.
- D. Rehabilitated renter-occupied housing units that are improved to code standards shall be subject to affordability controls for a period of not less than 10 years.
- E. Prior to the issuance of any building permit for the construction/rehabilitation of restricted rental units, the developer/owner and the Borough shall record a preliminary instrument provided by the Administrative Agent.
- F. Deeds of all real property that include restricted rental units shall contain deed restriction language. The deed restriction shall have priority over all mortgages on the property. The deed restriction shall be recorded by the developer with the county records office, and provided as filed and recorded, to the Administrative Agent within 30 days of the receipt of a certificate of occupancy.
- G. A restricted rental unit shall remain subject to the affordability controls of this Ordinance despite the occurrence of any of the following events:
 - (1) Sublease or assignment of the lease of the unit;
 - (2) Sale or other voluntary transfer of the ownership of the unit;
 - (3) The entry and enforcement of any judgment of foreclosure on the property containing the unit; or
 - (4) The end of the control period, until the occupant household vacates the unit, or is certified as over-income and the controls are released in accordance with UHAC.

34-110.16 Rent Restrictions for Rental Units; Leases and Fees.

- A. The initial rent for a restricted rental unit shall be set by the Administrative Agent.
- B. A written lease shall be required for all restricted rental units, except for units in an assisted living residence, and tenants shall be responsible for security deposits and the full amount of the rent as stated on the lease. A copy of the current lease for each restricted rental unit shall be retained on file by the Administrative Agent.
- C. No additional fees, operating costs, or charges shall be added to the approved rent (except, in the case of units in an assisted living residence, to cover the customary charges for food and services) without the express written approval of the Administrative Agent.
 - (1) Operating costs, for the purposes of this section, include certificate of occupancy fees, move-in fees, move-out fees, mandatory internet fees, mandatory cable fees, mandatory utility submetering fees, and for developments with more than one and a half off-street parking spaces per unit, parking fees for one parking space per household.

- D. Any fee structure that would remove or limit affordable unit occupant access to any amenities or services that are required or included for market-rate unit occupants is prohibited. Application fees (including the charge for any credit check) shall not exceed 5% of the monthly rent of the applicable restricted unit to be applied to the costs of administering the controls applicable to the unit as set forth in this Ordinance.
- E. Fees for unit-specific, non-communal items that are charged to market-rate unit tenants on an optional basis, such as pet fees for tenants with pets, storage spaces, bicycle-share programs, or one-time rentals of party or media rooms, may also be charged to affordable unit tenants, if applicable.
- F. Pet fees may not exceed \$30.00 per month and associated one-time payments for optional fees pertaining to pets, such as a pet cleaning fee, are prohibited.
- G. Fees charged to affordable unit tenants for other optional, unit-specific, non-communal items shall not exceed the amounts charged to market-rate tenants.
- H. For any prior round rental unit leased before December 20, 2024, elements of the existing fee structure that are consistent with prior rules, but inconsistent with 5:80-26.13(c)1, may continue until the occupant household's current lease term expires or that occupant household vacates the unit, whichever occurs later.

34-110.17 Tenant Income Eligibility.

- A. Tenant income eligibility shall be determined pursuant to N.J.A.C. 5:80-26.14, as may be amended and supplemented, and shall be determined as follows:
 - (1) Very low-income rental units shall be reserved for households with a gross household income less than or equal to 30% of the regional median income by household size.
 - (2) Low-income rental units shall be reserved for households with a gross household income less than or equal to 50% of the regional median income by household size.
 - (3) Moderate-income rental units shall be reserved for households with a gross household income less than 80% of the regional median income by household size.
- B. The Administrative Agent shall certify a household as eligible for a restricted rental unit when the household is a very low-income, low-income or moderate-income household, as applicable to the unit, and the rent proposed for the unit does not exceed 35% (40% for age-restricted units) of the household's eligible monthly income as determined pursuant to N.J.A.C. 5:80-26.17, as may be amended and supplemented; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:
 - (1) The household currently pays more than 35% (40% for households eligible for age-restricted units) of its gross household income for rent, and the proposed rent will reduce its housing costs;
 - (2) The household has consistently paid more than 35% (40% for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;
 - (3) The household is currently in substandard or overcrowded living conditions;
 - (4) The household documents the existence of assets with which the household proposes to supplement the rent payments; or
 - (5) The household documents reliable anticipated third-party assistance from an outside source such as a family member in a form acceptable to the Administrative Agent and the owner of the unit.
- C. The applicant shall file documentation sufficient to establish the existence of any of the circumstances in 2.a. through 2.e. above with the Administrative Agent, who shall counsel the household on budgeting.

34-110.18 Municipal Housing Liaison.

- A. The Municipal Housing Liaison shall be approved by municipal resolution.
- B. The Municipal Housing Liaison shall be approved by the Division, or is in the process of getting approval, and fully or conditionally meets the requirements for qualifications, including initial and periodic training as set forth in N.J.A.C. 5:99-1 et seq.

- C. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program, including the following responsibilities, which may not be contracted out to the Administrative Agent:
- (1) Serving as the primary point of contact for all inquiries from the Affordable Housing Dispute Resolution Program, the State, affordable housing providers, administrative agents and interested households.
 - (2) The oversight of the Affirmative Marketing Plan and affordability controls.
 - (3) When applicable, overseeing and monitoring any contracting Administrative Agent.
 - (4) Overseeing the monitoring of the status of all restricted units listed in the Fair Share Plan.
 - (5) Verifying, certifying and providing annual information within AHMS at such time and in such form as required by the Division.
 - (6) Coordinating meetings with affordable housing providers and administrative agents, as needed.
 - (7) Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by the Division.
 - (8) Overseeing the recording of a preliminary instrument in the form set forth at N.J.A.C. 5:80-26.1 for each affordable housing development.
 - (9) Coordinating with the Administrative Agent, municipal attorney and municipal Construction Code Official to ensure that permits are not issued unless the document required in C.8. above has been duly recorded.
 - (10) Listing on the municipal website contact information for the MHL and Administrative Agents.

34-110.19 Administrative Agent.

- A. All municipalities that have created or will create affordable housing programs and/or affordable units shall designate or approve, for each project within its HEFSP, an administrative agent to administer the affordable housing program and/or affordable housing units in accordance with the requirements of the FHA, NJAC 5:99-1 et seq. and UHAC.
- B. The fees for administrative agents shall be paid as follows:
- (1) Administrative agent fees related to rental units shall be paid by the developer/owner.
 - (2) Administrative agent fees related to initial sale of units shall be paid by the developer.
 - (3) Administrative agent fees related to resales shall be paid by the seller of the affordable home.
 - (4) Administrative agent fees related to ongoing administration and enforcement shall be paid by the Borough.
- C. An Operating Manual for each affordable housing program shall be provided by the Administrative Agent(s). The Operating Manual(s) shall be available for public inspection in the Office of the Clerk and in the office(s) of the Administrative Agent(s). Operating manuals shall be adopted by resolution of the Governing Body.
- D. Subject to the role of the Administrative Agent(s), the duties and responsibilities as are set forth in N.J.A.C. 5:99-7 and which are described in full detail in the Operating Manual, including those set forth in UHAC, include:
- (1) Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by the Division;
 - (2) Affirmative marketing:
 - (a) Conducting an outreach process to affirmatively market affordable housing units in accordance with the Affirmative Marketing Plan of the Borough and the provisions of N.J.A.C. 5:80-26.16.
 - (b) Providing counseling, or contracting to provide counseling services, to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements; and landlord/tenant law.

