

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

Borough of Matawan Monmouth County, New Jersey

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Housing Element

The Borough of Matawan, Monmouth County, has prepared this 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.).

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 amends the township'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 addresses the township'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 Ho-using

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.

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 is an indicator of overcrowding.

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

	Borough of Matawan		Monmouth County	
	Number	Percent	Number	Percent
<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.

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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' 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 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 305 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)		PROSPECTIVE NEED OBLIGATION (1999-2025)	
OBLIGATION		OBLIGATION	
Prior Round Obligation	141	Prospective Need Obligation	157
TOTALS		TOTALS	
298		298	
BONUSES/CAPS		BONUSES/CAPS	
TOTALS		TOTALS	
Senior Cap (25% of Obligation, rounded down)	35	Senior Cap (25% of Obligation, rounded down)	39
Rental Bonus Cap (25% of Obligation, rounded down)	35	Rental Bonus Cap (25% of Obligation, rounded down)	39
Rental Obligation (25% of Obligation, rounded up)	36	Rental Obligation (25% of Obligation, rounded up)	40
TOTALS		TOTALS	
76		76	
COMPLIANCE MECHANISMS		COMPLIANCE MECHANISMS	
TOTALS		TOTALS	
Senior Rental Units	35	Senior Rental Units	39
Site 1: Minnisink Village	35	Site 1: Minnisink Village	1
Family Rental Units	71	Family Rental Units	124
Site 2: The Preserve at Matawan	31	Site 6: Remaining Train Station Redevelopment Area (Buildout)	124
Site 3: 126 Main Street	2		
Site 4: Matawan Junction/Wilt Group (Train Station Redevelopment Area)	10		
Site 5: 160 Main Street	8		
Site 6: Remaining Train Station Redevelopment Area (Buildout)	12		
Site 7: 114-116 Main Street	8		
TOTALS		TOTALS	
TOTALS		TOTALS	
Total Unit Count	106	Total Unit Count	125
Rental Bonus Credits Applied	35	Rental Bonus Credits Applied	39
Total Compliance Credits (Units + Bonuses)	141	Total Compliance Credits (Units + Bonuses)	164
Surplus	0	Surplus for Round 4	7
TOTALS		TOTALS	
231		305	

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: Minnisink Village

Minnisink Village is a 100-percent affordable development with a total of 108 affordable senior rental units. It is located off of Freneau Avenue (New Jersey Route No. 79) and along Minnisink Drive on the 9.14-acre property that is identified as Block 119, Lot 42 on the official tax maps of the Borough of Matawan. The property is surrounded by single-family residential development to the south; commercial development to the north; a New Jersey Transit passenger railroad right-of-way and single-family residential development to the west; and, multi-family and commercial uses across Freneau Avenue (New Jersey Route No. 79) to the east.

Minnisink Village is an existent development and is currently occupied. The Minnisink Village project in Matawan was subject to a financing and regulatory agreement with the New Jersey Housing and Mortgage Finance Agency (HMFA) in connection with the reconstruction of 36 dwelling units. As documented in the Financing, Deed Restriction and Regulatory Agreement dated February 6, 2002, which is included in this Plan's Appendix, the project received a third mortgage loan from HMFA "to finance the conversion of 36 of the 48 efficiency units into 36 one-bedroom units and to make outside recreation improvements at the Project." Pursuant to the Agreement, the property owner covenanted that 100% of the units at Minnisink Village must be rented to households earning no more than 50% of area median income (AMI), adjusted for household size. This income cap is independently required under the terms of the HMFA loan and is enforceable regardless of whether the project received Low Income Housing Tax Credits or Tax-Exempt Bond Financing. The agreement further provides that these affordability restrictions are recorded covenants that run with the land, binding not only the original owner but also all successors and assigns. The restrictions are enforceable under New Jersey law and remain in effect for at least the duration of the mortgage, which, pursuant to the Third Mortgage Note, dated February 6, 2002, was for a 30-year mortgage term. Documentation on Minnisink Village is included in Appendix A.

Minnisink Village provides **35 units of credit to address the Prior Round and one (1) credit toward the Round 3 obligation.**

Site 2: 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 3: 126 Main Street

The subject property is comprised on 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 4: 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 5: 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 6: 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 an additional dwelling units at buildout.

Analysis of the Train Station Redevelopment Area results in the potential development of 968 units, of which 15%, or 146 units would be affordable. Ten (10) of the 146 affordable units are accounted for in Site 4; the remaining 136 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 **12 units of credit to satisfy the Prior Round obligation and 124 units of credit to satisfy the Round 3 obligation.**

Site 7: 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 seven (7) 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 B. 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 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 seven (7) unit carryover from Prior Round and Round 3. Therefore, the RDP is fully satisfied, with a one (1) unit surplus.

Unmet Need

The Borough needs to address its unmet need requirement. Due to the six-unit RDP, and the one-unit surplus, the unmet need is 61 units ($68-7 = 61$).

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 61-unit unmet need obligation with realistic zoning. With a 61-unit unmet need requirement, the Borough needs to provide realistic zoning for 16 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 F 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% required 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 contained in Section 34-110.4a.3 of the Borough's Code.
- The Borough will collect development fees to assist with future affordable housing needs. A draft development fee ordinance is contained in Appendix D.

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 2001 New Jersey State Development and Redevelopment Plan (SDRP) contains a series of smart growth goals and policies, and mapping that reflects desired growth patterns within a series of state planning areas.

The majority of Matawan is located within Planning Area 1, which is also known as the Metropolitan Planning Area. In the Metropolitan Planning Area, the SDRP's intention is to:

- Provide for much of the State's future redevelopment;
- Revitalize cities and towns;
- Promote growth in compact forms;
- Stabilize older suburbs;
- Redesign areas of sprawl; and
- Protect the character of existing stable communities.

Additionally, it is noted that the 2001 SDRP outlines several policy objectives for the Metropolitan Planning Area, including:

- Land Use: Promote redevelopment and development in cores and neighborhoods of centers and in nodes that have been identified through cooperative regional planning efforts. Promote diversification of land uses, including housing where appropriate, in single-use developments and enhance their linkages to the rest of the community. Ensure efficient and beneficial utilization of scarce land resources throughout the Planning Area to strengthen its existing diversified and compact nature.
- Housing: Provide a full range of housing choices through redevelopment, new construction, rehabilitation, adaptive reuse of nonresidential buildings, and the introduction of new housing into appropriate nonresidential settings. Preserve the existing housing stock through maintenance, rehabilitation and flexible regulation.

Execution of this Housing Element and Fair Share Plan and, therewith, promotion of affordable housing development in the Metropolitan Planning Area would be consistent with the intent and aforementioned policy objectives of said planning area.

SDRP Update

It is noted that as of the preparation of this Housing Element and Fair Share Plan, the State of New Jersey was in the process of updating the SDRP. While a draft of an updated SDRP was released for public review and comment in December 2024, its finalization and adoption are not anticipated to occur before late 2025 or early 2026. Thus, the 2001 SDRP remained in effect as of the preparation and adoption of this Housing Element and Fair Share Plan.

Notwithstanding the above, it is noted that the draft SDRP incorporates the same planning areas as the 2001 SDRP and associated mapping indicates that the Borough would remain in the Metropolitan Planning Area.

In addition to the above, it is noted that the draft SDRP includes several “State Planning Goals.” One of these goals relates to housing and includes the following core objectives:

- Increase the Construction of Diverse Housing Types and the Amount of Affordable Housing: Promote varied housing options for all income levels, including rentals, starter homes, senior housing, and market-rate units in transit-rich and mixed-income communities.
- Focus on Retaining Residents and Increasing Sustainability: Support inclusionary zoning, green building standards, and Transit-Oriented Development, while reinforcing fair housing practices and preventing the displacement of residents.
- Address Housing Needs of Diverse Demographics: Facilitate multi-generational households, senior housing, and adaptable options to ensure all residents can age in place and access affordable housing.
- Promote Regional Housing Balance: Encourage diverse housing development in areas with strong job markets, educational opportunities, and other amenities which support socio-economic mobility and integrate communities.

Based on its continuation of the same planning areas as outlined in the 2001 SDRP and its promotion of affordable housing, it is concluded that this Housing Element and Fair Share Plan is generally consistent the draft 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. The plan also includes existing senior housing units at Minnisink Village. 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 seven (7) 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: Minnisink Village Documentation

Appendix B: Vacant Land Adjustment Documentation

Appendix C: Affordable Housing Ordinance & Affirmative Marketing.

The Borough's existing ordinance is included. Modifications will be made as needed to comply with any future Round 4 requirements.

Appendix D: Proposed Development Fee Ordinance.

Appendix E: Resolutions Appointing the Municipal Housing Liaison

Appendix F: Draft Ordinances for the Overlay Zone

Appendix G: Spending Plan

Appendix A: Minnisink Village Documentation

DRAFT

KRISTAL & FELDMAN



Deed

4

This Deed is made on as of May 12, 1998

BETWEEN

MINNISINK VILLAGE, a New Jersey Limited Partnership

COUNTY OF MONMOUTH
CONSIDERATION 2,658,539
RTF 2659 add'l RTF 3763.50
DATE 7/2/98 BY [signature]

having its principal office at
88 MOUNTAINWOOD ROAD
STAMFORD, CONNECTICUT

referred to as the Grantor,

AND

MINNISINK, L.L.C., a New Jersey Limited Liability Company

whose post office address is
88 MOUNTAINWOOD ROAD
STAMFORD, CONNECTICUT
referred to as the Grantee.

The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

1. **Transfer of Ownership.** The Grantor grants and conveys (transfers ownership of) the property (called the "Property") described below to the Grantee. This transfer is made for the sum of *Two Million Six Hundred Fifty-Eight Thousand Five Hundred Thirty-Nine and 00/100 (\$2,658,539.00) Dollars*.
The Grantor acknowledges receipt of this money.

2. **Tax Map Reference.** (N.J.S.A. 46:15-1.1) Municipality of Matawan
Block No. 119 Lot No. 42, 43 & 44.01 Qualifier No. Account No.
☐ No property tax identification number is available on the date of this Deed. (Check box if applicable.)

3. **Property.** The Property consists of the land and all the buildings and structures on the land in
the Borough of Matawan County of Monmouth and
State of New Jersey. The legal description is:

- ☒ Please see attached Legal Description annexed hereto and made a part hereof. (Check box if applicable.)
Being the same premises conveyed to Grantor by Deed dated September 9, 1976, recorded January 25, 1997 in the office of the Clerk of Monmouth County in Deed Book 4014, Page 30, etc. and by Deed dated November 3, 1976, recorded January 25, 1977 in the office of the Clerk of Monmouth County in Deed Book 4014, Page 34, etc.

Prepared by: (print signer's name below signature)

Edward S. Feldman

(For Recorder's Use Only)



Chicago Title Insurance Company

9828-93463

D E S C R I P T I O N

All that certain tract, lot and parcel of land lying and being in the Borough of Matawan, County of Monmouth and State of New Jersey, and being more particularly described as follows:

Beginning at a point in the westerly line of Freneau Avenue, said point being 145.63 feet on a course of North 06 degrees 17 minutes 00 seconds West, along the said westerly line of Freneau Avenue from lands now or formerly owned by Erwin Augenstein and running thence:

- 1) South 77 degrees 24 minutes 00 seconds West, 298.55 feet to a point; thence
- 2) South 12 degrees 36 minutes 00 seconds East, 144.74 feet to a point; thence
- 3) South 77 degrees 24 minutes 00 seconds West, 604.34 feet to a point; thence
- 4) North 10 degrees 40 minutes 14 seconds West, 144.82 feet to a point; thence
- 5) South 77 degrees 24 minutes 00 seconds West, 471.62 feet to a point; thence
- 6) In a general northeasterly direction, on a curve to the right having a radius of 2839.90 feet, an arc distance of 408.81 feet to a point; thence
- 7) North 45 degrees 51 minutes 00 seconds East, 615.32 feet to a point; thence
- 8) South 03 degrees 47 minutes 50 seconds East, 198.77 feet to a point; thence
- 9) South 12 degrees 36 minutes 00 seconds East, 240.00 feet to a point; thence
- 10) North 77 degrees 24 minutes 00 seconds East, 557.57 feet to a point in the westerly line of Freneau Avenue; thence
- 11) Along same, South 06 degrees 17 minutes 00 seconds East, 124.50 feet to the point and place of beginning.

The above description being in accordance with the survey prepared by Lynch, Carmody & Dombrowski, P.A., dated April 1, 1976.

NC1545 - Affidavit of Consideration
RPT-1 (Rev. 1/1/86) 9602-2

STATE OF NEW JERSEY
AFFIDAVIT OF CONSIDERATION OR
EXEMPTION
(c. 49, P.L. 1968)

ALL-STATE LEGAL, A Division of
ALL-STATE[®] International, Inc.
908-272-0800

or
PARTIAL EXEMPTION
(c. 176, P.L. 1975)

To Be Recorded With Deed Pursuant to c. 49, P.L. 1968, as amended by c. 225, P.L. 1985 (N.J.S.A. 46:15-5 et seq.)

STATE OF NEW JERSEY
COUNTY OF Mercer SS.

FOR RECORDER'S USE ONLY
Consideration \$ 2,658,539
Realty Transfer Fee \$ 642,550
Date 7/1/99 By 198

* Use symbol "C" to indicate that fee is exclusively for county use.

(1) PARTY OR LEGAL REPRESENTATIVE (See Instructions #3, 4 and 5 on reverse side.)

Deponent William H. Bird, being duly sworn according to law upon his/her oath
(Name)

deposes and says that he/she is the President of Bird & Company, Inc., sole general partner of Grantor
(State whether Grantor, Grantee, Legal Representative, Corporate Officer, Officer of Title Co., Lending Institution, etc.)

in a deed dated May 12, 1998, transferring real property identified as Block No. 119

Lot Nos 42, 43 & 44.01 located at Minnisink Drive, Matawan, Monmouth County
(Street Address, Municipality, County)

and annexed hereto.

(2) CONSIDERATION (See Instruction #6.)

Deponent states that, with respect to deed hereto annexed, the actual amount of money and the monetary value of any other thing of value constituting the entire compensation paid or to be paid for the transfer of title to the lands, tenements or other realty, including the remaining amount of any prior mortgage to which the transfer is subject or which is to be assumed and agreed to be paid by the grantee and any other lien or encumbrance thereon not paid, satisfied or removed in connection with the transfer of title is \$ 2,658,539.00

(3) FULL EXEMPTION FROM FEE Deponent claims that this deed transaction is fully exempt from the Realty Transfer Fee imposed by c.49, P.L. 1968, for the following reason(s): Explain in detail. (See Instruction #7.) Mere reference to exemption symbol is not sufficient.

(4) PARTIAL EXEMPTION FROM FEE NOTE: All boxes below apply to grantor(s) only. ALL BOXES IN APPROPRIATE CATEGORY MUST BE CHECKED. Failure to do so will void claim for partial exemption. (See Instructions #8 and #9.)

Deponent claims that this deed transaction is exempt from the increased portion of the Realty Transfer Fee imposed by c. 176, P. L. 1975 for the following reason(s):

a) SENIOR CITIZEN (See Instruction #8.)

- ☐ Grantor(s) 62 yrs. of age or over. *

- ☐ One or two-family residential premises.

- ☐ Owned and occupied by grantor(s) at time of sale.

- ☐ No joint owners other than spouse or other qualified exempt owners.

b) BLIND (See Instruction #8.)

- ☐ Grantor(s) legally blind. *

- ☐ One or two-family residential premises.

- ☐ Owned and occupied by grantor(s) at time of sale.

- ☐ No joint owners other than spouse or other qualified exempt owners.

DISABLED (See Instruction #8.)

- ☐ Grantor(s) permanently and totally disabled. *

- ☐ One- or two-family residential premises.

- ☐ Receiving disability payments.

- ☐ Owned and occupied by grantor(s) at time of sale.

- ☐ Not gainfully employed.

- ☐ No joint owners other than spouse or other qualified exempt owners.

* IN THE CASE OF HUSBAND AND WIFE, ONLY ONE GRANTOR NEED QUALIFY.

c) LOW AND MODERATE INCOME HOUSING (See Instruction #8.)

- ☒ Affordable According to HUD Standards.

- ☒ Meets Income Requirements of Region.

- ☒ Reserved for Occupancy.