- (3) Household certification.
 - (a) Soliciting, scheduling, conducting and following up on interviews with interested households.
 - (b) Conducting interviews and obtaining sufficient documentation of gross income and assets upon which to base a determination of income eligibility for a low- or moderate-income unit;
 - (c) Providing written notification to each applicant as to the determination of eligibility or non-eligibility within 5 days of the determination thereof.
 - (d) Requiring that all certified applicants for restricted units execute a certificate substantially in the form, as applicable, of either the ownership or rental certificates set forth in the Appendices J and K of N.J.A.C. 5:80-26.1 et seq.
 - (e) Creating and maintaining a referral list of eligible applicant households living in the housing region, and eligible applicant households with members working in the housing region, where the units are located.
 - (f) Employing a random selection process as provided in the Affirmative Marketing Plan when referring households for certification to affordable units.
- (4) Affordability controls.
 - (a) Furnishing to attorneys or closing agents forms of deed restrictions and mortgages for the recording at the time of conveyance of title of each restricted unit.
 - (b) Ensuring that the removal of the deed restrictions and cancellation of the mortgage note are effectuated and filed properly with the County Register of Deeds or County Clerk's office after the termination of the affordability controls for each restricted unit in accordance with UHAC.
 - (c) Communicating with lenders and the Municipal Housing Liaison regarding foreclosures.
 - (d) Ensuring the issuance of Continuing Certificates of Occupancy or certifications pursuant to N.J.A.C. 5:80-26.11.
- (5) Records retention.
 - (a) Creating and maintaining a file on each restricted unit for its control period, including the recorded deed with restrictions, recorded recapture mortgage, and note, as appropriate.
 - (b) Records received, retained, retrieved, or transmitted in furtherance of crediting affordable units of a Borough constitute public records of the Borough as defined by N.J.S.A. 47:3-16, and are legal property of the Borough.
- (6) Resales and re-rentals.
 - (a) Instituting and maintaining an effective means of communicating information between owners and the Administrative Agent regarding the availability of restricted units for resale or re-rental.
 - (b) Instituting and maintaining an effective means of communicating information to very low-, low-, or moderate-income households regarding the availability of restricted units for resale or re-rental.
- (7) Processing requests from unit owners.
 - (a) Reviewing and approving requests from owners of restricted units who wish to refinance or take out home equity loans during the term of their ownership to determine that the amount of indebtedness to be incurred will not violate the terms of this ordinance.
 - (b) Reviewing and approving requests to increase sales prices from owners of restricted units who wish to make capital improvements to the units that would affect the selling price, such authorizations to be limited to those improvements resulting in additional bedrooms or bathrooms and the depreciated cost of central air conditioning systems.
 - (c) Notifying the Borough of an owner's intent to sell a restricted unit.

- (d) Making determinations on requests by owners of restricted units for hardship waivers.
- (8) Enforcement.
 - (a) Securing annually from the Borough a list of all affordable ownership units for which property tax bills are mailed to absentee owners, and notifying all such owners that they must either move back to their unit or sell it;
 - (b) Securing from all developers and sponsors of restricted units, at the earliest point of contact in the processing of the project or development, written acknowledgement of the requirement that no restricted unit can be offered, or in any other way committed, to any person, other than a household duly certified to the unit by the Administrative Agent;
 - (c) Sending annual mailings to all owners of affordable dwelling units reminding them of the notices and requirements outlined in N.J.A.C. 5:80-26.19(d)4;
 - (d) Establishing a program for diverting unlawful rent payments to the municipal Affordable Housing Trust Fund; and
 - (e) Creating and publishing a written operating manual for each affordable housing program administered by the Administrative Agent setting forth procedures for administering the affordability controls.
- (9) The Administrative Agent(s) shall, as delegated by the Borough, have the authority to take all actions necessary and appropriate to carry out its/their responsibilities, herein.

34-110.20 Responsibilities of The Owner of a development containing affordable units.

- A. The owner of all developments containing affordable units subject to this subchapter or the assigned management company thereof shall provide to the administrative agent:
 - (1) Site plan, architectural plan, or other plan that identifies the location of each affordable unit, if subject to the site plan approval, settlement agreement, or other applicable document regulating the location of affordable units. The administrative agent shall determine the location of affordable units if not set forth in the site plan approval, settlement agreement, or other applicable document.
 - (2) The total number of units in the project and the number of affordable units.
 - (3) The breakdown of the affordable units by or identification of affordable unit locations by bedroom count and income level, including street addresses / unit numbers, if subject to the site plan approval, settlement agreement, or other applicable document regulating the breakdown of affordable units. The administrative agent shall determine the bedroom and income distribution if not set forth in the site plan approval, settlement agreement, or other applicable document.
 - (4) Floor plans of all affordable units, including complete and accurate identification of all rooms and the dimensions thereof.
 - (5) A projected construction schedule.
 - (6) The location of any common areas and elevators.
 - (7) The name of the person who will be responsible for official contact with the administrative agent for the duration of the project, which must be updated if the contact changes.
- B. In addition to A above, the owner of rental developments containing affordable rental units subject to this subchapter or the assigned management company thereof shall:
 - (1) Send to all current tenants in all restricted rental units an annual mailing containing a notice as to the maximum permitted rent and a reminder of the requirement that the unit must remain their principal place of residence, which is defined as residing in the unit at least 260 days out of each calendar year, together with the telephone number, mailing address, and email address of the administrative agent to whom complaints of excess rent can be issued.
 - (2) Provide to the administrative agent a description of any applicable fees.

- (3) Provide to the administrative agent a description of the types of utilities and which utilities will be included in the rent.
 - (4) Agree and ensure that the utility configuration established at the start of the rent-up process not be altered at any time throughout the restricted period.
 - (5) Provide to the administrative agent a proposed form of lease for any rental units.
 - (6) Ensure that the tenant selection criteria for the applicants for affordable units not be more restrictive than the tenant selection criteria for applicants for non-restricted units.
 - (7) Strive to maintain the continued occupancy of the affordable units during the entire restricted period.
- C. In addition to A, above, the owner of affordable for-sale developments containing affordable for-sale units subject to this subchapter or the assigned management company thereof shall provide the administrative agent:
- (1) Proposed pricing for all units, including any purchaser options and add-on items.
 - (2) Condominium or homeowner association fees and any other applicable fees.
 - (3) Estimated real property taxes.
 - (4) Sewer, water, trash disposal, and any other utility assessments.
 - (5) Flood insurance requirement, if applicable.
 - (6) The State-approved planned real estate development public offering statement and/or master deed, where applicable, as well as the full build-out budget.

34-110-21 Enforcement of Affordable Housing Regulations

- A. Upon the occurrence of a breach of any of the regulations governing the affordable unit by an owner, developer or tenant, the Borough shall have all remedies provided at law or equity, including but not limited to foreclosure, tenant eviction, municipal fines, a requirement for household recertification, acceleration of all sums due under a mortgage, recoupment of any funds from a sale in the violation of the regulations, injunctive relief to prevent further violation of the regulations, entry on the premises, and specific performance.
- B. After providing written notice of a violation to an owner, developer or tenant of an affordable unit and advising the owner, developer or tenant of the penalties for such violations, the Borough may take the following action against the owner, developer or tenant for any violation that remains uncured for a period of 60 days after service of the written notice:
- (1) The Borough may file a court action pursuant to N.J.S.A. 2A:58-11 alleging a violation, or violations, of the regulations governing the affordable housing unit. If the owner, developer or tenant is found by the Court to have violated any provision of the regulations governing affordable housing units the owner, developer or tenant shall be subject to one or more of the following penalties, at the discretion of the Court:
 - (a) A fine of not more than \$500 or imprisonment for a period not to exceed 90 days, or both, unless otherwise specified below, provided that each and every day that the violation continues or exists shall be considered a separate and specific violation of these provisions and not a continuation of the initial offense;
 - (b) In the case of an owner who has rented his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment into the Affordable Housing Trust Fund of the gross amount of rent illegally collected;
 - (c) In the case of an owner who has rented his or her affordable unit in violation of the regulations governing affordable housing units, payment of an innocent tenant's reasonable relocation costs, as determined by the Court.
- C. The Borough shall have the authority to levy fines against the owner of the development for instances of noncompliance with NJHRC advertising requirements (N.J.S.A. 52:27D-321.6.e.(2)), following written notice to the owner. The fine for the first offense of noncompliance shall be \$5,000, the fine for the second offense of noncompliance shall be \$10,000, and the fine for each subsequent offense of noncompliance shall be \$15,000.