- ☒ Subject to Resale Controls.

d) NEW CONSTRUCTION (See Instruction #9.)

- ☐ Entirely new improvement.

- ☐ Not previously used for any purpose.

- ☐ Not previously occupied.

Deponent makes this Affidavit to induce the County Clerk or Register of Deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of c. 49, P.L. 1968.

Subscribed and sworn to before me
this 12th

day of May, 1999

Melinda U. Sciarrotta
MELINDA U. SCIARROTTA

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires March 26, 1999

William H. Bird
William H. Bird

Name of Deponent (sign above line)

88 Mountainwood Rd.

Stamford, CT 06903

Address of Deponent

Minnisink Village

Name of Grantor (type above line)

88 Mountainwood Rd.

Stamford, CT 06903

Address of Grantor at Time of Sale

FOR OFFICIAL USE ONLY This space for use of County Clerk or Register of Deeds.

Instrument Number _____ County _____
Deed Number _____ Book _____ Page _____
Deed Dated _____ Date Recorded _____

IMPORTANT - BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE HEREOF.

This format is prescribed by the Director, Division of Taxation in the Department of the Treasury, as required by law, and may not be altered without the approval of the Director.

ORIGINAL - White copy to be retained by County.

DUPLICATE - Yellow copy to be forwarded by County to Division of Taxation on partial exemption from fee (N.J.A.C. 18:16 - 8.12).

TRIPPLICATE - Pink copy is your file copy.

WHITE AND YELLOW COPIES MUST BE SUBMITTED WITH DEED TO COUNTY RECORDING OFFICER

KRISTAL & FELDMAN

CLERK'S OFFICE
MONTMOUTH COUNTY
NEW JERSEY
INSTRUMENT NUMBER
1998091662
RECORDED ON
JUL 02, 1998
2:51:27 PM
BOOK: DB-5726
PAGE: 454
Total Pages: 4
COUNTY RECORDING \$22.00
FEES
DEDICATED TRUST \$2.00
FUND COMMISSION
COUNTY REALTY
TRANSFER FEES
REALTY TRANSFER \$3,763.50
FEES - MPNR
TOTAL \$6,446.50

The street address of the Property is:
Minnisink Drive, Matawan, New Jersey

4. Signatures. The Grantor signs this Deed as of the date at the top of the first page. (Print name below each signature).

By: Bird and Company, Inc., its general partner

Witnessed By:

By: William H. Bird (Seal)
William H. Bird, President

(Seal)

STATE OF NEW JERSEY, COUNTY OF

SS.

I CERTIFY that on May 12, 1998

William H. Bird, as general partner of Minnisink Village, a New Jersey Limited Partnership, as and for the act and deed of said limited partnership *President of Bird and Company, Inc.,

personally came before me and stated to my satisfaction that this person (or if more than one, each person):

- (a) was the maker of this Deed;
- (b) executed this Deed as his or her own act; and,

(c) made this Deed for \$ 2,658,539.00 as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5.)

Record and Return to:
Professional Abstract
520 Westfield Avenue
Elizabeth, NJ 07208

93463

Melinda J. Sciarrotta
(Print name and title below signature)

MELINDA J. SCIARROTTA
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires March 24, 1999



UNIFORM COMMERCIAL CODE — FINANCING STATEMENT — FORM UCC-1		
INSTRUCTIONS: 1. PLEASE TYPE all the information required on this form. Leave "File No." and "Date & Hour" blank. 2. Remove Secured Party and Debtor copies and send other 2 copies with interleaved carbon paper to the Filing Officer. ENCLOSE FILING FEE. Check or money order for fee should be made payable to "N.J. Secretary of State." 3. If the space provided for any item(s) on the form is inadequate the item (s) should be continued on additional sheets 8 1/2" x 11". Only one copy of such additional sheets need be presented to the Filing Officer with a set of 2 copies of the Financial Statement. Long schedules of collateral, indentures, etc. should be submitted on sheets which are 8 1/2" x 11". 4. If collateral is crops or goods which are or are to become fixtures, describe the real estate and give name and address of record owner. 5. At the time of filing, Filing Officer will return second copy as an acknowledgement. At a later time, secured party may date and sign Termination Legend and use second copy as a Termination Statement.		
This FINANCING STATEMENT is presented to a Filing Officer for filing pursuant to the Uniform Commercial Code		
FOR OFFICE USE ONLY <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;">R+B</div> Record and Return to: Professional Abstract 580 Westfield Avenue Elizabeth, NJ 07208	Debtor(s) Name (Last Name, First) Complete Address Minnisink, L.L.C. c/o William H. Bird, Jr. 88 Mountainwood Road Stamford, CT 06903	<div style="text-align: right;">(if any):</div> <div style="text-align: right;">SE ONLY</div> <div style="text-align: right;">(1)</div>
	Secured Party(ies) and Complete Address NJ Housing and Mortgage Finance Agency 637 So. Clinton Ave. P.O. Box 18550 Trenton, NJ 08650-2085	<div style="text-align: right;">TOTAL</div> <div style="text-align: right;">COUNTY FILING FEES \$23.00</div> <div style="text-align: right;">DEDICATED TRUST FUND COMMISSION \$2.00</div> <div style="text-align: right;">2:51:32 PM</div> <div style="text-align: right;">JUL 02, 1998</div> <div style="text-align: right;">FILED ON</div> <div style="text-align: right;">1998091667</div> <div style="text-align: right;">INSTRUMENT NUMBER</div>
	Assignee(s) of Secured Party and Complete Address	
This financing statement covers the following types (or items) of property: The following collateral is subject to this Security Agreement: All personal property of the debtor now or hereafter used in the operation of or for the benefit of, or located upon or attached to the real property described herein, including but not limited to all fixtures, equipment, machinery and elevators; all gas and electric appliances engines, motors, all boilers, radiators, heaters, and furnaces; all electronic, electrical, lighting, heating, ventilating and air conditioning systems; all stoves, ranges and cooking equipment; all tubs, basins, sinks, pipes, water heaters, faucets and plumbing fixtures; all refrigerators, washing machines, laundry tubs and dryers; all awnings, screens, shades, venetian blinds, carpeting and office, common or lobby area furniture, furnishings, cabinets, fixtures, building materials and plantings; all accounts, documents, commercial paper, chattels, negotiable instruments, general intangibles, rents, leases, goods, inventory, and including any fittings, attachments, accessories, component parts, replacements or replacement parts, additions, accretions and /or substitutions of or to any of the above listed types or items of property. Minnisink Village, HMFA #509		
When collateral is crops or fixtures complete this portion of form. a. Description of real estate (Sufficient to identify the property). Block 119, Lots 39, 41, 42, 43 and 44 in the Borough of Matawan, Monmouth County, NJ		
b. Name and complete address of record owner. Debtor is Record Owner		
a. (<input checked="" type="checkbox"/>) Proceeds of Collateral are also covered. b. () Products of Collateral are also covered.		No. of additional sheets presented. ()
() Filed with Register of Deeds and Mortgages of (<input checked="" type="checkbox"/>) Filed with the County Clerk of Monmouth		County. () Secretary of State
Signature(s) of Debtor(s) Minnisink, L.L.C. By: <u>William H. Bird, Jr.</u> William H. Bird, Jr. Member/Manager <u>Barbara Ann Bird</u> Barbara Ann Bird Member/Manager		Signature(s) of Secured Party(ies) or Assignee(s) New Jersey Housing and Mortgage Finance Agency By: <u>Ira Oskowsky</u> Ira Oskowsky, Asst. Executive Director
FILING OFFICER COPY — This form of statement is approved by the Secretary of State of New Jersey.		1 COMMERCE DRIVE, GRANFORD, N.J. 07018

Record and Return to:



01020532

39
3 2002

Record and Return to:
Professional Abstract
520 Westfield Avenue
Elizabeth, NJ 07208

98962

MINNISINK VILLAGE, HMFA #509

FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT

Between

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

and

MINNISINK, L.L.C.

Prepared by:

Robert J. Shaughnessy, Jr.
Robert J. Shaughnessy, Jr.
Deputy Attorney General

Third Mortgage Loan

M. CLAIRE FRENCH
COUNTY CLERK

M. CLAIRE FRENCH
COUNTY CLERK
MONTMOUTH COUNTY
NEW JERSEY

INSTRUMENT NUMBER
2002079188

RECORDED ON

APR 30, 2002

4:10:12 PM

BOOK:OR-8103

PAGE:5209

Total Pages: 38

COUNTY RECORDING FEES \$208.00

DEDICATED TRUST FUND COMMISSION \$2.00

TOTAL \$210.00

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Schedule A. Legal Description

Not Certified Copy

THIS FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT (this "Agreement"), is made and entered into as of February 6, 2002, between the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY** (the "Agency"), a body politic and corporate and an instrumentality exercising public and essential governmental functions of the State of New Jersey, created pursuant to the New Jersey Housing and Mortgage Finance Agency Law of 1983, N.J.S.A. 55:14K-1 et seq. (the "Act") and **MINNISINK, L.L.C.** (together with its successors and assigns, the "Owner"), a limited liability company, organized and existing pursuant to the laws of the State of New Jersey, duly authorized to transact business in the State of New Jersey, and a qualified housing sponsor within the meaning of the Act.

WITNESSETH:

In consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Agency and the Owner hereby agree as follows:

Section 1. Definitions and Interpretation

The following terms shall have the respective meanings set forth below:

"**Act**" means the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended from time to time, P.L. 1983, c. 530, N.J.S.A. 55:14K-1 et seq.

"**Agency Regulations**" means the regulations promulgated by the Agency pursuant to the Act and any policies, procedures or guidelines issued by the Agency with respect to the housing projects financed by the Agency under the Act, all of the foregoing as they may be amended from time to time.

"**Assignment of Leases**" means the Assignment of Leases between the Owner and Agency given by the Owner to the Agency as additional security for the repayment of the First Mortgage Loan, Second Mortgage Loan and Third Mortgage Loan.

"**Continuing Disclosure Agreement**" means the Continuing Disclosure Agreement between the Agency and the Trustee pertaining to the Bonds as the same may hereafter be modified, supplemented or amended.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Construction Contract**" means the agreement between the Owner and Bird and Company, Inc. dated November 30, 2001, or any other agreement executed by the Owner and approved by the Agency, for the construction of the Project in accordance with the plans and specifications for the Project approved by the Agency.

"Environmental Laws" shall mean and include any Federal, State, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous waste, substance, element, compound, mixture or material, as now or at any time hereafter in effect including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended, 42 U.S.C. Sections 9601 et seq., the Federal Hazardous Materials Transportation Act, as amended 42 U.S.C. Section 1801 et seq., the Federal Resource Conservation and Recovery Act as amended, 42 U.S.C. Sections 6901 et seq., the Superfund Amendments and Reauthorization Act, 42 U.S.C. Sections 9601 et seq., the Federal Toxic Substances Control Act, 15 U.S.C. Sections 2601 et seq., the Federal Hazardous Material Transportation Act, 49 U.S.C. Sections 1801 et seq., the Federal Clean Air Act, 42 U.S.C. Section 7401 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq., the Rivers and Harbors Act of 1899, 33 U.S.C. Sections 401 et seq., the Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 U.S.C. Sections 4852d, the New Jersey Environmental Cleanup Responsibility Act, as amended N.J.S.A. 13:1K-6 et seq., the New Jersey Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq., the Spill Compensation and Control Act, as amended, N.J.S.A. 58:10-23.11, et seq., the New Jersey Tank Registration Act, N.J.S.A. 58:10A-21 et seq., the New Jersey Water Pollution Control Act, as amended, N.J.S.A. 58:10A-1 et seq., and all rules and regulations adopted and publications promulgated thereto, or any other so-called "Superfund" or "Superlien" laws, or any other Federal, state or local environmental law, ordinance, rule, or regulation, as any of the foregoing have been, or are hereafter amended.

"Event of Default" means any of the events set forth in Section 30 of this Agreement.

"First Mortgage" means the first mortgage executed on January 25, 1977 and recorded in the Office of the Monmouth County Clerk, in Mortgage Book 3205, Page 59, as modified by the Mortgage Modification and Assumption Agreement dated May 12, 1998 and recorded in the Office of the Monmouth County Clerk, in Mortgage Book 6502, Page 608, to secure the payment of the First Mortgage Note.

"First Mortgage Loan" means the first mortgage loan made to Minnisink Village, a Limited Partnership by the Agency to finance or refinance a portion of the cost of the development, construction, rehabilitation and/or acquisition of the Project, which is evidenced by the First Mortgage Note and secured by the First Mortgage.

"First Mortgage Note" means the interest bearing, non-recourse promissory note, made by Minnisink Village, a Limited Partnership, to the Agency, that contains the promise of the Owner to pay the sum of money stated therein at the times stated therein and that evidences the obligation of the Owner to repay the First Mortgage Loan.

"Hazardous Materials" shall mean and include those elements, materials, compounds, mixtures or substances which are contained in any list of hazardous substances adopted by the United States Environmental Protection Agency (the "EPA") or any list of toxic pollutants designated by Congress, the EPA, or the New Jersey Department of Environmental Protection

("NJDEP"), or which are defined as hazardous, toxic, pollutant, infectious, flammable or radioactive by any of the Environmental Laws, and, whether or not included in such lists, shall be deemed to include all products or substances containing petroleum, asbestos, lead, and polychlorinated biphenyls.

"IRS Regulations" means the regulations promulgated or proposed by the United States Department of the Treasury or the Internal Revenue Service pursuant to the Code, and to the extent applicable, pursuant to the Internal Revenue Code of 1986 as both may be amended from time to time, including all rules, rulings, policies, and official statements issued by the United States Department of the Treasury or the Internal Revenue Service.

"Land" means the real property described in Schedule "A" attached hereto and made a part hereof.

"Loan Documents" means and includes this Agreement, the First Mortgage, the First Mortgage Note, the Second Mortgage, the Second Mortgage Note, the Third Mortgage, the Third Mortgage Note, the Assignment of Leases, the UCC-1 Financing Statements, the Security Agreement, the Escrow and Disbursement Agreement, and in the event the Project is receiving Tax-Exempt Financing, the Tax Certificate.

"Low Income Tenants" means occupants of the Project who have income of 50 percent or less of the area median gross income, adjusted for family size, as determined under Section 142(d) of the Code.

"Mortgage Modification and Assumption Agreement" means the Mortgage Modification Agreement executed on May 12, 1998 among the Agency, Owner and Minnisink Village, a Limited Partnership, whereby the Owner has assumed all of the obligations of Minnisink Village, a Limited Partnership under the First Mortgage and First Mortgage Note.

"Permitted Encumbrances" means any

(i) Utility, access and other easements and rights of way, restrictions and exceptions that do not, individually or in the aggregate, materially impair the utility or value of the Project or Land for the purposes for which it is intended;

(ii) Liens which are being contested in good faith and for which the Owner has provided security satisfactory to the Agency;

(iii) Liens subordinate to the First, Second and Third Mortgage Loan arising due to any monies loaned in connection with the Project or other monies loaned to the Owner, provided such liens are disclosed to and approved by the Agency in writing; and

(iv) Any other encumbrances approved by the Agency in writing, including the First and Second Mortgage Loans.

"Project" means the multifamily residential rental project constructed or otherwise financed with the proceeds of the First, Second and Third Mortgage Loans and all other improvements to be constructed or located on the Land.

"Qualified Bond Counsel" means an attorney or law firm acceptable to the Agency with respect to the issuance of bonds by States and their political subdivisions for the purpose of financing housing projects.

"Qualified Project Period" means the period beginning on the first day on which 10 percent of the residential units in the Project are occupied and ending on the latest of--

(i) the date which is 15 years after the date on which 50 percent of the residential units in the Project are occupied,

(ii) the 1st day on which no tax-exempt private activity bond issued with respect to the Project is outstanding, or

(iii) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 terminates.

"Residential Rental Project" means a qualified residential rental project as defined in Section 142(d) of the Code.

"Resolution" means the General and Series Resolutions and/or supplemental Resolutions of the Agency authorizing the sale and issuance of the Agency's Bonds, in connection with the financing or refinancing of the Project.

"Second Mortgage" means the second mortgage given by the Owner to the Agency to secure the payment of the Second Mortgage Note.

"Second Mortgage Loan" means the second mortgage loan made by the Owner to the Agency to finance a portion of the cost of acquisition of the Project, which is evidenced by the Second Mortgage Note and secured by the Second Mortgage.

"Second Mortgage Note" means the interest bearing, non-recourse promissory note made by the Owner to the Agency that contains the promise of the Owner to pay the sum of money stated therein at the times stated therein and that evidences the obligation of the Owner to repay the Second Mortgage Loan.

"Security Agreement" means the Security Agreement of even date herewith by and between the Agency and the Owner.

"**State**" means the State of New Jersey.

"**Tax Certificate**" means the Tax Certificate for Borrowers of Tax-Exempt Bond Proceeds, the form of which is attached hereto as Schedule "B" if the Project is receiving Tax-Exempt Financing.

"**Tax Credits**" means low income housing tax credits that the Project may receive pursuant to the Code.

"**Tax-Exempt Financing**" means financing received by the Owner from the proceeds of the tax-exempt Bonds issued by the Agency, the interest on which is excludable from gross income for purposes of Federal or State income taxation.

"**Third Mortgage**" means the third mortgage given by the Owner to the Agency to secure the payment of the Third Mortgage Note.

"**Third Mortgage Loan**" means the third mortgage loan made by the Owner to the Agency to finance the conversion of 36 of the 48 efficiency units into 1 bedroom units and to make outside recreation improvements at the Project, which is evidenced by the Third Mortgage Note and secured by the Third Mortgage.

"**Third Mortgage Note**" means the interest bearing, non-recourse promissory note made by the Owner to the Agency that contains the promise of the Owner to pay the sum of money stated therein at the times stated therein and that evidences the obligation of the Owner to repay the Third Mortgage Loan.

"**UCC-1 Financing Statements**" means the UCC-1 Financing Statements between the Owner and Agency given by the Owner to the Agency as additional security for the repayment of the Third Mortgage Loan.

Section 2. Background and Purpose

The Owner will construct and/or rehabilitate and shall own, maintain, and operate the Project and the Land. The Project consists of 108 units of housing in the Borough of Matawan, County of Monmouth, State of New Jersey. To obtain financing for the Project, the Owner has applied to the Agency for the Third Mortgage Loan pursuant to the provisions of the Act. The Project and the Land constitute a "housing project" as defined in the Act.

In connection with its application for the Third Mortgage Loan, the Owner has furnished to the Agency Project information, including the description of the Land on which the Project is to be situated, plans and specifications for the construction and/or rehabilitation of the Project, the tenant population which is to be housed in the Project, the number of units of each type to be included therein, the estimated cost of providing the Project, information as to the projected income and

expenses of the Project once completed and placed in operation and arrangements for the payments in lieu of taxes with respect to the Project. In approving the application and as a basis for providing the Third Mortgage Loan, the Agency has relied upon all of the foregoing Project information.

The Third Mortgage Loan is an "eligible loan," as defined in the Act, and is evidenced by the Third Mortgage Note and is secured by the Third Mortgage, which constitutes a valid third lien on the Project and Land. The Agency intends to make the Third Mortgage Loan from funds obtained or to be obtained through the issuance of Bonds. To secure payment of the Bonds, if issued, the Agency will pledge payments due from the Owner from its repayment of the Third Mortgage Loan, when made. As a condition of the Agency's approval of the Owner's application for the Third Mortgage Loan, the Owner and the Agency have entered into the Loan Documents.

The Owner and Agency acknowledge that the Owner is not receiving Taxable or Tax-Exempt Financing and is not receiving Tax Credits. Accordingly, the Owner acknowledges that none of the provisions concerning Taxable or Tax-Exempt Financing are applicable and that none of the provisions concerning Tax Credits are applicable.

Section 3. Residential Rental Property

The Owner hereby represents, covenants, warrants and agrees that:

(a) The Project shall be owned, managed, and operated exclusively as a multi-family residential rental property and, in the event the Project receives Tax-Exempt Financing, as a Residential Rental Project. The Project shall be comprised of a building or structure or several buildings or structures containing similarly constructed dwelling units, together with any functionally related and subordinate facilities and such other non-dwelling units as approved by the Agency, except that in the event the Project receives Tax-Exempt Financing or Tax Credits, the Project shall consist solely of a Residential Rental Project and no commercial or other facilities may be part of the Project unless permitted by the Agency, the Code or IRS Regulations.

(b) The Project shall contain one or more similarly constructed dwelling units, each of which will contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or a family including a living area, a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range, refrigerator and sink.

(c) None of the units in the Project will be utilized at any time for an initial lease term of less than six months or as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home, life care facility, trailer court or park.

(d) All of the units shall be rented or available for rent on a continuous basis to members of the general public and the Owner will not give preference to any particular class or group in renting the dwelling units in the Project, except to the extent that dwelling units are required to be leased or rented to tenants as provided under Section 4 of this Agreement.

(e) In the event the Project receives Tax-Exempt Financing or Tax Credits, the Project shall comply with any additional requirements of the Code or IRS Regulations dealing with the residential character of the Project.

Section 4. Occupancy Restrictions Governing Tenant Income

The Owner acknowledges that as a condition of receiving financing pursuant to the Act, there are limits on the maximum income that tenants may earn in order to be eligible to lease, occupy, and/or reside in a unit at the Project. The Owner agrees to comply with the income restrictions as set forth in the Act and the Agency Regulations promulgated under the Act governing income restrictions.

The Owner also acknowledges that, in the event the Project receives Tax-Exempt Financing or Tax Credits, there are additional limits on the maximum income that tenants may earn in order to be eligible to lease, occupy and/or reside in a unit at the Project. In such event, the Owner agrees to comply with the income restrictions as set forth in the Code or IRS Regulations governing income restrictions.

In compliance with the foregoing income restrictions, the Owner agrees to rent 100 percent of the units at the Project to tenants whose income does not exceed 50 percent of the area's median income adjusted for family size, as median income is defined by the United States Department of Housing and Urban Development, from time to time. The Owner acknowledges that if the income restrictions set forth in this paragraph are more restrictive than the restrictions prescribed under the Act and/or the Code, that the Owner will abide by such restrictions as an inducement for and part of the consideration for the Agency to make the Third Mortgage Loan.

Section 5. Representations, Warranties and Covenants of the Owner

The Owner represents, warrants and covenants that:

(a) The Owner (i) is a limited liability company duly organized and validly existing under the laws of the State, duly authorized to transact business in the State and a qualified housing sponsor within the meaning of the Act, (ii) has provided the Agency with a true and complete filed copy of its Certificate of Formation and Operating Agreement, with all amendments to any such documents, (iii) has the power and authority to own its properties and assets including the Project and Land and to carry on its business as now being conducted (and as now contemplated), and (iv) has the power to execute and perform all the undertakings of this Agreement, and the other Loan Documents.

(b) To the best of the Owner's knowledge after due and diligent inquiry, the execution and performance of this Agreement, the other Loan Documents and other instruments required pursuant to this Agreement by the Owner (i) shall not violate or, as applicable, have not violated, any provision of law, rule or regulations, any order of any court or other agency or government or any provision of any document to which the Owner is a party, and (ii) will not violate

or, as applicable, have not violated, any provision of any indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature other than the liens created hereby or permitted hereunder.

(c) All necessary action has been taken by the Owner to authorize the Owner's execution, delivery and performance of the Loan Documents.

(d) The Loan Documents have been duly executed and delivered by the Owner and constitute the valid and legally binding obligations of the Owner, enforceable against the Owner in accordance with their respective terms.

(e) The Owner has, at the time of execution of this Agreement, good and marketable fee simple title to the Project and Land free and clear of any lien or encumbrance, except for Permitted Encumbrances. It will continue to retain ownership of the Project and Land during the term of the First, Second and Third Mortgages, subject to the terms of this Agreement and the other Loan Documents, the Act, the Agency Regulations, and if applicable, the Code or IRS Regulations.

(f) There is no arbitration, mediation or other dispute resolution proceeding now pending or, to the knowledge of the Owner after due and diligent inquiry, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business as now conducted, or as contemplated to be conducted under this Agreement, or would materially adversely affect its financial condition.

(g) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Owner after due and diligent inquiry, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted, or as contemplated to be conducted under this Agreement, or would materially adversely affect its financial condition.

(h) The operation of the Project in the manner presently contemplated and as described in this Agreement will not conflict with any zoning, water or air pollution or other ordinance, order, law or regulation applicable thereto. The Owner has caused the Project to be designed in accordance with all Federal, State and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality. Further, the Owner has or will receive all necessary governmental approvals and building permits for the Project.

(i) The Owner has filed or caused to be filed by it all Federal, State and local tax returns which are required to be filed by it, and has paid or caused to be paid all taxes as shown on said return(s) or on any assessment received by it, to the extent that such taxes have become due.

(j) The Owner is not in material default in the performance, observance or fulfillment of any other obligations, covenants or conditions contained in any material agreement or instrument to which it is a party.

(k) To the best of its knowledge after due and diligent inquiry, the information contained in the legal description of the Land as set forth in Schedule "A" is accurate in all material respects and does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(l) If the Agency issues Bonds to finance the Project, all information contained in the Preliminary Official Statement and Official Statement as it relates to the Owner, the Project and the Land, as of the date on which the Preliminary Official Statement and Official Statement are furnished to the underwriter, did not and will not contain any untrue statement of a material fact and did not and will not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. If the Project receives Tax-Exempt Financing, the Owner shall not take or permit any action to be taken which would have the effect, directly or indirectly, of causing interest on any Bonds to be included in gross income for purposes of Federal or State income taxation.

(m) The Owner has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof or the Loan Documents and in any event the Owner acknowledges that the requirements of this Agreement and the other Loan Documents are paramount and controlling as to the rights and obligations therein and shall supersede any other requirements in conflict therewith.

(n) All statements contained in all applications, correspondence or other materials as amended from time to time and delivered to the Agency by the Owner in connection with the First, Second and Third Mortgage Loans or relating to the Project and/or the Land are accurate in all material respects and do not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(o) The Owner will not permit any modification or amendment of the Owner's charter, articles of incorporation or association, by-laws or partnership agreement or other governing instrument or instruments, or a transfer of any stock or ownership interest, which would materially impair its right to carry on business as now conducted, or as contemplated to be conducted under this Agreement.

(p) The representations, covenants and warranties of the Owner contained in this Agreement on the date of its execution are true and shall continue to be true at all times during the term of this Agreement. The Owner has a continuing obligation to notify the Agency if any of the representations, covenants and warranties contained in this Agreement are no longer true.

(q) No event has occurred and no condition exists which constitutes an Event of Default under this Agreement or the other Loan Documents or which, but for a requirement of notice or lapse of time, or both, would constitute such an Event of Default.

(r) A true copy of the entire contract for construction of the Project, with all modifications and addenda to date, has been delivered to the Agency and no default exists under said contract.

(s) The Owner has entered into an agreement with the municipality in which the Land is situated providing for real property tax abatement or payments in lieu of taxes by the Owner with respect to the Project and Land; a true copy of such agreement including any amendments thereto has been furnished to the Agency; such agreement is in full force and effect and no proceedings questioning its validity are pending or threatened.

(t) At the time of completion of the construction of the Project, the Owner shall obtain valid releases acceptable to the Agency from all contractors and subcontractors who have performed work on the Project.

Section 6. Environmental Representations, Warranties and Covenants of the Owner

The Owner represents, warrants and covenants as follows:

(a) Neither Owner nor, to the best of the Owner's knowledge, information and belief, any prior owner or any current or prior tenant, subtenant, or other occupant of all or any part of the Project or Land has used or is using Hazardous Materials on, from or affecting the Project or Land in any manner that violates any Environmental Law, and no Hazardous Materials have been or will be disposed of or stored on the Project or Land intentionally or unintentionally, directly or indirectly, or by any person whether related or unrelated to Owner.

(b) The Owner has received no notice from any person or entity, public or private, claiming any violation of any Environmental Law with regard to the Project or Land. There have been no claims, litigation, administrative proceedings, whether actual or threatened, or judgments or order relating to any Hazardous Materials, hazardous wastes, discharges, emissions, or other forms of pollution relating to the Project and/or Land.

(c) The Project and Land does not contain any asbestos-containing material in friable form, and there is no current and will be no future airborne contamination of the Project or Land by asbestos fiber, including any potential contamination that would be caused by maintenance or tenant activities in the Project.

(d) To the best of the Owner's knowledge, information and belief, there have been no Hazardous Materials, hazardous substances or hazardous wastes, as defined by the Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq. (P.L. 1993, C.112), Spill Compensation and Control Act (N.J.S.A. 58:10-23.11 et seq.), CERCLA as amended (42 U.S.C. Subsection 9601 et seq.), or any other applicable Environmental Laws generated, manufactured, refined, transported, treated, stored, handled, discharged, spilled or disposed of on the Project and/or Land.

(e) The Owner agrees to maintain, operate, monitor, replace, install or close all underground storage tanks strictly in compliance with the applicable Environmental Laws.

(f) There is no lead-based paint hazard at the Project and no lead-contaminated soil on the Land except as disclosed to the Agency in the Environmental Report. The Owner agrees to perform any lead-hazard abatement or remediation activities with the approval of the Agency and strictly in compliance with applicable Federal and State laws and regulations. The Owner of any housing constructed prior to 1978 ("Target Housing") agrees to provide lead warning statements and to disclose known lead-based paint hazards to all tenants and prospective tenants in Target Housing as required by 42 U.S.C. Section 4852d and the Federal regulations promulgated thereunder.

(g) The Project is not located within "freshwater wetlands" or a "transition area", each as defined by N.J.S.A. 13:9B-3, and will be or has been constructed in compliance with the New Jersey Freshwater Wetlands Protection Act, as amended, N.J.S.A. 13:9B-1 et seq., and the rules and regulations promulgated thereunder.

(h) The Owner will construct, maintain, and operate the Project and Land, and will cause its tenants to use and operate the Project and Land, in compliance with all Environmental Laws.

Section 7. Reporting Requirements

The Owner agrees to comply with the following reporting requirements:

(a) The Owner shall obtain from each tenant, prior to the date of such tenant's initial occupancy in the Project, an income certification in the form required by the Agency, or in the event the Project receives Tax-Exempt Financing and/or Tax Credits, the Owner shall obtain the certification in the form required by the Code or IRS Regulations. The Owner shall obtain income recertifications from each tenant at such times as required by the Act or the Agency Regulations or, if applicable, the Code or IRS Regulations.

(b) The Owner shall file with the Agency, (i) on the fifth day of each month, copies of the initial occupancy income certifications specified in Section 7(a) hereof obtained by the Owner during the previous month and (ii) within 45 days of the end of each calendar year copies of the recertifications specified in Section 7(a) hereof, or at such other times as required by the Act or the Agency Regulations or, if applicable, the Code or IRS Regulations.

(c) The Owner shall maintain complete and accurate records beginning with the date of initial occupancy pertaining to the income of each tenant and rent charged to tenants residing in the Project, and shall permit, with or without notice to the Owner, any duly authorized representative of the Agency to inspect the books and records of the Owner pertaining to the incomes of and rent charged to all tenants residing in the Project.

(d) The Owner shall maintain and/or provide to the Agency such other reports,

records and information as required by the Act, the Agency Regulations or, if applicable, the Code or IRS Regulations.

(e) In the event the Project is receiving Tax-Exempt Financing, the Owner shall submit to the Secretary of the United States Department of the Treasury, at such time and in such manner as the Secretary shall prescribe, an annual certification as to whether the Project continues to meet the requirements of Section 142(d) of the Code. A copy of such certification shall be sent to the Agency.

Section 8. Covenants to Run With the Land

(a) The Agency and the Owner hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth in this Agreement touch and concern the Land in that the Owner's legal interest in the Project and Land is rendered less valuable thereby. The Agency and the Owner hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the Project and Land by enhancing and increasing the enjoyment and use of the Project and the Land by the tenants, contemplated under this Agreement and by furthering the public purposes for which the First and Second Mortgage Loan is made and the Bonds, if any, are to be issued. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project and Land. Except as provided in subsection (b) below, the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and hereof and shall pass to and be binding upon the Owner's assigns and successors in title to the Land or Project. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or the Land or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. **If a portion or portions of the Project or Land are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project and Land.**

(b) Upon termination of this Agreement in accordance with Section 9 hereof, said covenants, reservations and restrictions shall expire and in such event, the Agency shall, at the expense of the Owner, execute any and all instruments reasonably required to evidence of record the satisfaction, cancellation and discharge of this Agreement.