- D. The Borough may file a court action in the Superior Court seeking a judgment, which would result in the termination of the owner's equity or other interest in the unit, in the nature of a mortgage foreclosure. Any judgment shall be enforceable as if the same were a judgment of default of the first purchase money mortgage and shall constitute a lien against the low- or moderate-income unit.
- (1) Such judgment shall be enforceable, at the option of the Borough, by means of an execution sale by the Sheriff, at which time the affordable unit of the violating owner shall be sold at a sale price which is not less than the amount necessary to fully satisfy and pay off any first purchase money mortgage and prior liens and the costs of the enforcement proceedings incurred by the Borough, including attorney's fees. The violating owner shall have the right to possession terminated as well as the title conveyed pursuant to the Sheriff's sale.
 - (2) The proceeds of the Sheriff's sale shall first be applied to satisfy the first purchase money mortgage lien and any prior liens upon the low- or moderate-income unit. The excess, if any, shall be applied to reimburse the Borough for any and all costs and expenses incurred in connection with either the court action resulting in the judgment of violation or the Sheriff's sale. In the event that the proceeds from the Sheriff's sale are insufficient to reimburse the Borough in full as aforesaid, the violating owner shall be personally responsible for the full extent of such deficiency, in addition to any and all costs incurred by the Borough in connection with collecting such deficiency. In the event that a surplus remains after satisfying all of the above, such surplus shall be placed in escrow by the Borough for the owner and shall be held in such escrow for a maximum period of two years or until such earlier time as the owner shall make a claim with the Borough for such. Failure of the owner to claim such balance within the two year period shall automatically result in a forfeiture of such balance to the Borough. Any interest accrued or earned on such balance while being held in escrow shall belong to and shall be paid to the Borough, whether such balance shall be paid to the owner or forfeited to the Borough.
 - (3) Foreclosure due to violation of the regulations governing affordable housing units shall not extinguish the restrictions of the regulations governing affordable housing units as they apply to the low- and moderate-income unit. Title shall be conveyed to the purchaser at the Sheriff's sale, subject to the restrictions and provisions of the regulations governing the affordable housing unit. The owner determined to be in violation of the provisions of this plan and from whom title and possession were taken by means of the Sheriff's sale shall not be entitled to any right of redemption.
 - (4) If there are no bidders at the Sheriff's sale, or if insufficient amounts are bid to satisfy the first purchase money mortgage and any prior liens, the Borough may acquire title to the affordable unit by satisfying the first purchase money mortgage and any prior liens and crediting the violating owner with an amount equal to the difference between the first purchase money mortgage and any prior liens and costs of the enforcement proceedings, including legal fees and the maximum resale price for which the affordable unit could have been sold under the terms of the regulations governing affordable housing units. This excess shall be treated in the same manner as the excess that would have been realized from an actual sale as previously described.
 - (5) Failure of the low- or moderate-income unit to be either sold at the Sheriff's sale or acquired by the Borough shall obligate the owner to accept an offer to purchase from any qualified purchaser that may be referred to the owner by the Borough, with such offer to purchase being equal to the maximum resale price of the low- or moderate-income unit as permitted by the regulations governing affordable housing units.
 - (6) The affordable unit owner shall remain fully obligated, responsible and liable for complying with the terms and restrictions of governing affordable housing units until such time as title is conveyed from the owner.
- E. It is the responsibility of the municipal housing liaison and the administrative agent(s) to ensure that affordable housing units are administered properly. All affordable units must be occupied within a reasonable amount of time and be re-leased within a reasonable amount of time upon the vacating of the unit by a tenant. If an administrative agent or municipal housing liaison becomes aware of or suspects that a developer, landlord, or property manager has not complied with these regulations, it shall report this activity to the Division. The Division must notify the developer, landlord, or property manager, in

writing, of any violation of these regulations and provide a 30-day cure period. If, after the 30-day cure period, the developer, landlord, or property manager remains in violation of any terms of this subchapter, including by keeping a unit vacant, the developer, landlord, or property manager may be fined up to the amount required to construct a comparable affordable unit of the same size and the deed-restricted control period will be extended for the length of the time the unit was out of compliance, in addition to the remedies provided for in this section. For the purposes of this subsection, a reasonable amount of time shall presumptively be 60 days, unless a longer period of time is required due to demonstrable market conditions and/or failure of the municipal housing liaison or the administrative agent to refer a certified tenant.

- F. Banks and other lending institutions are prohibited from issuing any loan secured by owner occupied real property subject to the affordability controls set forth in this subchapter if such loan would be in excess of amounts permitted by the restriction documents recorded in the deed or mortgage book in the county in which the property is located. Any loan issued in violation of this subsection is void as against public policy.
- G. The Agency and the Department hereby reserve, for themselves and for each administrative agent appointed pursuant to this subchapter, all of the rights and remedies available at law and in equity for the enforcement of this subchapter, including, but not limited to, fines, evictions, and foreclosures as approved by a county-level housing judge.
- H. Appeals
 - (1) Appeals from all decisions of an administrative agent appointed pursuant to this subchapter must be filed, in writing, with the municipal housing liaison. A decision by the municipal housing liaison may be appealed to the Division. A written decision of the Division Director upholding, modifying, or reversing an administrative agent's decision is a final administrative action.

380-22. Development Fees.

A. Purpose

- (1) This section establishes standards for the collection, maintenance, and expenditure of development fees that are consistent with the amended Fair Housing Act (P.L.2024, c.2), N.J.A.C. 5:99, and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7). Fees collected pursuant to this Ordinance shall be used for the sole purpose of providing very low-, low- and moderate-income housing in accordance with a Court-approved Spending Plan.

B. Basic Requirements

- (1) This Ordinance establishes the Municipal Affordable Housing Trust Fund.
- (2) The Borough shall not spend development fees until the court has approved a plan for spending such fees.

C. Residential Development Fees

(1) Imposed fees

- (a) Residential developers, except for developers of the types of development specifically exempted below, shall pay a fee of 1.5% of the equalized assessed value for residential development, provided no increased density is permitted. Development fees shall also be imposed and collected when an additional dwelling unit is added to an existing residential structure; in such cases, the fee shall be calculated based on the increase in the equalized assessed value of the property due to the additional dwelling unit.
- (b) When an increase in residential density is permitted pursuant to a "d" variance granted under N.J.S.A. 40:55D-70d(5), developers shall be required to pay a "bonus" development fee of 6.0% of the equalized assessed value for each additional unit that may be realized, except that this provision shall not be applicable to a development that will include affordable housing. If the zoning on a site has changed during the two-year period preceding the filing of such a variance application, the base density for the purposes of calculating the bonus development fee shall be the highest density permitted by right during the two-year period preceding the filing of the variance application.

Example: If an approval allows four units to be constructed on a site that was zoned for two units, the fees could equal 1.5% of the equalized assessed value on the first two units; and the specified higher percentage of 6% of the equalized assessed value for the two additional units, provided zoning on the site has not changed during the two-year period preceding the filing of such a variance application.

- (2) Eligible exactions, ineligible exactions and exemptions for residential development
 - (a) Affordable housing developments, developments where the developer is providing for the construction of affordable units elsewhere in the Borough, and developments where the developer has made an eligible payment in lieu of on-site construction of affordable units, if permitted by ordinance, or by agreement with the Borough as part of an approved Housing Element and Fair Share Plan, shall be exempt from development fees.
 - (b) Developments that have received preliminary or final site plan approval prior to the adoption of this ordinance and any preceding ordinance permitting the collection of development fees shall be exempt from the payment of development fees, unless the developer seeks a substantial change in the original approval. Where a site plan approval does not apply, the issuance of a zoning and/or building permit shall be synonymous with preliminary or final site plan approval for the purpose of determining the right to an exemption. In all cases, the applicable fee percentage shall be determined based upon the development fee ordinance in effect on the date that the construction permit is issued.
 - (c) Development fees shall be imposed and collected when an existing structure undergoes a change to a more intense use, is demolished and replaced, or is expanded, if the expansion is not otherwise exempt from the development fee requirement. The development fee shall be calculated on the increase in the equalized assessed value of the improved structure.
 - (d) No development fee shall be collected for the demolition and replacement of a residential building resulting from a fire or natural disaster.