Section 9. Term

This Agreement shall remain in full force and effect until all indebtedness from the Owner to the Agency with respect to the Project shall have been paid in full in accordance with the provisions of this Agreement, the Third Mortgage Note and the other Loan Documents, provided however that (a) if the Third Mortgage Loan is prepaid, this Agreement shall remain in effect as provided in the Agency Regulations governing prepayment, and (b) if the Project is receiving Tax-Exempt Financing, this Agreement shall remain in full force and effect for a period not less than the Qualified Project Period.

Section 10. Construction and Funding

A. Construction of Project

The Owner covenants and agrees to comply with all the provisions of the Construction Contract. The Owner covenants and agrees to diligently pursue the construction of the Project to completion by the date of completion in the Construction Contract, time being of the essence, in accordance with the plans and specifications for the Project set forth in the Owner's Third Mortgage Loan application and the Construction Contract and as approved by the Agency.

The Owner shall not approve or allow to occur any change in the plans and specifications for the Project or any change order under the Construction Contract except with the prior express approval of the Agency in the manner provided in the Construction Contract. Construction of the Project shall at all times be subject to the discretionary inspection, discretionary review, regulation and approval of the Agency and its duly authorized representatives as provided in the Construction Contract. Any such inspection, regulation, review or approval of the Agency shall be solely for its benefit for the purpose of assuring that the programs and goals of the Agency are being fulfilled and, when applicable, for the benefit of the holders of Bonds under the Resolution and in furtherance of its obligations under the Act and shall not be construed as making the Agency a party to the Construction Contract, nor shall it relieve the Owner of any of its obligations under this Agreement, the Construction Contract or Loan Documents.

Pursuant to the Act the Owner agrees that it will not pay nor will it permit any contractor or subcontractor engaged in the construction of the Project to pay any workers employed on the construction of the Project less than the prevailing wage rate as determined by the Commissioner of Labor and Industry pursuant to, and in accordance with, the New Jersey Prevailing Wage Rate Act, N.J.S.A. 34:11 et seq., to the extent that said Act applies.

The Owner covenants and agrees to notify the Agency within three (3) business days of the occurrence of any default under the Construction Contract or the Loan Documents.

B. Funding of Construction and Procedures for Advances

Upon and subject to the terms and conditions of this Agreement, the Third Mortgage and the Third Mortgage Note, the Agency agrees to advance to the Owner in successive advances as described herein: The Owner has established and shall maintain a construction bank account. Increments of \$40,000 will be wired by the Agency into this account. It is anticipated that the Owner will request the first disbursement in early March 2002. When the Owner is prepared to begin construction, the Owner will provide a written request to the Agency for the first \$40,000 increment to be advanced. The written request will be submitted to the Agency by mail and by fax to the Director of Regulatory Affairs. Upon approval by the Director of Regulatory Affairs, the request will be sent to the Finance Division. The Finance Division will then wire \$40,000 into the Owner's construction bank account. Upon completion of each unit (consisting of the rehabilitation of two (2)

efficiency apartments into two (2) one-bedroom apartments), the Owner will provide the Agency with copies of all invoices, cancelled checks and records of expenditures and disbursements. The Agency's Property Management and Technical Services Divisions will each perform separate physical inspections of the completed units to determine substantial completion. Once approval by both Divisions has been granted, the Agency shall provide written approval to the Owner. Subsequent \$40,000 increments are to be advanced following the same procedures. The Owner will be billed monthly for the construction interest. The construction interest due on the amounts advanced from the Principal Sum will be deducted monthly from the project's Section 8 subsidy payment. If, at some point in time, the funds disbursed and interest due exceed \$775,000, the amount(s) over \$775,000 will be paid out of the project's operating account or by the Owner to be determined by and at the Agency's discretion at that time. When the Agency determines that the \$775,000 principal sum has been fully advanced to the Owner, the amount of payments of principal and interest due and payable each month shall be determined by the Finance Division at that time.

The Owner covenants and agrees, upon completion of the Project, to certify to the Agency the actual cost of the Project. This cost as certified by the Owner shall be audited and verified by the Agency in accordance with its normal procedures. When the Agency has completed its audit and verification, it shall promptly notify the Owner in writing of the actual Project cost as finally determined by the Agency.

The Owner will provide the Agency with a statement of the total project costs audited by a certified public accountant (the "Cost Certification") if deemed required by the Agency at the time of construction completion.

C. Conditions Precedent to Advances

The Agency's obligation to make each advance under the Third Mortgage shall be subject to the requirements of the Resolution, and to the satisfaction of the following conditions precedent, any of which may be waived in whole or in part by the Agency:

1. each of the Owner's covenants, agreements, representations and warranties contained in this Agreement shall continue to be true and shall not have been breached as of the date of this advance;
2. the full amount of all previous advances shall have been expended for Project costs approved by the Agency;
3. all work performed and material furnished for the Project shall be in accordance with the plans and specifications for the Project and all work shall have been properly performed to the satisfaction of the Agency;
4. no event shall have occurred and no conditions shall exist which would prevent the advance from becoming a valid third mortgage lien on the Project and Land or secured by a prior perfected security interest on all other collateral mentioned in the Third Mortgage. If the Agency shall deem it necessary or desirable, all or part of any advance may be disbursed in escrow to a title insurance company licensed to do business in the State of New Jersey for the purposes of discharging any construction

or other lien on the Project and Land or on any other security mentioned in the Third Mortgage.

The Owner agrees to certify, in writing, that the foregoing conditions have been satisfied.

Section 11. Insurance; Condemnation

During the term of this Agreement, the Owner shall cause all the buildings on the premises and the fixtures and articles of personal property covered by the Loan Documents to be insured against loss by fire and against loss by such other hazards as may be required by the Agency for the benefit of the Agency including but not by way of limitation flood insurance if any part of the Project is located in an area designated by or on behalf of the Federal government as having specific flood hazard. Such insurance shall be written by such companies, in such forms as are satisfactory to the Agency, in an amount not less than the full replacement value of the Project. The Owner shall assign and deliver the policies to the Agency. The Agency shall be listed as mortgagee, loss payee and additional insureds under such policies. Such policies shall provide that the insurer may not cancel the policy and will not refuse to renew the policy except after thirty (30) days written notice to the Agency. If the Agency shall not receive evidence satisfactory to it of the existence of effective insurance coverage as required by the Agency, the Agency may (but shall not be required to) obtain such coverage, and the Owner shall reimburse the Agency on demand for any premiums paid for insurance procured by the Agency, and until so reimbursed the amount of such premiums shall be added to the principal sum as defined in the Third Mortgage Note and shall bear interest at the interest rate in the Third Mortgage Note.

If the Project shall be damaged, destroyed or taken by condemnation (in whole or in part), the Agency shall direct the Owner to promptly reconstruct the Project to substantially the same condition as existed prior to such damage, destruction or condemnation, with such changes, alterations and modifications as may be desired by the Owner and approved by the Agency, provided that the plans and specifications for reconstruction of the Project are approved by the Agency and, in the Agency's determination, the proceeds of the insurance or of the damages or award received as a consequence of such damage, destruction or condemnation, together with any other money available for such purpose, are sufficient to pay the cost of such reconstruction and upon completion of the reconstruction of the Project it shall be financially feasible.

In the event of reconstruction of the Project, the Agency, upon receipt of a written request by the Owner that payments are required for such purpose, shall apply so much as may be necessary of such proceeds of the insurance and any investment income earned thereon to the payment of the costs of such reconstruction as such work progresses.

No money shall be disbursed to pay the costs of reconstruction unless no Event of Default exists hereunder and unless the Agency first shall have received all of the following:

- (a) a certificate from the Owner to the effect that:

(1) the full amount of such disbursement and all of the prior disbursements constitute proper and reasonable costs of reconstruction work performed or materials delivered to the site of the Project;

(2) all work performed and material furnished for the reconstruction of the Project have been in accordance with plans and specifications; and

(3) all such work has been performed to the satisfaction of the architect retained to prepare the plans and specifications for reconstruction of the Project.

(b) appropriate insurance from a title insurance company, licensed to do business in the State and acceptable to the Agency, insuring that there are no liens or encumbrances on the Project other than Permitted Encumbrances;

(c) if the location of any improvement is to be altered, a currently dated, certified survey showing that all improvements are on the Land within any required set-backs and do not encroach on the real property of others; and

(d) a certificate signed by the Owner that the Project remains financially feasible.

During the terms of the First, Second and Third Mortgages, if in the Agency's determination, the proceeds of the insurance or of the damages or award received as a result of damage, destruction or condemnation together with any other money available for such purpose are not sufficient to pay the cost of reconstruction or if the Project will not be financially feasible upon such reconstruction, then the proceeds of such insurance shall be applied to the indebtedness on the First, Second and Third Mortgage Loan. Nothing in this Section shall affect the lien of this Agreement and the First, Second and Third Mortgage Loan or the liability of the Owner for payment of the entire balance of the First, Second and Third Mortgage Loan.

The Owner shall maintain continuously in effect such other insurance coverage of the types and in the amounts specified by the Agency, including worker's compensation insurance and other insurance required by law with respect to employees of the Owner, and liability insurance with limits of not less than \$1,000,000 per accident or occurrence on account of personal injury, including death resulting therefrom, and \$1,000,000 per accident or occurrence on account of damage to the property of others, and a blanket excess liability policy in an amount not less than \$20,000,000, protecting the Owner and the Agency against any loss or liability or damage for personal injury or property damage with respect to the Project. The Owner shall also maintain use and occupancy insurance covering loss of revenues derived from the Project by reason of interruption, total or partial, of the use of the Project resulting from loss or physical damage thereto in an amount not less than one year's gross rental income. The Owner shall carry fidelity bond insurance covering all employees of the Owner authorized to handle the revenues derived from the Project in an amount equal to one-half times the maximum monthly rent roll.

In the event the Project receives financing from proceeds of Bonds, the Owner covenants and

agrees to provide such additional insurance coverage as required in the Resolution.

Section 12. Taxes, Payments in Lieu of Taxes and Other Municipal Charges

The Owner covenants and agrees to pay all taxes, payments in lieu of taxes, assessments, water charges, sewer charges, and other charges imposed on the Project or Land by the municipality, county, State or other governmental body having jurisdiction over the Project. If such charges are not paid by the Owner, the Agency may pay the same. Any such sum(s) so paid by the Agency shall be payable by the Owner on demand by the Agency and until paid the amount of such sums shall be added to the principal sum as defined in the First Mortgage Note, and shall bear interest at the interest rate in the First Mortgage Note.

Section 13. Liens and Encumbrances

The Owner covenants and agrees to maintain its right, title and interest in the Project, Land and all items enumerated in the First, Second and Third Mortgages, as security for repayment of the First, Second and Third Mortgage Loans, free and clear of all liens, security interests and other encumbrances except for Permitted Encumbrances and those exceptions identified and set forth in a certain title insurance commitment issued to the Agency by Chicago Title Insurance Company, dated January 5, 2002 and identified as Title #0228-98962, as accepted by the Agency. The foregoing covenant and agreement shall not prevent the Owner from leasing or renting the Project or Land in the manner as otherwise provided in this Agreement. Except with the written consent of the Agency, the Owner will not install any item of tangible personal property as part of the fixtures or furnishings of the Project which is subject to a purchase money lien or security interest.

The Agency may, at its sole option, pay the amount necessary to discharge any lien or other encumbrance, and the Owner shall reimburse the Agency upon demand for any amounts so paid. During the terms of the First, Second and Third Mortgages, until reimbursement of the Agency of any amounts so paid, such amount shall be added to the principal sum as defined in the First, Second and Third Mortgage Note (as elected by the Agency) and shall bear interest in the mortgage note elected by the Agency.

Section 14. Maintenance, Repair and Replacement

The Owner covenants and agrees to maintain the Project and the Land, including, but not limited to, the dwelling units contained therein, any related facilities, the appurtenant equipment and grounds in good repair and condition so as to provide decent, safe and sanitary housing accommodations. In the event that any investigation, site monitoring, containment, clean-up, removal, restoration, remediation, or other remedial work of any kind or nature (the "Remedial Work") is required under any applicable Environmental Laws at, on, about, under or within the Project or Land, the Owner agrees to commence and diligently perform and complete such Remedial Work in compliance with all applicable Environmental Laws, at its own expense. In the event the Owner shall fail to timely commence, perform and complete such Remedial Work, the Agency may, at its sole and absolute discretion, cause such Remedial Work to be performed and the Owner shall reimburse the Agency upon demand for all costs incurred by the Agency in connection with the performance, completion and monitoring of such Remedial Work. During the terms of the First, Second and Third Mortgages, until reimbursement of the Agency of any amounts so incurred, such amount shall be added to the principal sum as defined in the First, Second and Third Mortgage Note (as elected by the Agency) and shall bear interest in the mortgage note elected by the Agency.

The Owner will not make any substantial alteration in the Project without the consent of the Agency, nor will the Owner permit the removal of any fixtures or articles of personal property, except with the consent of the Agency and in connection with the replacement thereof with appropriate property of at least equal value that is free of all liens or claims.

The Owner will not demolish any part of the Project, substantially subtract from or permit any waste of the real or personal property comprising the Project or Land, or make any alteration which will increase the hazard of fire or other casualty.

Section 15. Advances of the Principal Sum

The Principal Sum shall be advanced to the Borrower pursuant to the provisions of and in accordance with the requirements of that Regulatory Agreement. Upon a final determination by the Lender of the project cost and the Borrower's required equity contribution, if any, in accordance with the provisions of that Regulatory Agreement, the Agency will determine the total amount advanced under the Third Mortgage Loan and, if applicable, revise the Principal Sum and the monthly principal and interest payment consistent with the actual amount advanced. To the extent that previous payments of principal and interest have been made in excess of the revised principal and

interest payment, future payments will be adjusted to compensate for the excess payments in a manner determined by the Lender.

Because the public purposes of the Agency include maximizing the period during which the dwelling units in the Project are available to persons whose incomes do not exceed the maximums provided by the Act, the Agency Regulations, and if applicable, the Code or IRS Regulations, the Owner shall not make any advance principal repayment except as allowed by the Agency Regulations and if the Project is financed by Bonds, as allowed under the Resolution. With respect to any advance amortization payment, if the Agency shall have consented thereto, the Owner shall, if the First, Second or Third Mortgage Loans is financed from Bonds, pay to the Agency an amount sufficient (a) to enable the Agency to redeem Bonds of the appropriate series in the principal amount as required under the Resolution, (b) to pay the interest accrued and to accrue on the Bonds to be redeemed to the redemption date thereof, (c) to pay the redemption premium, if any, on the Bonds to be redeemed, (d) to pay the cost and expense of the Agency in effecting the redemption of the Bonds to be redeemed including legal fees of the Agency, as determined by the Agency, including any investment shortfall resulting from liquidation of investments, and (e) to pay any other cost, expense and liability incurred by the Agency in connection with the financing of the Project and issuance of its Bonds for such purpose not previously paid or provided for by the Agency including, without limitation, underwriting discount or other unamortized Bond discount; provided, however, that only the amount of such advance amortization payment applied as provided in (a) above shall be credited against the unpaid balance of the First, Second or Third Mortgage Loans.

This Third Mortgage is subject to prepayment at any time without penalty.

Section 16. Reserve and Escrow Payments

On the date of the execution of this Agreement, the Owner will deposit with the Agency the following amounts which will serve as a reserve against late payments and be available to pay expenses when due:

- (a) one monthly installment of debt service on the First, Second and Third Mortgage Notes, including principal and interest;
 - (b) an amount equal to one-half ($\frac{1}{2}$) of the estimated annual insurance payments;
- and
- (c) an amount equal to one-quarter ($\frac{1}{4}$) of the estimated annual real property taxes or payments in lieu of taxes.

Commencing with the Amortization Date, as defined in the First, Second and Third Mortgage Notes, and on the first day of each month thereafter, the Owner will pay to the Agency, along with the monthly principal and interest payment, the following:

- (e) one-twelfth ($\frac{1}{12}$) of the estimated annual amounts necessary to pay taxes or

payments in lieu of taxes and insurance premiums;

(f) an amount equal to four percent (4%) of the gross operating income of the Project for the preceding month or such sum as the Agency may determine pursuant to its established management policy as a reserve for repairs and replacement.

All reserve and escrow payments required pursuant to this Section shall be held in accounts under the sole control of the Agency and shall be paid out for the benefit of the Project as needed on request of the Owner or on the Agency's own initiative. Any interest which may be earned on such reserves shall remain in the escrow accounts and shall be used for similar purposes unless the Owner and Agency mutually agree to apply the funds to some other Project purpose.

If the Agency determines that the payments specified herein are insufficient to insure prompt payment of taxes, payments in lieu of taxes, insurance premiums, or to properly fund painting, decorating, repair and replacement needs with respect to the Project, then the Agency may require increases in the required payments necessary to assure proper funding.

Section 17. Compliance Requirements

The Owner covenants and agrees to comply with the Act and the Agency Regulations, and with any amendments or supplements to the Act or Agency Regulations. If the Project receives Tax-Exempt Financing or Tax Credits, the Owner covenants and agrees to comply with the Code or IRS Regulations and with any amendments or supplements to the Code or IRS Regulations, and, in addition, if the Project receives Tax-Exempt Financing, the Owner shall comply with its representations and covenants in the Tax Certificate throughout the term hereof.

The Owner acknowledges that the proceeds of the Third Mortgage Loan have been or are expected to be funded through the issuance of Bonds. The Owner agrees that it will execute and be bound by any amendments to this Agreement or the other Loan Documents and any additional documents as may be required by Qualified Bond Counsel for the issuance of the Bonds and/or to comply with the Code or IRS Regulations. The Owner further agrees to comply with any other requirements of the Agency that Qualified Bond Counsel reasonably believes to be necessary in connection with its marketing and issuance of Bonds. To the extent any amendments, modifications or changes to the Code or IRS Regulations shall, in the written opinion of Qualified Bond Counsel, impose requirements upon the construction, rehabilitation, ownership, occupancy or operation of the Project, the parties agree that this Agreement and/or the other Loan Documents shall be amended and modified in accordance with such requirements. The parties hereto agree to execute, deliver, and record, if applicable, any and all documents or instruments necessary in the opinion of and in the form approved by Qualified Bond Counsel to effectuate the intent of this Section.

If the Project receives financing for the Third Mortgage Loan from proceeds of Bonds, the Owner acknowledges receipt of the Continuing Disclosure Agreement, and the Owner agrees that in the event it subsequently becomes an "Obligated Person" meeting the objective criteria set forth in

the Continuing Disclosure Agreement, it shall provide the Agency with the Obligated Person Data (as defined in the Continuing Disclosure Agreement) and the audited general financial purpose financial statements referred to in the Continuing Disclosure Agreement at the times necessary so as to allow the Agency to file the Annual Reports provided for in the Continuing Disclosure Agreement.

The Owner and Agency acknowledge that the Owner is not receiving Tax-Exempt Financing and is not receiving Tax Credits. Accordingly, the Owner acknowledges that none of the provisions concerning Tax-Exempt Financing are applicable and that none of the provisions concerning Tax Credits are applicable.

Section 18. Lease of Dwelling Units - Maximum Rents

The Owner shall offer dwelling units for lease and occupancy in strict accordance with the Act or Agency Regulations governing tenant marketing, eligibility and selection. The form of lease to be used by the Owner in leasing to residential tenants shall be previously approved by the Agency and shall comply in all respects with the Agency Regulations and the requirements of the Agency. Initial rents may not exceed such amounts as approved by the Agency. In the event the Project receives Tax-Exempt Financing or Tax Credits, rents may not exceed such amounts as prescribed by the Code or IRS Regulations. The form and terms of all leases for any other portion of the Project and/or Land, if permitted under this Agreement, are subject to the prior consent of the Agency. Rent increases for any dwelling unit shall be made pursuant to procedures prescribed by the Agency Regulations, or if applicable, the Code or IRS Regulations.

Section 19. Consideration for Lease

The Owner covenants and agrees not to require as a condition of the occupancy or leasing of any dwelling unit in the Project and not to accept or allow any employee or agent to accept any consideration other than the prepayment of the first month's rent plus a security deposit not in excess of one and one-half (1½) month's rent unless otherwise approved in writing by the Agency to guarantee the performance of the covenants of the lease or occupancy agreement.

Section 20. Tenant Security Deposit

The Owner covenants and agrees to deposit all monies paid to the Owner by any residential tenant as a security deposit for the payment of rent in a separate interest bearing bank account held and maintained in accordance with applicable law and instructions of the Agency as to its custody and control.

Section 21. Account for Project Revenues

The Owner covenants and agrees to establish an account for Project revenues with a bank or trust company or savings and loan institutions approved by the Agency and maintaining an office

within the State, the deposits of which are insured by the Federal Deposit Insurance Corporation. "Project Revenues" shall mean all rents and other revenues of any type whatsoever received in respect of the Project or the Owner, except for advances of the Third Mortgage Loan. Project Revenues shall be deposited in such account. If the Agency so elects, this account shall be under the joint control of the Agency and the Owner, with all withdrawals requiring a countersignature by one of the authorized representatives of the Agency.

The Owner may not withdraw or use Project Revenues except to pay debt service due under the First, Second or Third Mortgage Notes, the Servicing Fee or other Project expenses approved by the Agency or return on investment payments due under Section 42 hereof. Project Revenues may not be transferred to or invested in any other accounts or investment vehicles, except as permitted by Agency Regulations.

Section 22. Inspection of Premises

The Owner covenants and agrees to permit the Agency, its agents or representatives to enter upon and inspect the Project without prior notice, pursuant to the provisions of the Act.

Section 23. Books and Records

The Owner covenants and agrees to maintain adequate books and records of its transactions with respect to the Project in the form required by the Agency. Such books and records shall be available for inspection and audit by the Agency or its agents at any time during business hours, with or without notice, pursuant to the provisions of the Act. The Owner further covenants and agrees to cause its financial affairs to be audited at least annually by independent certified public accountants and shall furnish the Agency with the audit report of such accountants when received and in any event within three (3) months of the close of each of its fiscal years. The Owner shall adopt and use such uniform systems of accounts and records as may from time to time be required by the Agency.

Section 24. Management Contract

The Owner may, and if the Agency so elects, shall, contract for the services of a firm experienced in real estate management to act as the managing agent for the Project. The selection of any such managing agent, the scope of the agent's duties and the basis of the agent's compensation shall be subject to the approval of the Agency, and any contract for the employment of any managing agent shall provide that such contract may be terminated by the Agency at any time by notice of such determination by the Agency given to the Owner and managing agent.

Section 25. Prohibited Actions

Except with the express approval of the Agency, the Owner shall not:

- (a) incur any liabilities except in connection with the acquisition, construction,

rehabilitation, repair, improvement and rental of the Project and Land, and its operation and maintenance;

(b) engage in any business activity except the ownership and operation of the Project and Land;

(c) enter into contracts to be paid from Project Revenues for managers, attorneys, accountants, or other services without the prior written approval of the Agency;

(d) pay more than the fair market value thereof for goods or services;

(e) transfer or invest Project Revenues in any other accounts or investment vehicles, except as permitted by Agency Regulations; or

(f) pay compensation from Project Revenues to any officer, director, member, partner, or shareholder in his capacity as such or make any cash distribution to any of the foregoing; provided, however, that if no Event of Default has occurred, the Owner may make distributions annually of a return on investment in an amount not to exceed the amount permitted under the Act, the Agency Regulations, and then only to the extent of its retained earnings not previously distributed, or as otherwise approved by the Agency. The Owner, however, shall not make any distribution payment without the express agreement of the Agency that retained earnings (or other funds) are available for such distribution.

Section 26. Change of Owner Status

The Owner shall not dissolve, liquidate, sell, transfer, convey or exchange the Project and/or Land or any portion thereof without prior approval of the Agency and the Owner's compliance with the Agency Regulations. The Owner shall not dissolve, liquidate, sell, transfer, convey or exchange any shares, partnership or other ownership interest in the Owner except in accordance with the Agency Regulations. The Owner shall notify in writing and obtain the agreement in writing of any buyer or successor or other person acquiring the Project or Land or any interest therein, in a form acceptable to the Agency, that such acquisition is subject to the requirements of the Loan Documents, Act and Agency Regulations and, if applicable, the Code or IRS Regulations. This notice provision shall not act to waive any other Agency restriction on such dissolution, liquidation, sale, transfer, conveyance or exchange.

Section 27. Estoppel

Within ten (10) business days of demand by the Agency, the Owner will furnish to the Agency in writing a statement of the outstanding balance of the principal sum plus all the accrued interest remaining due on the First, Second and Third Mortgage Loans, together with a statement of any defenses which may exist as to any liability of the Owner on the First, Second and Third Mortgage Notes, or otherwise hereunder.

Section 28. Financing Statements

The Owner hereby irrevocably authorizes the Agency to execute on its behalf one or more UCC-1 Financing Statements or renewals thereof in respect of any of the security interests granted by the First, Second and Third Mortgages or the Security Agreement. The Owner hereby assigns all its rights and interests in accounts established under this Agreement to the Agency, to the extent that such interest may be needed, pursuant to this Agreement. Upon demand by the Agency, the Owner shall execute one or more UCC-1 Financing Statements or renewals thereof.

Section 29. Assignment

The Owner transfers and assigns to Agency all of its right, title and interest, but not its liability, in, under, and to all construction, architectural and design contracts, all architectural design plans and specifications and all government permits, licenses and approvals for the construction of the Project (the foregoing collectively referred to as the "Plans and Approvals"). The owner represents and warrants that the copies of the Plans and Approvals delivered to Agency are and shall be true and complete copies of the Plans and Approvals that there have been no modifications thereof which are not fully set forth in the copies delivered, and that the Owner's interest therein is not subject to any claim, setoff, or encumbrance. Neither this assignment nor any action by Agency shall constitute an assumption by the Agency of any obligation under or with respect to the Plans and Approvals and Owner shall continue to be liable for all obligations of Owner with respect thereto, and Owner hereby agrees to perform all of its obligations under the Plans and Approvals.

The Owner hereby consents to any assignment of the Agreement by the Agency. No assignment or delegation of this Agreement by the Owner is permitted unless approved in writing by the Agency. If assigned, all rights, duties, obligations and interest arising under this Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

Section 30. Defaults

Each of the following shall be an Event of Default:

(a) failure by the Owner to pay more than ten (10) days after the due date any installment of principal or interest under the First, Second or Third Mortgage Notes, or on the Servicing Fee or any other payment required by the Owner to the Agency or any other person pursuant to the terms of this Agreement, the First Mortgage Note, the Second Mortgage Note or Third Mortgage Note or the other Loan Documents;

(b) commission by the Owner of any act prohibited by the terms of this Agreement, or the other Loan Documents, or failure by the Owner to perform or observe in a timely fashion any action, obligation or covenant required by any of the terms of this Agreement or the

other Loan Documents or failure by the Owner to produce satisfactory evidence of compliance therewith. The events set forth in this subsection shall not constitute Events of Default until the prohibited acts or failure to perform or observe shall remain uncured for a period of thirty (30) days after the Agency's written notice to the Owner, specifying such prohibited act or failure and requesting that it be remedied, unless the Agency shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the prohibited act or failure stated in each notice is correctable, but cannot be corrected within the 30-day period, the Agency may consent to an extension of up to 120 days from the delivery of the written notice referred to herein if corrective action is instituted by the Owner within the initial 30-day period and diligently pursued.

(c) the filing by the Owner under any Federal or State bankruptcy or insolvency law or other similar law, or any petition in bankruptcy or for reorganization or composition with creditors or the making of an assignment for the benefit of creditors;

(d) the filing against the Owner of a petition seeking an adjudication as a bankrupt or the appointment of a receiver for the benefit of its creditors which shall not have been dismissed within forty-five (45) days of the filing thereof, or the adjudication of the Owner as a bankrupt or the appointment of a receiver for the benefit of its creditors; or the appointment by court order of a custodian (such as a receiver, liquidator or trustee) of the Owner or of any of its property or the taking of possession of the Owner or any of its property for the benefit of its creditors and such order remains in effect or such possession continues for more than forty-five (45) days;

(e) the occurrence of substantial destruction of the Project by an uninsured casualty or the inability to replace or restore the Project in accordance with Section 11;

(f) any representation in conjunction with the Loan Documents or the Project by or on behalf of the Owner which is false or misleading in any material respect or any covenant, warranty, or representation of the Owner which is breached;

(g) any occurrence which results in the dissolution or liquidation of the Owner pursuant to the formation documents of the Owner;

(h) failure to comply with applicable provisions of the Act, the Agency Regulations, and if applicable, the Code or IRS Regulations;

(i) failure to substantially complete the Project pursuant to the Construction Contract;

(j) any default under either the First Mortgage or Second Mortgage Loan.

Section 31. Remedies

Upon the occurrence of any Event of Default, the Agency may at its option take any one or

more of the following actions or remedies and no failure or delay to exercise any remedy or take any action enumerated shall constitute a waiver of such right or preclude a subsequent exercise by the Agency of any such remedy:

- (a) declare the outstanding balance of the principal sum under the First, Second or Third Mortgage Notes plus all accrued interest, the Servicing Fee and all other liabilities of the Owner under the Loan Documents to be immediately due and payable;
- (b) cease making disbursements from reserves held by the Agency;
- (c) apply any reserves held by the Agency or the balance in the accounts for Project Revenues or any combination of these monies to the payment of the Owner's liabilities under the Loan Documents;
- (d) foreclose the lien of the First, Second and Third Mortgages on the Project and Land including, without limitation, all improvements existing or hereafter placed in or on the Project and Land. In any action to foreclose, the Agency shall be entitled to the appointment of a receiver of the rents and profits of the Project as a matter of right, with power to collect the rents, uses, and profits of the Project, due and becoming due during the pendency of such foreclosure suit, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured by the First, Second and Third Mortgages without regard to the value of the Project or the solvency of any person or persons liable for payment of the mortgaged indebtedness. The Owner for itself and any such subsequent owner hereby waives any and all defenses to the application for a receiver as above and hereby specifically consents to such appointment, but nothing herein contained is to be construed to deprive the holder of the First Mortgage of any other right, remedy or privilege it may now have under the law to have a receiver appointed. The provisions for the appointment of a receiver of the rents and profits and the assignment of such rents and profits are made express conditions upon which the First Mortgage Loan is made. Upon such foreclosure the Agency shall have the right to have a receiver appointed for the Project and the rent from the Project;
- (e) take possession of the Project;
- (f) without judicial process, collect all rents and other revenue including Federal and State subsidies as the assignee of the Owner, and apply the same at the Agency's option either to the operation and maintenance of the Project or to the liabilities of the Owner under the Loan Documents and to accept assignment of leases;
- (g) act as landlord of the Project and rent or lease the same on any terms or dispossess by summary proceedings or other available means any tenant defaulting under the terms of the lease of a dwelling unit;
- (h) take possession of equipment, appliances and other tangible personal property in which a security interest has been granted by the Loan Documents and dispose of the same in any

commercially reasonable manner. The Agency shall have the option to dispose of any such equipment and personal property either separately from the Project or Land. In conjunction with a sale of the Project or Land, the Owner agrees that either method of disposition shall be commercially reasonable;

(i) sue under or make effective an assignment by the Owner to the Agency of any warranty for the Project or any contract for construction, rehabilitation, repair, renovation, reconstruction or improvement of the Project, in which event the Agency is specifically empowered by the Owner to exercise any and all rights of the Owner under the said contract or warranty to recover any amount payable to the Owner pursuant to the contract or any such warranty and to settle any such claim or liability and release the same and apply the proceeds of any such suit, settlement or release to the liabilities of the Owner under the First, Second and Third Mortgage Notes, this Agreement, or the other Loan Documents;

(j) sue the Owner for mandatory injunction or other equitable relief requiring performance by the Owner of any of its obligations under this Agreement or the other Loan Documents. The Owner agrees with the Agency that the Agency's remedy at law for the violation and nonperformance of the Owner's obligations under this Agreement or the other Loan Documents is not adequate by reason, among other things, of the Agency's public purpose to provide adequate, safe and sanitary dwelling units for the tenants contemplated under this Agreement;

(k) replace the general partner, officers, managers, directors, managing members or partners of, or other persons exercising control over the affairs of the Owner with such person or persons as the Agency in its sole discretion deems advisable, including officers or employees of the Agency, who shall exercise all of the authority of managing general partner or other manager of the Owner. Such appointment by the Agency shall be for the duration provided in Section 7 (b)(6) of the Act and any person so appointed shall be entitled to the same immunities and compensation as provided in such Act. If the Agency decides to remove and replace the general partner, officers, managers, directors, managing members or partners of the Owner pursuant to its rights under the Act, the Agency may require from the newly appointed officers, managers, directors, managing members or partners a deed to the Project in lieu of foreclosure;

(l) exercise any rights of the Owner under the Plans and Approvals and to take in its name or in the name of Owner such action as the Agency may determine to be necessary pursuant to the assignment of Plans and Approvals (as set forth in Section 29). The Agency may use the Plans and Approvals for any purpose relating to the Project. The Owner irrevocably constitutes and appoints Agency as Owners attorney-in-fact, in Owner's name or in Agency's name, to enforce all rights of Owner under any Plans and Approvals.