D. Non-Residential Development Fees

- (1) Imposition of fees
 - (a) Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall pay a fee equal to 2.5% of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots.
 - (b) Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall also pay a fee equal to 2.5% of the increase in equalized assessed value resulting from any additions to existing structures to be used for non-residential purposes.
 - (c) Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of 2.5% shall be calculated on the difference between the equalized assessed value of the pre-existing land and improvements and the equalized assessed value of the newly improved structure; i.e., land and improvements; and such calculation shall be made at the time a final certificate of occupancy is issued. If the calculation required under this section results in a negative number, the non-residential development fee shall be zero.
- (2) Eligible exactions, ineligible exactions and exemptions for non-residential development
 - (a) The non-residential portion of a mixed-use inclusionary or market-rate development shall be subject to a 2.5% development fee, unless otherwise exempted below.
 - (b) The 2.5% fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within existing footprint, reconstruction, renovations and repairs.
- (3) Non-residential developments shall be exempt from the payment of non-residential development fees in accordance with the exemptions required pursuant to the

Statewide Non-Residential Development Fee Act (N.J.S.A. 40:55D-8.1 through 8.7), as specified in Form N-RDF "State of New Jersey Non-Residential Development Certification/Exemption." Any exemption claimed by a developer shall be substantiated by that developer.

- (4) A developer of a non-residential development exempted from the non-residential development fee pursuant to the Statewide Non-Residential Development Fee Act shall be subject to the fee at such time as the basis for the exemption no longer applies, and shall make the payment of the non-residential development fee, in that event, within three years after that event or after the issuance of the final certificate of occupancy of the non-residential development, whichever is later.
- (5) If a property that was exempted from the collection of a non-residential development fee thereafter ceases to be exempt from property taxation, the owner of the property shall remit the fees required pursuant to this section within 45 days of the termination of the property tax exemption. Unpaid non-residential development fees under these circumstances may be enforceable by the Borough as a lien against the real property of the owner.

E. Collection Procedures

- (1) Upon the granting of a preliminary, final or other applicable approval for a development, the applicable approving authority shall direct its staff to notify the construction official responsible for the issuance of a building permit.
- (2) For non-residential developments only, the developer shall also be provided with a copy of Form N-RDF, "State of New Jersey Non-Residential Development Certification/Exemption," to be completed by the developer as per the instructions provided in the Form N-RDF. The construction official shall verify the information submitted by the non-residential developer as per the instructions provided on Form N-RDF. The tax assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.
- (3) The construction official responsible for the issuance of a building permit shall notify the tax assessor of the issuance of the first construction permit for a development that is subject to a development fee.
- (4) Within 90 days of receipt of that notice, the tax assessor shall provide an estimate, based on the plans filed, of the equalized assessed value of the development.
- (5) The construction official responsible for the issuance of a final certificate of occupancy shall notify the tax assessor of any and all requests for the scheduling of a final inspection on property that is subject to a development fee.
- (6) Within 10 business days of a request for the scheduling of a final inspection, the tax assessor shall confirm or modify the previously estimated equalized assessed value of the improvements associated with the development; calculate the development fee; and thereafter notify the developer of the amount of the fee.
- (7) Should the Borough fail to determine or notify the developer of the amount of the development fee within 10 business days of the request for final inspection, the developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in Subsection b. of section 37 of P.L.2008, c.46 (N.J.S.A. 40:55D-8.6).
- (8) Fifty percent (50%) of the development fee shall be collected at the time of issuance of the construction permit. The remaining portion shall be collected at the time of issuance of the certificate of occupancy. The developer shall be responsible for paying the difference between the fee calculated at the time of issuance of the construction permit and that determined at the time of issuance of certificate of occupancy.

F. Appeal of development fees

- (1) A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Pending a review and determination by that board, collected fees shall be placed in an interest-bearing escrow account by the Borough. Appeals from a determination of the board may be made to the Tax Court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S.

54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

- (2) A developer may challenge non-residential development fees imposed by filing a challenge with the director of the Division of Taxation. Pending a review and determination by the director, which shall be made within 45 days of receipt of the challenge, collected fees shall be placed in an interest-bearing escrow account by the Borough. Appeals from a determination of the director may be made to the Tax Court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S. 54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

G. Affordable Housing Trust Fund

- (1) A separate, interest-bearing Municipal Affordable Housing Trust Fund shall be maintained by the chief financial officer of the Borough for the purpose of depositing development fees collected from residential and non-residential developers and proceeds from the sale of units with extinguished controls.
- (2) The following additional funds shall be deposited in the Municipal Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:
 - (a) Payments in lieu of on-site construction of an affordable unit, where previously permitted by ordinance or by agreement with the Borough and if approved by a Borough prior to the statutory elimination of payments in-lieu on March 20, 2024 per P.L.2024, c.2, or if allowed as a condition of a mediation agreement settling a challenge to the Borough's HEFSP;
 - (b) Funds contributed by developers to make 10% of the adaptable entrances in a townhouse or other multistory attached dwelling unit development accessible;
 - (c) Rental income from municipally operated units;
 - (d) Repayments from affordable housing program loans;
 - (e) Recapture funds;
 - (f) Proceeds from the sale of affordable units; and
 - (g) Any other funds collected in connection with the municipal affordable housing program including but not limited to interest earned on fund deposits.
- (3) The Borough shall provide the Division with written authorization, in the form of a tri-party escrow agreement(s) between the Borough, the Division and the financial institution in which the municipal affordable housing trust fund has been established to permit the Division to direct the disbursement of the funds as provided for in N.J.A.C. 5:99-2.1 et seq.
- (4) Occurrence of any of the following deficiencies may result in the Division requiring the forfeiture of all or a portion of the funds in the municipal Affordable Housing Trust Fund:
 - (a) Failure to meet deadlines for information required by the Division in its review of a development fee ordinance;
 - (b) Failure to commit or expend development fees within four years of the date of collection in accordance with N.J.A.C. 5:99-5.5;
 - (c) Failure to comply with the requirements of the Non-Residential Development Fee Act and N.J.A.C. 5:99-3;
 - (d) Failure to submit accurate monitoring reports pursuant to this subchapter within the time limits imposed by the Act, this chapter, and/or the Division;
 - (e) Expenditure of funds on activities not approved by the Superior Court or otherwise permitted by law;
 - (f) Revocation of compliance certification or a judgment of compliance and repose;
 - (g) Failure of a municipal housing liaison or administrative agent to comply with the requirements set forth at N.J.A.C. 5:99-6, 7, and 8;
 - (h) Other good cause demonstrating that municipal affordable housing funds are not being used for an approved purpose.

- (5) All interest accrued in the housing trust fund shall only be used on eligible affordable housing purposes approved by the Court.