Notwithstanding the above enumeration of remedies, the Agency shall have available to it all other remedies provided at law or in equity or any other action permitted by law.

Section 32. Anticipatory Breach

If the Owner threatens to commit a breach of any of the provisions of this Agreement or the other Loan Documents, the Agency shall have the right, without posting bond or other security, to seek injunctive relief or specific performance, it being acknowledged and agreed that any such breach, or threatened breach, will cause irreparable injury to the Agency and that money damages will not provide an adequate remedy.

Section 33. Expenses Due to Default

All expenses (including reasonable attorney's fees and costs and allowances) incurred in connection with an action to foreclose the First, Second and/or Third Mortgages or in exercising any other remedy provided by this Agreement or the other Loan Documents, including the curing of any Event of Default, shall be paid by the Owner on demand, together with interest at the interest rate in the First Mortgage Note whether or not an action or proceeding is instituted. Expenses of foreclosure for purposes of this paragraph shall include the items enumerated in Section 15 of this Agreement.

The Owner hereby acknowledges that if the Project receives Bond financing, the payments to be made by the Owner pursuant to the First, Second or Third Mortgage Notes may be used by the Agency to pay interest and principal on the Bonds. In the event that the Owner fails to make any payment due under the First, Second or Third Mortgage Notes and the Agency is required to advance funds to pay interest or principal on the Bonds, the Owner shall be required to pay the Agency interest on any amounts so advanced by the Agency on demand, which interest shall be equal to the interest rate in the First, Second or Third Mortgage Notes.

Section 34. Amendments; Notices; Waivers

This Agreement may be amended only by an instrument in writing executed and acknowledged on behalf of the Agency and the Owner in such manner that the instrument may be recorded.

No waiver by the Agency of any Event of Default or required performance by the Owner and no course of conduct of the parties or failure by the Agency to enforce or insist upon performance of any of the obligations of the Owner under this Agreement, or the other Loan Documents at any time shall preclude enforcement of any of the terms of this Agreement or the other Loan Documents.

Any provision of this Agreement requiring the consent or approval of the Agency for the taking of any action or the omission of any action or otherwise called for under this Agreement, requires such consent by the Agency in writing signed by a duly authorized officer of the Agency. Any such consent or approval, unless it expressly states otherwise, is limited to the particular action or omission referred to therein and does not apply to subsequent similar actions or omissions.

Notice provided for under this Agreement shall be given in writing signed by a duly

authorized officer and any notice required to be given hereunder shall be given by recognized private carrier with acknowledgment or confirmed telecopier or by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

Owner: **Minnisink, L.L.C.**
88 Mountainwood Road
Stamford, CT 06903

Agency: **Executive Director**
New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085

Section 35. Severability

The invalidity of any part or provision hereof shall not affect the validity, legality or enforceability of the remaining portions hereof, and to this end the provisions of this Agreement shall be severable.

Section 36. Personal Liability

Notwithstanding any other provision contained in this Agreement or the other Loan Documents, the Agency agrees, on behalf of itself and any future holder of the First, Second or Third Mortgage Notes, that the liability of the Owner, any general or limited partner, member or shareholder of the Owner and their respective heirs, representatives, successors and assigns, for the payment of its obligations under the Loan Documents, including, without limitation, the payment of principal and interest due and other charges due hereunder and thereunder, shall be limited to the collateral pledged under the First, Second or Third Mortgages and the other Loan Documents, and that the Agency shall have no right to seek a personal judgment against the Owner, any general or limited partner, member or shareholder of the Owner, or their respective heirs, representatives, successors and assigns, individually, except to the extent necessary to subject the collateral pledged under the First, Second and Third Mortgages and the other Loan Documents to the satisfaction of the mortgage debt; provided, however, that the Agency shall retain the right to exercise any and all remedies granted to it under this Agreement and the other Loan Documents, including without limitation the right to sue for injunctive or other equitable relief. The foregoing limitation of liability shall not apply to any party to the extent such party has committed fraudulent, criminal or unlawful acts and shall not apply to such amounts that may be due to the Agency pursuant to Sections 11, 12, 13, 14, 15(c) through (e), 33 and 42.

Section 37. Counterparts

This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 38. Disclaimer of Warranties, Liability, Indemnification

(a) The Owner acknowledges and agrees that (i) the Agency has not heretofore and does not make any warranty or representation, either express or implied as to the value, condition, or fitness for particular purpose or any use of the Project or Land or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Agency or its agents or employees be liable or responsible for any incidental, indirect, special or consequential damages in connection with or arising out of this Agreement or any of the other Loan Documents or from the acquisition, construction, rehabilitation, reconstruction, repair, improvement, ownership, operation or maintenance of the Project or Land or any items or services provided for in this Agreement or the other Loan Documents; and (iii) during the term of this Agreement and the other Loan Documents and to the fullest extent permitted by law, the Owner shall indemnify and hold the Agency harmless against, and the Owner shall pay any and all liability, loss, cost, damage, claims, judgments or expenses of any and all kinds or nature and however arising, imposed by law, which the Owner and the Agency may sustain, be subject to, or caused or incurred by reason of any claim, suit or action based upon personal injury, death or damage to property or any other damage or loss sustained, whether real, personal or mixed, or arising out of any alleged violation of the Environmental Laws or the alleged use, storage or disposal of Hazardous Materials by the Owner or by any person or entity or other source related to the Project or Land, or upon or arising out of contracts entered into by the Owner, or arising out of the Owner's acquisition, construction, rehabilitation, reconstruction, repair, improvement, ownership, operation or maintenance of the Project or Land.

(b) It is mutually agreed by the Owner and the Agency that the Agency and its directors, officers, agents, servants and employees shall not be liable for any action performed under this Agreement, and that the Owner shall hold them harmless from any claim or suit of whatever nature.

(c) Any claims asserted against the Agency shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq. (except for N.J.S.A. 59:13-9 thereof). While this statute is not applicable by its terms to claims arising under contracts with the Agency, the Owner agrees that it shall be applicable to claims arising under this Agreement or the other Loan Documents. It is acknowledged by the parties that the Agency is a public entity covered by the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

(d) Notwithstanding the provisions of this Section 38, but in no way intending to reduce the obligations of Owner under this Agreement or the other Loan Documents, in the event the Agency takes possession, ownership and/or control of the Project and commences operating the same, Owner shall not be liable for the acts or omissions of the Agency, its employees, agents or representatives from and after the date of such possession, ownership or control.

Section 39. Filing

This Agreement shall be duly recorded in the Office of the Clerk for the county in which the Land is located.

Section 40. Governing Law and Venue/Forum

This Agreement shall be governed by the laws of the State of New Jersey. Any litigation arising under the First Mortgage Loan, the Second Mortgage Loan, this Agreement, or the Loan Documents shall have jurisdiction and shall be filed in the Superior Court of New Jersey, sitting in Mercer County New Jersey.

Section 41. Equal Opportunity and Non-Discrimination

The Owner covenants and agrees that it will comply with the Agency guidelines with respect to equal opportunity and non-discrimination in its purchase of goods and services for the operation and maintenance of the Project throughout the term of this Agreement.

Section 42. Applicability and Conflict of Terms and Conditions

The terms and conditions of this Agreement are applicable for the entire term of this Agreement (as set forth in Section 9 hereof) unless otherwise set forth in this Agreement. In the event of any conflict or inconsistency between the terms and conditions of any of the Loan Documents (including this Agreement), the terms and conditions of this Agreement shall prevail. Notwithstanding the foregoing, the Owner agrees that the Agency may render a decision concerning the intent and/or applicability of any term or condition of the Loan Documents and unless such decision is found to be arbitrary or capricious by a court of competent jurisdiction, the Agency decision shall be final.

Section 43. Miscellaneous

Unless the context clearly requires otherwise, as used in this Agreement, words of the masculine, feminine or neuter gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.


The titles and headings of the sections of this Agreement have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing this Agreement or any provisions hereof or in ascertaining intent, if any question of intent shall arise.


IN WITNESS WHEREOF, this Agreement is duly executed by the Owner and Agency on the date first set forth above and by signing below, the Owner acknowledges that it has received a true copy of this Agreement, without charge.

(SEAL)
WITNESS/ATTEST



MINNISINK, L.L.C.

By: 
William H. Bird, Jr.
Member/Manager

By: 
Barbara Ann Bird
Member/Manager

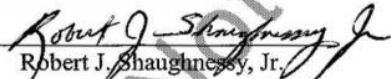
(SEAL)
ATTEST


Michael R. Floyd, Assistant Secretary

NEW JERSEY HOUSING AND
MORTGAGE FINANCE AGENCY

By: 
Anthony W. Tozzi, Asst. Exec. Director

This Agreement has been reviewed and
approved as to form.
Attorney General of the State of New Jersey


By: 
Robert J. Shaughnessy, Jr.
Deputy Attorney General

S:\Melinda\minnisink(3rdmtg)DR 7/16/01 rev. 2/6/02

STATE OF NEW JERSEY
COUNTY OF MERCER SS:

I CERTIFY that on this 6th day of February, 2002, before me, personally appeared William H. Bird, Jr. and Barbara Ann Bird, who, being by me duly sworn on their oath, acknowledges and makes proof to my satisfaction, (a) that they are the Members/Managers of Minnisink, L.L.C., (b) that this document was signed and delivered by them as the Members/Managers of Minnisink, L.L.C. It is a voluntary act as the Members/Managers of Minnisink, L.L.C. and as duly authorized by a proper Resolution of said limited liability company.

Sworn to and subscribed before me,
this 6th day of February, 2002.



Melinda J. Sciarrotta
Notary Public of New Jersey
My Commission Expires on March 24, 2004

STATE OF NEW JERSEY
COUNTY OF MERCER SS:

BE IT REMEMBERED, that on this 6th day of February, 2002, before me, the subscriber, a Notary Public of New Jersey, personally appeared MICHAEL R. FLOYD, who, being by me duly sworn on his oath, acknowledges and makes proof to my satisfaction, that he is the Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, the Agency named in the within Instrument; that ANTHONY W. TOZZI is the Assistant Executive Director of said Agency; that the execution, as well as the making of this Instrument, has been duly authorized by a proper Resolution of the Members of the said Agency; that deponent well knows the corporate seal of said Agency; and that the seal affixed to said instrument is the proper corporate seal and was thereto affixed and said Instrument signed and delivered by said Assistant Executive Director as and for the voluntary act and deed of said Agency, in the presence of deponent, who thereupon subscribed his name thereto as attesting witness.


Michael R. Floyd, Assistant Secretary

Sworn to and subscribed before me,
this 6th day of February, 2002.


Melinda J. Sciarrotta
Notary Public of New Jersey
My Commission Expires on March 24, 2004

Chicago Title Insurance Company
0228-98962

Schedule "A"
DESCRIPTION

All that certain tract, lot and parcel of land lying and being in Borough of Matawan, Monmouth County and State of New Jersey, being more particularly described as follows:

Beginning at a point in the westerly line of Freneau Avenue, said point being 145.63 feet east on a course of North 06 degrees 17 minutes 00 seconds West, along the said westerly line of Freneau Avenue, from lands now or formerly owned by Erwin Augenstein, and thence running:


- 1) South 77 degrees 24 minutes 00 seconds West, 298.55 feet to a point; thence
- 2) South 12 degrees 36 minutes 00 seconds East, 144.74 feet to a point; thence
- 3) South 77 degrees 24 minutes 00 seconds West, 604.34 feet to a point; thence
- 4) North 10 degrees 40 minutes 14 seconds West, 144.82 feet to a point; thence
- 5) South 77 degrees 24 minutes 00 seconds West, 471.62 feet to a point; thence
- 6) In a general northeasterly direction, on a curve to the right having a radius of 2839.90 feet, an arc distance of 408.81 feet to a point; thence
- 7) North 45 degrees 51 minutes 00 seconds East, 615.32 feet to a point; thence
- 8) South 03 degrees 47 minutes 50 seconds East, 198.77 feet to a point; thence
- 9) South 12 degrees 36 minutes 00 seconds East, 240.00 feet to a point; thence
- 10) North 77 degrees 24 minutes 00 seconds East, 557.57 feet to a point in the westerly line of Freneau Avenue; thence
- 11) Along same, South 06 degrees 17 minutes 00 seconds East, 124.50 feet to the point and place of beginning.

The above description being drawn in accordance with the survey prepared by Lynch, Carmody & Dombrowski, P.A., dated April 1, 1976.

INFORMATIONAL NOTE: Being also known as Lots 42 and 43, in Block 119, on the Tax Map of the Borough of Matawan.

Schedule B
FIXTURE FILING--- DESCRIPTION OF COLLATERAL:

All personal property of the Debtor now or hereafter used in the operation of or for the benefit of, or located upon or attached to the real property described herein, including but not limited to all fixtures, equipment, machinery and elevators; all gas and electric appliances, engines, motors, all boilers, radiators, heaters, and furnaces; all electronic, electrical, lighting, heating, ventilating and air conditioning systems; all stoves, ranges and cooking equipment; all tubs, basins, sinks, pipes, water heaters, faucets and plumbing fixtures; all refrigerators, washing machines, laundry tubs and dryers; all awnings, screens, shades, venetian blinds, carpeting and office, common or lobby area furniture, furnishings, cabinets, fixtures, building materials and plantings; all contract rights to receive capital contributions under the commitment from First Sterling Capital Resources, Inc./Sterling Financial Group and the First Amended and Restated Operating Agreement admitting Sterling Corporate Tax Credit Fund IX, L.P. or any other limited member to the Debtor entity; all project deposit accounts; all accounts, documents, commercial paper, chattels, negotiable instruments, general intangibles, rents, leases, goods; inventory and including any fittings, attachments, accessories, component parts, replacements or replacement parts, additions, accretions and/or substitutions of or to any of the above-listed types or items of collateral. The proceeds of the collateral are also covered.