H. Use of Funds

- (1) The expenditure of all funds shall conform to a Spending Plan approved by Superior Court. Funds deposited in the municipal Affordable Housing Trust Fund may be used for any activity approved by the Court to address the fair share obligation and may be set up as a grant or revolving loan program. Such activities include, but are not limited to: preservation or purchase of housing for the purpose of maintaining or implementing affordability controls; housing rehabilitation; new construction of affordable housing units and related costs; accessory apartments; a market-to-affordable program; conversion of existing non-residential buildings to create new affordable units; green building strategies designed to be cost-saving and in accordance with accepted national or state standards; purchase of land for affordable housing; improvement of land to be used for affordable housing; extensions or improvements of roads and infrastructure to affordable housing sites; financial assistance designed to increase affordability; administration necessary for implementation of the Housing Element and Fair Share Plan; and/or any other activity permitted by Superior Court and specified in the approved Spending Plan.
- (2) Funds shall not be expended to reimburse the Borough or activities that occurred prior to the authorization of a Borough to collect development fees.
- (3) At least a portion of all development fees collected and interest earned shall be used to provide affordability assistance to very low-, low- and moderate-income households in affordable units included in the municipal Fair Share Plan. A portion of the development fees which provide affordability assistance shall be used to provide affordability assistance to very low-income households.
 - (a) Affordability assistance programs may include down payment assistance, security deposit assistance, low-interest loans, rental assistance, assistance with homeowners association or condominium fees and special assessments, infrastructure assistance, and assistance with emergency repairs. The specific programs to be used for affordability assistance shall be identified and described within the Spending Plan.
 - (b) Affordability assistance for very low income households may include producing very low-income units or buying down the cost of low- or moderate-income units in the municipal Fair Share Plan to make them affordable to households earning 30% or less of median income.
- (4) No more than 20% of all affordable housing trust funds, exclusive of those collected to fund an RCA prior to July 17, 2008, shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultants' fees necessary to develop or implement a new construction program, prepare and implement a Housing Element and Fair Share Plan, administer an Affirmative Marketing Program and for compliance with the Superior Court and the Program including the costs to the Borough of resolving a challenge.

I. Monitoring

- (1) On or before February 15 of each year, the Borough shall provide annual electronic data reporting of trust fund activity for the previous year from January 1st to December 31st through the AHMS Reporting System. This reporting shall include an accounting of all Municipal Affordable Housing Trust Fund activity, including the sources and amounts of all funds collected and the amounts and purposes for which any funds have been expended. Such reporting shall include an accounting of development fees collected from residential and non-residential developers, previously eligible payments in lieu of constructing affordable units on site (if permitted by ordinance or by agreement with the Borough prior to the March 20, 2024 statutory elimination per P.L. 2024, c.4), funds from the sale of units with extinguished controls, barrier-free escrow funds, rental income from municipally-owned affordable housing units, repayments from affordable housing program loans, interest and any other funds collected in connection with municipal housing programs, as well as an accounting of the expenditures of revenues and implementation of the Spending Plan approved by the Court.

J. Ongoing Collection of Fees

- (1) The ability to impose, collect and expend development fees shall continue so long as the municipality retains authorization from the Court in the form of Compliance Certification or the good faith effort to obtain it.
- (2) If the Borough fails to renew its ability to impose and collect development fees prior to the expiration of its Judgment of Compliance, it may be subject to forfeiture of any or all funds remaining within its Affordable Housing Trust Fund. Any funds so forfeited shall be deposited into the New Jersey Affordable Housing Trust Fund established pursuant to section 20 of P.L.1985, c.222 (C. 52:27D-320).

K. Emergent Affordable Housing Opportunities. Requests to expend affordable housing trust funds on emergent affordable housing opportunities not included in the municipal fair share plan shall be made to the Division and shall be in the form of a governing body resolution. Any request shall be consistent with N.J.A.C. 5:99-4.1.

BE IT FURTHER ORDAINED, any Ordinances or portions thereof which are inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such inconsistencies only.

BE IT FURTHER ORDAINED, if any provisions of this Ordinance, or the application of such provision to any person or circumstance is declared invalid, such invalidity shall not affect the other provisions or applications of this Ordinance, which can be given effect, and to this end, the provisions of this Ordinance are declared to be severable.

BE IT FURTHER ORDAINED, this Ordinance shall take effect immediately upon following the passage, adoption and publication pursuant to New Jersey State law.

Introduced:
Passed:
Adopted:

Honorable Joseph Altomonte, Mayor

CERTIFICATION OF ORDINANCE

I, Karen Wynne, Municipal Clerk of the Borough of Matawan, County of Monmouth, and State of New Jersey, do hereby certify the foregoing to be a true and correct copy of an Ordinance adopted by the Council of the Borough of Matawan on _____, 2026.

IN WITNESS WHEREOF, I have hereunder set my hand and seal of the Borough of Matawan this ___ day of _____, 2026.

Karen Wynne, RMC
Municipal Clerk

Appendix C: Resolution Appointing the Municipal Housing Liaison

RESOLUTION 25-01-23

**APPOINTING RYAN L. MICHELSON
AS THE MUNICIPAL AFFORDABLE HOUSING LIAISON**

WHEREAS, it is necessary for the Mayor and Council of the Borough of Matawan to appoint a Municipal Affordable Housing Liaison; and

WHEREAS, it is the desire of the Mayor and Council to appoint Rylan L. Michelson as the Municipal Affordable Housing Liaison.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Borough of Matawan, County of Monmouth, State of New Jersey as follows:

1. That Ryan L. Michelson is hereby appointed as the Municipal Affordable Housing Liaison for the Borough of Matawan at no additional compensation.
2. That a certified copy of this resolution be forwarded:
 - i. Gina Fischetti, Chief Counsel, NJS Fair Housing Act Administration, PO Box 813, Trenton, New Jersey 08625-0813.

BE IT FURTHER RESOLVED that a true certified copy of this Resolution shall also be forwarded to the following Borough of Matawan Departments: Clerk.

CERTIFICATION OF RESOLUTION

I, Karen Wynne, Municipal Clerk of the Borough of Matawan, County of Monmouth, State of New Jersey, do hereby certify the foregoing to be a true and correct copy of a Resolution adopted by the Council of the Borough of Matawan on January 7, 2025.

IN WITNESS WHEREOF, I have hereunder set my hand and official seal of the Borough of Matawan this 7th day of January, 2025.



Karen Wynne, RMC
Municipal Clerk

Appendix D: Ordinance and Associated Map for the HI-AH Overlay Zone

ORDINANCE 26-07

AMENDING AND SUPPLEMENTING THE REVISED GENERAL ORDINANCES OF THE BOROUGH OF MATAWAN CHAPTER 34 – DEVELOPMENT REGULATIONS, ARTICLE XI – ZONE DISTRICT REGULATIONS, NEW SUBSECTION 34-70A – HIGHWAY IMPROVEMENT DISTRICT OVERLAY ZONE AND THE CREATION OF NEW ZONE DISTRICT PERMITTING INCLUSIONARY DEVELOPMENT

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Borough Council of the Borough of Matawan, County of Monmouth, State of New Jersey, that Chapter 34, Article XI, New Subsection 34-70A of the Code of the Borough of Matawan is hereby amended and supplemented as follows:

- A. Revise Article XI to include the HI-AH Overlay Zone and revise the Zoning Map to include the HI-AH Zone as indicated herein.
- B. Intent and purpose. It is the intent and purpose of this district to facilitate creation of inclusionary development that will diversify housing opportunities within the Borough and satisfy a portion of Matawan's Round 4 unmet need affordable housing obligation.
- C. The New Zone District, known as HI-AH is shown on the attached map and includes the following properties, which are presently situated in the HI/Highway Improvement Zone District:
 - Block 40, Lot 6.01, Qualifier C0001 (portion)
 - Block 40, Lot 6.01, Qualifier C0002 (portion)
 - Block 50, Lot 1
 - Block 120, Lot 47
 - Block 120.01, Lots 1, 3, 4, 5, 6, 10, 41, 42, 43
 - Block 123.01, Lots 16.01, 19, 20, 16.01
- D. Permitted uses. Any one or a combination of the following uses are permitted.
 - (1) Permitted uses in the HI/Highway Improvement Zone District, subject to the use and bulk regulations of the HI/Highway Improvement Zone District.
 - (2) Multifamily Residential Use, which shall include an affordable set-aside as described herein.
 - (3) Accessory uses and accessory structures customarily incidental to the above uses and located on the same lot as the principal use to which they are accessory. Parking, both surface and/or structured is permitted in connection with the multifamily residential use.
- E. Multifamily Residential Use – Area, Bulk & Parking Requirements:
 - (1) Minimum lot area: 1 acre
 - (2) Maximum gross density: 14 du/ac
 - (3) Minimum lot width at front yard setback: 125 feet
 - (4) Minimum Setbacks:
 - (a) Front Yard: 35 feet
 - (b) Side Yard: 25 feet
 - (c) Rear Yard: 35 feet
 - (d) Minimum Distance between buildings: 25 ft.
 - (e) Wherever a multifamily residential use in the HI-AH Zone District abuts a residential zone or an existing single family residential use, a solid and continuous landscape screen shall be required pursuant to Section 34-41.
 - (5) Maximum principal building height: 3 stories / 35 feet
 - (6) Maximum accessory building height: 1 story / 15 feet
 - (7) Maximum building length: 100 ft.
 - (8) Maximum impervious coverage: 65%

- (9) Parking requirements shall conform to Section 34-43, Off-Street Parking and Loading, except as contained herein.
- (10) The number of required parking spaces for multifamily residential uses shall be as set forth in the New Jersey Residential Site Improvement Standards (RSIS), N.J.A.C. 5:21.
- (11) Parking is prohibited between the building and the public roadway.