01000767

FILED ON
May 08, 2002
11:15:27 AM
TOTAL \$0.00

2
FFR 95 2002

Record and Return
Professional Address
520 Westfield Avenue
Elizabeth, NJ 07208

98962

THIS SPACE IS FOR FILING OFFICE USE ONLY

Minnisink, L.L.C.				
MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
88 Mountainwood Road	Stamford	CT	06903	USA
TAX ID #	TYPE OF ORGANIZATION Limited Liability Company	JURISDICTION OF ORGANIZATION	ORG. ID #, if any	
			NONE	
2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME				
ADDITIONAL DEBTOR'S MAILING ADDRESS				
TAX ID #	TYPE OF ORGANIZATION	JURISDICTION OF ORGANIZATION	ORG. ID #, if any	
			NONE	
3. SECURED PARTY'S NAME				
New Jersey Housing and Mortgage Finance Agency				
SECURED PARTY MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
637 South Clinton Avenue PO Box 18550	Trenton	NJ	08650-2085	USA
4. THIS FINANCING STATEMENT COVERS THE FOLLOWING COLLATERAL				
<p>All personal property of the Debtor now or hereafter used in the operation of or for the benefit of, or located upon or attached to the real property described in the attached addendum, including but not limited to all fixtures, equipment machinery and elevators; all gas and electric appliances, engines, motors, boilers, radiators, heaters and furnaces; all electronic, electrical, lighting, heating, ventilating and air conditioning systems; all stoves, ranges and cooking equipment; all tubs basins, sinks, pipes, water heaters, and plumbing fixtures all refrigerators, washing machines and dryers; all awnings, screens, shades, blinds, carpeting and office or common area furnishings, furniture, cabinets, fixtures, unincorporated building material and plantings all accounts, documents, commercial paper, chattels, negotiable instruments, general intangibles, rents, leases, goods, inventory, and including any attachments, accessories, component parts, replacements, or replacement parts, additions, accretions and/or substitutions to any of the above items of collateral. The Proceeds of the collateral are also covered.</p>				
5. ALTERNATE DESIGNATION (IF APPLICABLE) Lessee/Lessor, Consignee/Consignor, Bailee/Bailor, Seller/Buyer, AG Lien, Non-UCC Filing				
6. THIS FINANCING STATEMENT IS TO BE FILED OR RECORDED:				
REAL ESTATE RECORDS OF: Monmouth County			ATTACH ADDENDUM	YES
7. CHECK TO REQUEST SEARCH REPORT(S) ON DEBTOR NUMBER 1 ALL DEBTORS			ADDITIONAL FEE:	
8. OPTIONAL FILER REFERENCE DATA:				
Minnisink Village			NJHMFA NUMBER:	509

UCC FINANCING STATEMENT ADDENDUM				
9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT				
9a. ORGANIZATION'S NAME Minnisink, L.L.C.				
OR 9b. INDIVIDUAL'S NAME LAST FIRST MI, SUFFIX				
10 MISCELLANEOUS:				
ABOVE SPACE IS FOR FILING OFFICE USE ONLY				
11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME				
ADDITIONAL DEBTOR'S MAILING ADDRESS				
TAX ID #	TYPE OF ORGANIZATION	JURISDICTION OF ORGANIZATION	ORG. ID #, if any	
			NONE	
12. ADDITIONAL SECURED PARTY or ASSIGNOR S/P's				
12a. ORGANIZATION'S NAME				
OR 9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX				
12c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY				
13. THIS FINANCING STATEMENT COVERS: THIS IS A FIXTURE FILING				
14. Description of the real estate BOROUGH OF MATAWAN, COUNTY OF MONMOUTH MATAWAN, NEW JERSEY ALSO KNOWN AS BLOCK 119, LOTS 39, 41, 42, 43 AND 44				
15. Name and address of a RECORD OWNER of the above described real estate (If Debtor does not have a record interest) DEBTOR IS RECORD OWNER.				
16. Additional collateral description:				
17. Check ONLY if applicable and check ONLY one box Debtor is a: <input type="checkbox"/> Trust <input type="checkbox"/> Trustee with respect to property held in trust or <input type="checkbox"/> Decedent's Estate				
18. Check ONLY if applicable and check ONLY one box <input type="checkbox"/> Transmitting Utility <input type="checkbox"/> Filed for a Manufactured home (30 yrs)				
<input checked="" type="checkbox"/> Filed in connection with a Public Finance Transaction-30 years				

A2010

RESOLUTION 06-06-16

TAX ABATEMENT RESOLUTION

MINNISINK LLC

WHEREAS, Minnisink, LLC (hereinafter referred to as the "Sponsor") operates a housing project known as Minnisink Village, which is a 108 unit rental project dedicated to low income senior citizens (hereinafter referred to as the "Project") pursuant to the provisions of the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended (N.J.S.A. 55:14K-1 et seq.) and the rules promulgated thereunder at N.J.A.C.5:80-1 et seq. (the foregoing hereinafter referred to as the "HMFA Law") within the municipality of Matawan (hereinafter referred to as the "Municipality") on a site described as Lots 39B-41B-42B-44B, Block 119 as shown on the Official Assessment Map of the Borough of Matawan, Monmouth County and commonly known as Minnisink Drive, Matawan, New Jersey; and

WHEREAS, the Project is currently subject to a Tax Abatement Agreement between the Municipality and the Sponsor, attached hereto as Exhibit "A"; and

WHEREAS, pursuant to the existing Tax Abatement Agreement, in lieu of paying real estate taxes, the Sponsor makes payments to the municipality equivalent to 6.28% of the annual gross revenue of the Project. The revenue projection for the Project which sets forth the anticipated revenue to be received by the Sponsor from the operation of the Project for 2006, as estimated by the Sponsor and the Agency, is attached hereto and made a part hereof as Exhibit "B"; and

WHEREAS, the Project is subject to the HMFA Law and the mortgage (With a current maturity date of 2018) and other loan documents executed between the Sponsor and the New Jersey Housing and Mortgage Finance Agency (hereinafter referred to as the "Agency"); and

WHEREAS, the Sponsor is refinancing the Agency mortgage pursuant to the Agency preservation loan program, which new mortgage will have a term of 30 years and will continue until 2036; and

WHEREAS, in order to obtain refinancing from the Agency and in order to ensure the continued viability of the Project as low-income senior citizen project through the term of the new Agency mortgage, the Sponsor is requesting that the Municipality adopt a Resolution authorizing payments in lieu of taxes from the making of the new Agency mortgage through the term of the new Agency mortgage; and

WHEREAS, pursuant to the provisions of the HMFA Law, the governing body of the Municipality hereby determines that there is a need for this housing project in the Municipality.

NOW THEREFORE, BE IT RESOLVED by the Council of the Borough of Matawan (the "Council") that:

- (1) The Council finds and determines that the proposed Project will meet or meets and existing housing need;
- (2) The Council does hereby adopt the within Resolution and makes the determination and findings herein contained by virtue of, pursuant to, and in the conformity with the provisions of the HMFA Law with the intent and purpose that the Agency shall rely thereon in making a mortgage loan to the Sponsor, which shall own and operate the Project; and
- (3) The Council does hereby adopt the within Resolution with further intent and purpose that from the date execution of the Agency mortgage, the proposed Project, including both the land and improvements thereon, will be exempt from real property taxation as provided in the HMFA Law, provided that payments in

lieu of taxes for municipal services supplied to the Project are made to the Municipality in such amounts and manner set forth in the Agreement for Payments in Lieu of Taxes attached hereto as Exhibit "C"; and

- (4) The Council hereby authorizes and directs the Mayor of the Borough of Matawan to execute, on behalf of the Municipality, the Agreement for Payments in Lieu of Taxes in substantially the form annexed hereto as Exhibit "C" ; and
- (5) The Council understands and agrees that the revenue projections set forth in Exhibit "B" are estimates and that the actual payments in lieu of taxes to be paid by the Sponsor to the Municipality shall be determined pursuant to the Agreement for Payments in Lieu of Taxes executed between the Sponsor and Municipality.

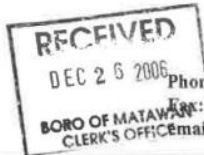
CERTIFICATION OF RESOLUTION

I, Jean B. Montfort, Borough 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 a resolution adopted by the Borough Council of the Borough of Matawan on June 8, 2006.

In witness whereof, I have hereunto set my hand and seal of the Borough of Matawan this 8th day of June, 2006.


Jean B. Montfort, RMC
Municipal Clerk

ANTHONY W. TOZZI
Attorney at Law
9 Noa Court
Hamilton, NJ 08690



Phone: 609-581-4684
Fax: 609-581-7619
Email: awtozzi@optonline.net

Jean B. Montfort
Matawan Borough Clerk
Matawan Municipal Community Center
201 Broad Street
Matawan NJ 07747

December 21, 2006

Re: Minnisink Village
Tax Abatement

Dear Ms. Montfort:

Thank you for sending the Resolution and Agreement authorizing a Payment in Lieu of Taxes for the Minnisink Village project. I am returning the Agreement for Payment in Lieu of Taxes, which has been signed by the project owner.

I will advise when the mortgage closing with the NJ Housing and Mortgage Finance Agency takes place, which will trigger the commencement date of this Agreement.

I wish to express the appreciation of the Owner and myself to the Mayor, Council and Borough staff and attorney for their assistance and commitment to preserving affordable housing for its senior residents.

Very truly yours,

Anthony W. Tozzi

c. William Bird

Minnisink Agreement 2

AGREEMENT FOR PAYMENT IN LIEU OF TAXES

BETWEEN

THE BOROUGH OF MATAWAN AND

MINNISINK VILLAGE URBAN RENEWAL ASSOCIATES, LLC

THIS AGREEMENT made this 17th day of December, 2006, between Minnisink Village Urban Renewal Associates, LLC, a limited liability company of the State of New Jersey having its principal office at Minnisink Drive, Matawan, NJ 07747 (hereinafter the "Sponsor") and the Borough of Matawan, a municipal corporation in the County of Monmouth and State of New Jersey (hereinafter the "Municipality").

WITNESSETH:

In consideration of the mutual covenants herein contained and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

1. This Agreement is made pursuant to the authority contained in the Long Term Exemption Law, N.J.S.A. 40A:20-1 et seq. (the "LTTE Statute") and a Resolution of the City Council of the Municipality dated August 3, 2006 (the "Resolution"). Pursuant to the LTTE Statute, the Municipality is hereby entering into this financial agreement with the Sponsor for the undertaking of a low and moderate income housing project.
2. The Municipality recognizes the Sponsor as the owner and operator of the housing project known as Minnisink Village (hereinafter the "Project"). The Sponsor, formerly known as Minnisink, LLC, has amended its Certificate of Formation to become an urban renewal entity pursuant to the LTTE Statute in order to qualify for a tax abatement under the LTTE Statute. Minnisink, LLC currently operates under a Payment in Lieu of Tax Agreement with the Municipality providing for payments in lieu of taxes in the amount of 6.28% of Project rents. The individuals that constitute the members within the Sponsor are the same members of Minnisink, LLC.
3. The Project is or will be situated on that parcel of land designated as Lots 39B-41B-42-43-44B, Block 119, as shown on the Official Assessment Map of the Borough of Matawan, and more commonly referred to as Minnisink Drive, Matawan, New Jersey.
4. Pursuant to N.J.S.A. 40A:20-5, the Sponsor is a qualified urban renewal Sponsor. Specifically the Sponsor has met the following criteria and agrees to the following restrictions:

- a. The name of the Sponsor includes the words "Urban Renewal."
- b. The purpose for which it was formed is to operate under the Long Term Tax Exemption Law (40A:20-1 et seq.), and for the provision of a low and moderate income housing project.
- c. The Sponsor is obligated under this financial agreement with municipality to engage in no business other than the ownership, operation and management of the Project.
- d. The Sponsor has been organized to serve a public purpose, that its operations shall be directed toward: (1) the provision of a low and moderate income housing project; (2) the management and operation of such project; and (3) compliance with regulation by the municipality in which its project is situated.
- e. The Sponsor shall not voluntarily transfer more than 10% of the interest in the project or any portion thereof undertaken by it until it has first removed both itself and the project from all restrictions of LTTE Statute in the manner required by that LTTE Statute and, has obtained the consent of the Commissioner of Community Affairs to such transfer; with the exception of transfer to another urban renewal Sponsor, as approved by the municipality in which the Project is situated, which other urban renewal Sponsor shall assume all contractual obligations of the transferor Sponsor under this financial agreement with the municipality. The Sponsor shall file annually with the municipal governing body a disclosure of the persons having an ownership interest in the project, and of the extent of the ownership interest of each. However, the Sponsor shall be authorized to transfer the general partner's interest to a qualified non-profit organization pursuant to Internal Revenue Code Section 42 (h).
- f. The Sponsor agrees to be subject to the provisions of section 40A:20-18 N.J.S.A. respecting the powers of the municipality to alleviate financial difficulties of the urban renewal Sponsor or to perform actions on behalf of the Sponsor upon a determination of financial emergency.
- g. It is hereby agreed that any housing units constructed or acquired by the Sponsor shall be managed subject to the supervision of and rules adopted by, the Commissioner of Community Affairs.

If the Sponsor shall not by reason of any other law be required to file a statement or certificate with the Secretary of State, then the Sponsor agrees to file a certificate in the office of the clerk of the county in which its principal place of business is located setting forth, in addition to the matters listed above, its full name, the name under which it shall do business, its duration, the location of its principal offices, the name of a person or persons upon whom service may be effected, and the name and address and extent of each person having any ownership or proprietary interest therein. A certificate of incorporation, or similar certificate or statement, shall not be accepted for filing with the Secretary of State or office of the county clerk until the certificate or statement has been reviewed and approved by the Commissioner of the Department of Community Affairs.

5. Pursuant to Section 40A:20-8 N.J.S.A., the urban renewal Sponsor has made written application to the municipality for approval of the project. The application was in a form, and certified those facts and data, required by the municipality, and included:

- a. A general statement of the nature of the proposed project, that the undertaking conforms to all applicable municipal ordinances, and that the housing units are restricted to occupancy by low and moderate income households.
- b. A description of the proposed project outlining the area included and a description of each unit together with architectural and site plans.
- c. A statement prepared by a qualified architect of the estimated cost of the proposed project in sufficient detail including the estimated cost of each unit.
- d. The source, method and amount of money to be subscribed through the investment of private capital and the extent of capital invested and the ownership interest obtained in consideration thereof.
- e. A fiscal plan for the project outlining a schedule of annual gross revenue, the estimated expenditures for operation and maintenance, payments for interest, amortization of debt and reserves, and payments to the municipality to be made pursuant to a financial agreement to be entered into with the municipality.
- f. A proposed financial agreement conforming to the provisions of N.J.S.A 40A:20-9.

The application was addressed and submitted to the Business Administrator of the municipality. The Mayor submitted the application with recommendations, if any, to the municipal governing body. The governing body by resolution approved the application.

6. Pursuant to N.J.S.A. 40A:20-9, the parties agree that this financial agreement is a contract requiring full performance within 30 years from the date of the new mortgage obtained by the Sponsor to finance the conversion of the efficiency units to one bedroom units, and further agree that:

- a. That the profits of or dividends payable by the urban renewal Sponsor shall be limited, if required, according to terms appropriate for the type of Sponsor in conformance with the provisions of the LTTE Statute. It is hereby agreed that the limit on profits, as required by N.J.S.A. 40A:20-3, shall be calculated by applying a rate of return, equal to the total of 1.25% plus the interest rate on the loan obtained by the Sponsor to finance the Project (including the conversion of the efficiency units to one bedroom units), times the total Project cost, which after the completion of the conversion of the efficiency units to one bedroom units will have an appraised value of \$7,600,000.
- b. That all improvements in the project to be constructed or operated by the urban renewal Sponsor shall be exempt from taxation as provided in the LTTE Statute.
- c. That the urban renewal Sponsor shall make payments for municipal services as provided in the LTTE Statute.
- d. That the urban renewal Sponsor shall submit annually, within 90 days after the close of its fiscal year, its auditor's reports to the mayor and governing body of the municipality and to the Director of the Division of Local Government Services in the Department of Community Affairs.
- e. That the urban renewal Sponsor shall, upon request, permit inspection of property, equipment, buildings and other facilities of the Sponsor, and also permit examination and audit of its books, contracts, records, documents and papers by authorized representatives of the municipality or the State.
- f. That in the event of any dispute between the parties, matters in controversy shall be resolved by arbitration.
- g. That operation under this financial agreement shall be terminable by the urban renewal Sponsor in the manner provided by the LTTE Statute.
- h. That the urban renewal Sponsor shall at all times prior to the expiration or other termination of this financial agreement remain bound by the provisions of the LTTE Statute.

- i. That the Sponsor shall use, manage and operate this project as rental housing for low and moderate income families.

7. Gross revenue means annual gross rents collected during a calendar year. It is hereby agreed that tenants shall not be required to pay insurance, operating and maintenance expenses which are ordinarily paid by a landlord. The plans for financing the project, including the estimated total project cost, the amortization rate on the total project cost, the source of funds, the interest rates to be paid on the construction financing, the source and amount of paid-in capital, the terms of mortgage amortization or payment of principal on any mortgage, and the rental schedules and lease terms to be used in the project are included in the application.

8. Pursuant to N.J.S.A. 40A:20-10, the Municipality will consent to a sale of the Project by the Sponsor, provided the sale is to another urban renewal entity created under the LTTE Statute, their successors, assigns, all owning no other project at the time of transfer and upon assumption by the transferee urban renewal entity of the Sponsor's obligation under this Agreement, the tax exemption as provided under this Agreement and as provided by the LTTE Statute shall inure to the transferee urban renewal entity, its respective successors or assigns.