F. Site Design Requirements:

- (1) The development shall include either an indoor or an outdoor amenity or recreation facilities for residents.
- (2) Building design shall include both vertical and horizontal articulation.
- (3) All roof-mounted equipment shall be screened from public view by the use of a parapet wall or other architectural detail

G. Shade trees. Shade and/or ornamental trees shall be provided for parking areas. Shade and/or ornamental trees provided in parking areas shall be in accordance with the following standards:

- (a) Shade and/or ornamental tree planting layout shall complement the overall theme for the development as a whole;
- (b) Spacing between shade and/or ornamental trees shall be determined based upon species and the desired theme. The spacing shall range between 25 feet to 35 feet on center. There shall be a minimum of one shade tree per 10 parking spaces within all parking lots;
- (c) Several species of shade and/or ornamental trees shall be incorporated into the design of the overall project to avoid problems associated with a monoculture;
- (d) Shade and/or ornamental trees shall be a minimum of three inches in caliper.

H. Affordable Housing

- (1) Not less than 20% of the total dwelling units contained in the multifamily residential use shall be restricted to low and moderate income households, with 13% of the affordable units being available to very low income households. The affordable units shall be available to families, and shall not be restricted to a specific population or demographic.
- (2) If the required total number of residential units does not result in a full integer, the developer shall round up to the nearest full integer.
- (3) The affordable units shall be developed and administered in accordance with the Fair Housing Act (NJSA 52:27D-301 et. seq.), Local Planning Services regulations (N.J.A.C. 5:99), and UHAC regulations (N.J.A.C. 5:80-26.1), and as required under Article XVI, Section 34-110, Affordable Housing Regulations, of the Code of the Borough of Matawan. Such requirements include but are not limited to the following: income distribution, bedroom distribution, affordability controls (not less than 40 years for rental units and 30 years for sale units).
- (4) The affordable units shall be integrated throughout the development, in each residential building.

Introduced:
Passed:
Adopted:

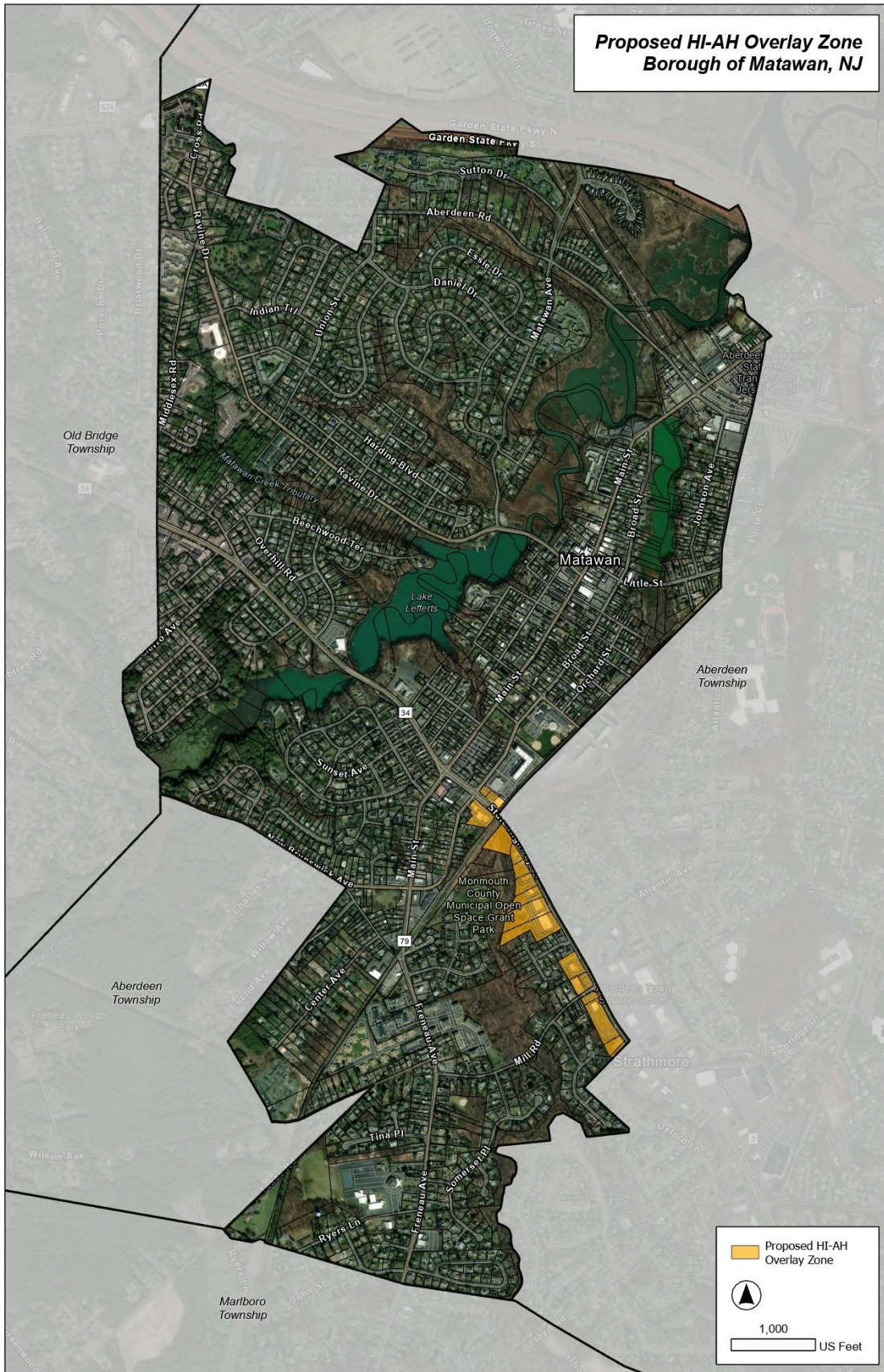
Honorable Joseph Altomonte, Mayor

CERTIFICATION OF ORDINANCE

I, Karen Wynne, Municipal Clerk of the Borough of Matawan, County of Monmouth, and State of New Jersey, do hereby certify the foregoing to be a true and correct copy of an Ordinance adopted by the Council of the Borough of Matawan on _____, 2026.

IN WITNESS WHEREOF, I have hereunder set my hand and seal of the Borough of Matawan this ___ day of _____, 2026.

Karen Wynne, RMC
Municipal Clerk



Appendix E: Ordinance to Amend Train Station Redevelopment Plan

ORDINANCE 26-08

AN ORDINANCE OF THE COUNCIL OF THE BOROUGH OF MATAWAN APPROVING AN AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE DESIGNATED REDEVELOPMENT AREA IN THE VICINITY OF THE MATAWAN TRAIN STATION PURSUANT TO THE NEW JERSEY LOCAL REDEVELOPMENT AND HOUSING LAW (N.J.S.A. 40A:12A-1 ET SEQ.)

WHEREAS, on July 5, 2000, the Borough Council of the Borough of Matawan (the “Governing Body”) approved Resolution No. 00-07-08, which designated certain lands in the vicinity of the Matawan Train Station as a “Redevelopment Area” pursuant to the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 et seq.); and

WHEREAS, the Governing Body subsequently adopted a Redevelopment Plan (“Redevelopment Plan”) for the Designated Redevelopment Area in the vicinity of the Matawan Train Station via Ordinance on April 30, 2001; and

WHEREAS, the Governing Body has adopted three (3) amendments to the Redevelopment Plan on the following dates: December 1, 2015; May 15, 2018; and October 15, 2019; and

WHEREAS, it has become necessary to amend the Redevelopment Plan a fourth time in order to resolve a challenge of the Fair Share Housing Center (“FSHC”) to the Borough’s Fourth Round Housing Element and Fair Share Plan (“HE&FSP”), which was adopted by the Matawan Borough Unified Planning/Zoning Board of Adjustment on June 16, 2025 and endorsed by the Governing Body on June 17, 2025; and

WHEREAS, the proposed amendment to the Redevelopment Plan is limited in scope and is intended solely to increase the mandatory affordable housing set-aside applicable within the Redevelopment Area from fifteen percent (15%) to twenty percent (20%) for both rental and for-sale projects; and

WHEREAS, the Governing Body has directed the Borough’s planning consultant, T&M Associates, to draft language for a proposed amendment to the Redevelopment Plan; and

WHEREAS, T&M Associates has drafted language for a proposed amendment to the Redevelopment Plan, which is presented in this Ordinance; and

WHEREAS, pursuant to the provisions of N.J.S.A. 40A:12-7, the Governing Body referred the proposed amendment to the Redevelopment Plan to the Matawan Borough Unified Planning/Zoning Board of Adjustment (the “Board”) as outlined in this Ordinance; and

WHEREAS, the Board has issued a report containing its recommendation on the proposed amendment to the Governing Body; and

WHEREAS, the Governing Body has reviewed the Board’s report in rendering its decision on the proposed amendment to the Redevelopment Plan; and

WHEREAS, the Governing Body hereby determines that the amendment of the Redevelopment Plan for the Designated Redevelopment Area in the vicinity of the Matawan Train Station is necessary and appropriate and will facilitate the resolution of the FSHC’s objection to the Borough’s HE&FSP, as well as effectuate redevelopment and rehabilitation within the Redevelopment Area.

NOW, THEREFORE, BE IT ORDAINED, by the Council of the Borough of Matawan, County of Monmouth, State of New Jersey, that the provisions of the section of the Train Station Redevelopment Plan entitled "Affordable Housing Standards," which were most recently amended via Ordinance 19-17 on October 15, 2019, are hereby repealed in their entirety and replaced with the following:

Affordable Housing Standards

Any multi-family residential component of the redevelopment project shall include a set-aside for very low-, low-, and moderate-income households in conformance with the Uniform Housing Affordability Controls (N.J.A.C. 5:80-26.1 et seq.). For inclusionary projects in which very low-, low- and moderate-income units are to be offered for sale or rent, the appropriate set-aside percentage is 20 percent. The terms and conditions for the provision of affordable housing shall be incorporated into all development approvals and shall be further set forth in a redevelopment agreement between the redeveloper and the redevelopment entity of the Borough of Matawan, as well as in relevant provisions of the Borough's affordable housing ordinance, as the case may be.

BE IT FURTHER ORDAINED, that all prior ordinances that are inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency.

BE IT FURTHER ORDAINED, that this Ordinance shall become effective immediately upon final passage and publication as required by law.

Introduced:
Passed:
Adopted:

Honorable Joseph Altomonte, Mayor

CERTIFICATION OF ORDINANCE

I, Karen Wynne, Municipal Clerk of the Borough of Matawan, County of Monmouth, and State of New Jersey, do hereby certify the foregoing to be a true and correct copy of an Ordinance adopted by the Council of the Borough of Matawan on _____, 2026.

IN WITNESS WHEREOF, I have hereunder set my hand and seal of the Borough of Matawan this ___ day of _____, 2026.

Karen Wynne, RMC
Municipal Clerk

Appendix F: Spending Plan



BOROUGH OF MATAWAN
AFFORDABLE HOUSING SPENDING PLAN

February 18, 2026

INTRODUCTION

The Borough of Matawan has prepared a Housing Element and Fair Share Plan in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the Fair Housing Act (N.J.S.A. 52:27D-301). A draft development fee ordinance creating a dedicated revenue source for affordable housing is included in the Housing Element and Fair Share Plan for consideration. This ordinance would establish Matawan’s Affordable Housing Trust Fund and has been prepared in accordance with applicable standards.

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 into this separate, interest-bearing Affordable Housing Trust Fund for the purposes of affordable housing. These funds shall be spent in accordance with applicable affordable housing regulations.

1. REVENUES FOR CERTIFICATION PERIOD

Since the development fee ordinance has not been adopted, the Borough has not collected revenues that would provide a baseline for projected revenue. Therefore, to calculate anticipated projected revenue for the period from January 1, 2026 through December 31, 2025, the Borough of Matawan considered annual changes in tax valuation to calculate future revenues.

Based on recent annual changes in tax valuation, and assuming that only 50% of the residential valuation would be subject to the development fee ordinance, an annual estimated total residential development fee of \$40,000 per year was calculated and utilized in the analysis.

Based on recent annual changes in tax valuation, an annual estimated nonresidential development fee total of \$12,000 was calculated and utilized in the analysis.

No payments in lieu or other sources of income were anticipated.

Finally, it is estimated that the Borough will collect \$750 per year in interest through 2035. All interest earned shall be used only for the purposes of affordable housing.

TABLE 1: PROJECTED REVENUES											
Affordable Housing Trust Fund, January 1, 2026 through 2035											
Source	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Residential Development Fees	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$400,000
Non-Residential Development Fees	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$120,000
PIL Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$7,500
Total	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750	\$527,500

The Borough of Matawan projects a total of \$527,500 in development fee revenue and interest to be collected between January 1, 2026 and December 31, 2035.

2. 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 Borough of Matawan:

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with the Borough's development fee ordinance and in accordance with all applicable rules, regulations and legislation.

(b) Distribution of development fee revenues:

The release of funds requires adoption of the governing body resolution in accordance with the spending plan. Once a request is approved by resolution, the Chief Financial Officer releases the requested revenue from the Trust Fund for the specific use approved in the governing body's resolution.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) **Affordability Assistance — N.J.A.C. 5:99-2.5**

N.J.A.C. 5:99-2.5(a) requires that municipalities set aside a portion of all development fees collected and interest earned for the purpose of providing affordability assistance to very low-, low- and moderate-income households in affordable units included in the municipality's fair share plan.

In consideration of this requirement, Matawan plans to allocate \$422,000, which is 80 percent of all development fees collected and interest earned, to the provision of affordability assistance to very low-, low- and moderate-income households in affordable units included in its fair share plan.

Matawan proposes the following to provide affordability assistance to very low-, low- and moderate-income households:

- The Borough of Matawan shall develop a program to assist affordable households and developments with repairs of water heaters and furnaces. Alternatively, replacement of water heaters and furnaces will be offered when they are more than ten (10) years old. New water heaters are more energy efficient and could potentially reduce water bills; similarly, new furnaces would be more efficient and could assist the household with a reduction in utility costs. The Borough will initially adopt a resolution committing to establishment of the program, after which a program manual will be prepared and adopted by the Governing Body. The program will be affirmatively marketed, with very low-, low- and moderate-income households encouraged to apply. The application will require a description of the proposed work, the need for the work, and the income classifications of the residents living at the subject location. Price estimates for the proposed work will also be required. It is anticipated that approximately one-fourth of available affordability assistance funds will be made available to this program.
- The Borough of Matawan shall develop a program to make Affordable Housing Trust Fund monies available for Payment Assistance, including assistance with down payments, closing costs (e.g., title work and policy, reasonable attorney's fees for closing of title, preparation of surveys, homeowners insurance, recording fees and other necessary closing costs to third parties), payment of lenders fees (e.g., mortgage points, application fees, appraisal fees, bank attorney review fees, and necessary mortgage closing expenses) and rental assistance (e.g., rental subsidies, moving expenses and security deposits). This program would also assist with security deposits, homeowners' association and reasonable condominium fees, special assessment fees, and assistance with emergency repairs for very low-, low-, and moderate-income households. It is anticipated that approximately one-fourth of available affordability assistance funds will be made available to this program.
- The Borough shall develop a program to fund green building techniques, including, but not limited to, the installation of solar panels, which help to reduce building utility expenses. The Borough will initially adopt a resolution committing to establishment of the program, after which a program manual will be prepared and adopted by the Governing Body. The program will be affirmatively marketed, with very low-, low- and moderate-income households encouraged to apply. The application will require a description of the proposed work, the need for the work, and the income classifications of the residents living at the subject location. Price estimates for the proposed work will also be required. It is anticipated that approximately one-fourth of available affordability assistance funds will be made available to this program.
- The Borough shall develop a program to provide lump sum payments to the developers of inclusionary developments to make units more affordable for low-

and very low-income households. The developer of low-income units will be offered a payment for the difference between a low- and very low-income unit. In exchange, the unit would be deed restricted as a unit that is affordable to a very low-income household. Matawan's program will include guidelines for a lump sum payment to a provider of affordable low-income units based on a calculation of the present value of the difference in permitted rent over a 40-year term between a low-income unit and a very low-income unit. It is anticipated that approximately one-fourth of available affordability assistance funds will be made available to this program.

Table 2 includes the calculation of affordability assistance to be provided through 2035.

TABLE 2: AFFORDABILITY ASSISTANCE CALCULATION		
		Total
Actual Development Fees and Interest through December 31, 2025	+	\$0.00
Projected Development Fees and Interest through 2035	+	\$527,500.00
Less Housing Activity in the Third Round	-	\$0.00
Total	=	\$527,500.00
Affordability Assistance Allocation of 80 Percent	× .80	\$422,000.00

It is important to note that N.J.A.C. 5:99-2.5 does not specify a minimum required amount or percentage of development fees collected and interest earned to be allocated to affordability assistance. While the Borough currently plans to allocate 80 percent of all development fees collected and interest earned to the provision of affordability assistance, it reserves its right to amend this Spending Plan to adjust its affordability assistance allocation at any time. Should this occur, any adjustment of funds will comply with applicable rules and regulations, including, but not limited to, N.J.A.C. 5:99-2.3.

(b) Administrative Expenses — N.J.A.C. 5:99-2.4

Per affordable housing regulations, no more than 20 percent of all affordable housing trust funds, exclusive of those collected prior to July 17, 2008 to fund a Regional Contribution Agreement, shall be expended on administration. The Borough projects that a maximum of \$105,500 will be available from the affordable housing trust fund to be used for administrative expenses.

TABLE 3: ADMINISTRATIVE EXPENSE CALCULATION		
		Total
Actual Development Fees and Interest through December 31, 2025	+	\$0.00
Projected Development Fees and Interest through 2035	+	\$527,500.00
Total for Administrative Expense Calculation through 2035	=	\$527,500.00
20% Maximum for Administrative Expenses	× 0.20	\$105,500.00
Less Admin through December 31, 2025	-	\$0.00
Maximum Available for Administrative Expenses through 2035	=	\$105,500.00

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

1. Expenditures for consultant and professional fees in connection with future revisions and amendments to the Housing Element and Fair Share Plan.
2. Preparation of this Spending Plan and revisions thereto as required by any future reviewing body.
3. Expenditures for consultant and professional fees in connection with future revisions to the affordable housing ordinances necessary to implement the Township's Housing Element and Fair Share Plan.
4. Additional expenses and training for the Municipal Housing Liaison.
5. Expenditures for the provision of Administrative Agent services.
6. Expenditures for consultant and professional fees in connection with planning, development and implementation of affordable housing programs.
7. Expenditures for consultant and professional fees to further any section or proposal from the adopted Housing Element and Fair Share Plan, and revisions and amendments thereto.
8. Expenditures for professional fees for annual affordable housing monitoring and required reviews.
9. Municipal Housing Liaison and Administrative Agent training and on-going certification.
10. Research and preparation of the annual trust fund and affordable housing activity monitoring.
11. Preparation of the affordable housing monitoring reports.
12. Preparation of an affirmative marketing program.
13. Expenditures related to compliance with any process of the Affordable Housing Dispute Resolution Program.
14. Expenditures associated with functions carried out in compliance with the Uniform Housing Affordability Controls (UHAC).
15. Preparation of a Housing Element and Fair Share Plan and a Spending Plan to satisfy future Round 5 requirements.

Note that the foregoing list may not be exhaustive. The Borough reserves the right to use funds for any additional purpose permissible under the terms of N.J.A.C. 5:99-2.4.

Notwithstanding the above, note that the N.J.A.C. 5:99-2.2(f) stipulates that affordable housing trust funds shall not be expended:

1. To reimburse the municipality for activities that occurred prior to the authorization of a municipality to collect development fees.

2. On attorney fees or court costs to obtain a judgement of compliance or order of repose, including any associated administration costs.
3. On any costs in connection with a challenge to a determination of the municipality’s fair share obligation; or
4. On any costs in connection with a challenge to the municipality’s obligation, housing element or fair share plan.

4. EXPENDITURE SCHEDULE

The Borough of Matawan intends to use affordable housing trust fund revenues for both an affordability assistance program and administrative expenses as detailed in Table 4.

TABLE 4: EXPENDITURE SCHEDULE												
Projects/ Program	Projected Expenditure Schedule January 1, 2026 – December 31, 2035											
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total	
Affordability Assistance	\$42,200	\$42,200	\$42,200	\$42,200	\$42,200	\$42,200	\$42,200	\$42,200	\$42,200	\$42,200	\$42,200	\$422,000
Administrative Expenses	\$10,550	\$10,550	\$10,550	\$10,550	\$10,550	\$10,550	\$10,550	\$10,550	\$10,550	\$10,550	\$10,550	\$105,500
Total	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750	\$527,500

5. EXCESS OR SHORTFALL OF FUNDS

In the event of excess funds, any remaining funds above the amount necessary to satisfy the municipal affordable housing obligation will be dedicated to affordability assistance program, and/or additional affordable housing activity in accordance with applicable rules and regulations.

In the event that a shortfall of anticipated revenues occurs, the Borough of Matawan will address the shortfall of funds through an alternative funding source to be identified by the Borough or by adopting a resolution with an intent to bond, or the Borough will amend its spending plan to reduce the amount of funds available for the affordability assistance program and/or administrative expenses.

6. BARRIER-FREE ESCROW

Collection and distribution of barrier free funds shall be consistent with the Borough of Matawan’s Affordable Housing Ordinance and in accordance with applicable rules.

7. SUMMARY

The Borough intends to spend affordable housing trust fund revenues pursuant to applicable rules and regulations, and to be consistent with the housing programs outlined in the Housing Element and Fair Share Plan.

The Borough's Affordable Housing Trust Fund, once established, is expected to collect a total of \$527,500 between January 1, 2026 and December 31, 2035. This results in \$527,500 available to fund and administer the Borough's affordable housing plan through 2035.

The Spending Plan summary is provided below.

TABLE 5: SPENDING PLAN SUMMARY		
		Total
Balance as of December 31, 2025		\$0.00
Projected Revenue Through 2035		
Development fees	+	\$520,000
Payments in lieu of construction	+	\$0
Other funds	+	\$0
Interest	+	\$7,500
Total Available Funds		\$527,500
Projected Expenditures through 2035		
Affordability Assistance*	+	\$422,000
Administration**	+	\$105,500
Total Projected Expenditures	=	\$527,500
Remaining Balance	=	\$0

* Actual affordability assistance shall be calculated on an ongoing basis, based on actual revenues.

** Administrative expenses are limited to 20 percent of what is actually collected.