9. The following are the municipalities findings with respect to this development as required by Section 40 A:20-11. This Project provides the following benefits to the municipality:

- a. Maintains much needed affordable housing.
- b. Provide long term fiscal stability
- c. Permits the conversion of efficiency units into one bedroom units to increase the comfort and well being of the existing and future senior citizen residents of the Project

10. Pursuant to N.J.S.A. 40A:20-12, the Sponsor shall be exempt from taxes and make payments in lieu thereof as follows:

- a. The duration of the exemption shall be effective 30 years from the date of the new mortgage obtained by the Sponsor to finance the conversion of the efficiency units to one bedroom units.
- b. During the term of this exemption, in lieu of any taxes to be paid on the improvements of the project, the urban renewal Sponsor shall make payment to the municipality of an annual service charge. The annual service charge for municipal services supplied to the project to be paid by the urban renewal Sponsor for any period of exemption, shall be determined as follows:

First stage payment. From the effective date of this Agreement and for a period of fifteen years thereafter, Sponsor shall pay the City in lieu of taxes on improvements, an annual service charge of 6.28% percent of the Gross Residential Revenue.

Second stage payment. For a period of six years after the termination of the first stage, Sponsor shall pay to the city the annual service charge of (i) 6.28% percent of the Gross Residential Revenue or (ii) 20% of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater.

Third stage payment. For a period of six years after the termination of the second stage, Sponsor shall pay to the City the annual service charge of (i) 6.28% percent of the Gross Residential Revenue or (ii) 40% of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater.

Fourth stage payment. For a period of three years after the termination of the third stage, Sponsor shall pay to the City the annual service charge of (i) 6.28% percent of the Gross Residential Revenue or (ii) 60% of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater.

- c. Against the annual service charge due for each stage, as set forth in the foregoing paragraph, the Sponsor shall be credited for the amount, without interest, of the real estate taxes on land paid during the same annual period.
- d. The annual service charge shall be paid to the municipality on a quarterly basis in a manner consistent with the municipality's tax collection schedule.
- e. Notwithstanding the provisions of this section or of this financial agreement, the minimum annual service charge shall be the amount of the total taxes levied against all real property in the area covered by the project in the last full tax year in which the area was subject to taxation, and the minimum annual service charge shall be paid in each year in which the annual service charge calculated pursuant to this section or the financial agreement would be less than the minimum annual service charge.
- f. All exemptions granted pursuant to the provisions of this LTTE Statute shall terminate at the time prescribed in this financial agreement. Upon the termination of the exemption granted pursuant to the provisions of this LTTE Statute, the project, all affected parcels, and all improvements made thereto shall be assessed and subject to taxation as are other taxable properties in the

municipality. After the date of termination, all restrictions and limitations upon the urban renewal Sponsor shall terminate and be at an end upon the Sponsor's rendering its final accounting to and with the municipality.

In determining the taxes otherwise due, the assessment shall give full consideration to the extent permitted by law to the restrictions on tenant income and rent limits, the limitations on occupancy restricting the market for tenants and the other restrictions imposed upon the Project and its operation by law (including the law) in determining fair market value.

In consideration of the tax abatement granted hereunder, the annual service charge shall be calculated and paid as provided in Exhibit A. The annual service charge shall be calculated on the Gross Revenue defined as follows: Gross Residential Revenue shall be defined as annual gross rents and income collected by Sponsor from residential tenants, laundry and vending services.

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first above written.

WITNESS:

SPONSOR

Minnisink Village Urban Renewal Associates, LLC

Barbara Bird

By: W.H. Bird
William Bird, Managing Member

ATTEST:

[Signature]

MUNICIPALITY

Borough of Matawan, A municipal corporation, N.J.

By: Mary Aufseeser
Hon. Mary Aufseeser
Mayor of the Borough of Matawan

A216

RESOLUTION 06-12-09

**RESOLUTION DECLARING RESOLUTION 06-08-04 NULL AND VOID
AND APPROVING THE REVISED TAX ABATEMENT AGREEMENT
MINNISINK VILLAGE, LLC,**

TAX ABATEMENT RESOLUTION

WHEREAS, the governing body of the Borough of Matawan adopted Resolution 06-08-04 on August 2, 2006; and

WHEREAS, Minnisink Village, LLC, has had to revise the original agreement due to a change in the holding company's name.

WHEREAS, on the advice of the Borough Attorney the governing body wishes to null and void Resolution 06-08-04 and is being supplanted and replaced with this resolution.

WHEREAS, Minnisink, LLC (hereinafter referred to as the "Sponsor") operates a housing project known as Minnisink Village, which is a 108 unit rental project dedicated to low income senior citizens (hereinafter referred to as the "Project") pursuant to the provisions of the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended (N.J.S.A. 55:14K-1 et seq.) and the rules promulgated thereunder at N.J.A.C. 5:80-1 et seq. (the foregoing hereinafter referred to as the "HMFA Law") within the municipality of Matawan (hereinafter referred to as the "Municipality") on a site described as Lots 39B-41B-42-43-44B, Block 119 as shown on the Official Assessment Map of the Borough of Matawan, Monmouth County and commonly known as Minnisink Drive, Matawan, New Jersey; and

WHEREAS, the Project is currently subject to a Tax Abatement Agreement between the Municipality and the Sponsor, attached hereto as Exhibit "A"; and

WHEREAS, pursuant to the existing Tax Abatement Agreement, in lieu of paying real estate taxes, the Sponsor makes payments to the municipality equivalent to 6.28% of the annual gross revenues of the Project. The revenue projection for the Project which sets forth the anticipated revenue to be received by the Sponsor from the operation of the Project for 2006, as estimated by the Sponsor and the Agency, is attached hereto and made a part hereof as Exhibit "B"; and

WHEREAS, the Project is subject to the HMFA Law and the mortgage (with a current maturity date of 2018) and other loan documents executed between the Sponsor and the New Jersey Housing and Mortgage Finance Agency (hereinafter referred to as the "Agency"); and

WHEREAS, the Sponsor is refinancing the Agency mortgage through a private institutional lender (contemplated to be Wachovia Bank) pursuant to the Agency prepayment program, which new mortgage will have a term of 30 years and will continue until 2036; and

WHEREAS, pursuant to the Agency prepayment program, the Project will be subject to the HMFA Law and be operated for low income housing for senior citizens for the 30 year term of the new mortgage; and

WHEREAS, in order to obtain refinancing and to ensure the continued viability of the Project as a low-income senior citizen project through the term of the new mortgage, the Sponsor is requesting that the Municipality adopt a Resolution authorizing payments in lieu of taxes pursuant to the Long Term Tax Abatement Statute, N.J.S.A. 40A:20-1 et seq. (the "LTTE Law") from the making of the new mortgage through the term of the new mortgage; and

WHEREAS, pursuant to the provisions of the LTTE Law, the governing body of the Municipality hereby determines that there is a need for this housing project in the Municipality; and

WHEREAS, pursuant to the LTTE Law, the Project owner must be an urban renewal entity and in compliance therewith the Sponsor will create a new urban renewal entity comprised of the

same individuals of the Sponsor, which urban renewal entity (referred to as the "New Sponsor") will own and operate the Project as a low income senior housing project pursuant to the HMFA and LTTE Laws and in the same manner as the Sponsor.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Borough of Matawan (the "Council") that:

- (1) The Council finds and determines that the proposed Project will meet or meets an existing housing need;
- (2) The Council does hereby adopt the within Resolution and makes the determination and findings herein contained by virtue of, pursuant to, and in the conformity with the provisions of the LTTE Law with the intent and purpose that the refinancing lender shall rely thereon in making a mortgage loan to the New Sponsor, which shall own and operate the Project; and
- (3) The Council does hereby adopt the within Resolution with the further intent and purpose that from the date of execution of the new mortgage, the proposed Project will be exempt from real property taxation as provided in the LTTE Law, provided that payments in lieu of taxes for municipal services supplied to the Project are made to the Municipality in such amounts and manner set forth in the Agreement for Payments in Lieu of Taxes attached hereto as Exhibit "C"; and
- (4) The Council hereby authorizes and directs the Mayor of the Borough of Matawan to execute, on behalf of the Municipality, the Agreement for Payments in Lieu of Taxes in substantially the form annexed hereto as Exhibit "C"; and
- (5) The Council understands and agrees that the revenue projections set forth in Exhibit "B" are estimates and that the actual payments in lieu of taxes to be paid by the New Sponsor to the Municipality shall be determined pursuant to the Agreement for Payments in Lieu of Taxes executed between the New Sponsor and Municipality.

CERTIFICATION OF RESOLUTION

I, Jean B. Montfort, Borough 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 a resolution adopted by the Borough of Matawan on December 7, 2006.

In witness whereof, I have hereto set my hand and seal of the Borough of Matawan this 7th day of December, 2006.


Jean B. Montfort, RMC
Municipal Clerk

① FEB 02 2007
JAN 31 2007



159797

Record and Return to:

Melinda J. Sciarrotta
New Jersey Housing and Mortgage
Finance Agency
637 South Clinton Avenue RTR
P.O. Box 18550
Trenton, New Jersey 08650-2085

Prepared by:

Robert J. Shoughnessy, Jr.
Deputy Attorney General

Empire Title & Abstract Agency (214)

DEED RESTRICTION and REGULATORY AGREEMENT
MINNISINK VILLAGE, HMFA #509

THIS DEED RESTRICTION AND REGULATORY AGREEMENT (this "Agreement"), is made and entered into as of January 30, 2007, by and between the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY** (the "Agency"), a body politic and corporate and an instrumentality exercising public and essential governmental functions of the State of New Jersey, pursuant to the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended, N.J.S.A. 55:14K, et seq. (the "Act"), and **MINNISINK URBAN RENEWAL ASSOCIATES, LLC** (the "Owner"), a limited liability company, formerly known as **MINNISINK, LLC**, a limited liability company, formed under the laws of the State of New Jersey and a qualified housing sponsor within the meaning of the Act that has its principal office at 88 Mountainwood Road, Stamford, CT 06903, and that owns the real property described in Exhibit A attached hereto (the "Land") and the **Minnisink Village, HMFA #509** project (the "Project") constructed thereon.

Section 1. Background and Purpose. The Land and Project were originally developed with financing furnished by the Agency through a loan in the original principal amount of \$3,537,000 (the "First Mortgage Loan") which loan is secured by a mortgage dated January 25, 1977, that is recorded in Mortgage Book 3205, Page 59, in the Office of the Register/County Clerk of Monmouth County, New Jersey (the "First Mortgage").

The First Mortgage Loan was made by the Agency to Minnisink Village, a Limited Partnership (the "Sponsor"). The Sponsor developed the Project as a housing association/corporation pursuant to the Act.

The Sponsor transferred ownership of the Project to Minnisink, L.L.C. by Deed dated May 12, 1998 and recorded on July 2, 1998 in the Monmouth County Clerk's Office in Deed Book 5726, Page 454. Simultaneously with this transfer, Minnisink, L.L.C. assumed the First Mortgage Loan through a Mortgage Modification and Assumption Agreement between the Sponsor, Minnisink, L.L.C and the Agency dated May 12, 1998 and recorded in the Monmouth County Clerk's office on July 2, 1998 in Mortgage Book 6502, Page 602 and in Release Book 441, Page 139. In addition, a Second Mortgage Loan was made by the Agency to Minnisink, L.L.C. (the "Second Mortgage Loan") in the amount of \$775,000 which loan is secured by a second mortgage dated May 12, 1998,

- 1 -

that is recorded in Mortgage Book 6502, Page 614, in the Office of the Register/County Clerk of Monmouth County, New Jersey, (the "Second Mortgage").

A Third Mortgage Loan was made by the Agency to Minnisink, L.L.C. (the "Third Mortgage Loan") in the amount of \$775,000 which loan is secured by a third mortgage dated February 6, 2002, that is recorded in Mortgage Book 8103, Page 5247, in the Office of the Register/County Clerk of Monmouth County, New Jersey (the "Third Mortgage").

Minnisink, L.L.C. amended its Certificate of Formation and filed a Certificate of Amendment with the Secretary of New Jersey on October 19, 2006. The amendments included a change in the name of the limited liability company to its current name, Minnisink Urban Renewal Associates, LLC.

The Owner has requested to prepay the First Mortgage Loan, Second Mortgage Loan, and Third Mortgage Loan.

In consideration of the Agency's approval of prepayment of the First Mortgage Loan, Second Mortgage Loan and Third Mortgage Loan and the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged by each party, the Agency and the Owner have entered into this Agreement.

Section 2. Satisfaction of Mortgages. The First Mortgage Loan, Second Mortgage Loan and Third Mortgage Loan have been prepaid and satisfied in full as of the date hereof. This Agreement is forthwith substituted for and supersedes the First Mortgage, Second Mortgage and Third Mortgage Loan, all of which shall be simultaneously discharged of record and have no further force or effect. In addition, this Agreement is forthwith substituted for and supersedes the Financing Deed Restriction and Regulatory Agreement between the Agency and Minnisink, L.C.C. dated May 12, 1998 and recorded on July 2, 1998 in the Monmouth County Clerk's Office in Mortgage Book 6502, Page 557, and the Deed Restriction and Regulatory Agreement between the Agency and Minnisink, L.C.C. dated February 6, 2002 and recorded on April 30, 2002 in the Monmouth County Clerk's Office in Mortgage Book 8103, Page 5209, each of which shall be simultaneously discharged of record and have no further force or effect.

Section 3. Covenants, Reservations and Restriction. The Owner hereby represents, warrants, covenants, and agrees that the Project and Land and the Owner and the Owner's assigns and successors in title to the Project and/or Land shall be subject to the covenants, reservations and restrictions set forth below:

A) Use of the Land and the Project shall be restricted to use primarily as a multi-family residential rental property;

B) No lien, security interest or other encumbrance of the Land or the Project shall be recorded with the Register/County Clerk of Monmouth County, New Jersey or elsewhere prior to the

recording of this Agreement with such Register/County Clerk of Monmouth County.

C) From the date of this Agreement until **June 1, 2053** the Owner shall continue to comply with, and the Land and the Project shall continue to be subject to, the following Agency requirements:

- 1) The Agency's policies on tax, insurance and repair and replacement reserves and any subsequent amendments to those policies.
- 2) The Agency regulations set forth below and any subsequent amendments thereto:
 - a) Occupancy Requirements Regarding Income - (N.J.A.C. 5:80-8.1 et seq.)
 - b) Tenant Selection Standards - (N.J.A.C. 5:80-7.1 et seq.)
 - c) Rents - (N.J.A.C. 5:80-9.1 et seq.)
 - d) Certification and Recertification of Income - (N.J.A.C. 5:80-20.1 et seq.)
 - e) Affirmative Fair Housing Marketing - (N.J.A.C. 5:80-22.1 et seq.)
 - f) Transfer of Ownership - (N.J.A.C. 5:80-5.1 et seq.)
- 3) The Owner shall permit Agency staff reasonable access to the Land and to the Project premises, to any books, and records with respect to the Land and Project, and shall promptly provide copies of any and all documentation requested by the Agency to monitor compliance with the regulations referenced herein and other requirements of this Agreement.
- 4) The Agency shall have, with respect to the Owner, the Land and the Project, the powers set forth in Section 7(b) of the Act.
- 5) The Owner agrees to pay to the Agency on the first day of each calendar month commencing with **February 1, 2007** a monthly servicing fee of **\$1,439.47**. If the project receives Section 8 subsidies administered by the Agency, the monthly fee shall be deducted from the Section 8 payment received by the Agency as contract administrator.
- 6) Return on equity rules pursuant to Agency regulations shall continue as provided in N.J.A.C. 5:80-5.10(b)7 for the entire term of this Agreement.

Section 4. Covenants to Run With the Land

The Agency and the Owner hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth in this Agreement touch and concern the Land in that the Owner's legal interest in the Project and Land is rendered less valuable thereby. The Agency and the Owner hereby further declare their understanding and intent that the benefit of

such covenants, reservations and restrictions touch and concern the Project and Land by (1) enhancing and increasing the enjoyment and use of the Project and the Land by the tenants contemplated under this Agreement, (2) by furthering the public purposes for which the Project was developed as a housing project pursuant to the Act and, (3) during the term of this Agreement under which the Owner, Project and Land are subject to Agency covenants, reservations and restrictions, by furthering the public purposes for which the First Mortgage Loan, Second Mortgage Loan and Third Mortgage Loan were made and prepayment was approved. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project and Land. Except when expressly terminated in Section 3, C the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and shall pass to and be binding upon the Owner's assigns and successors in title to the Land and/or Project. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or the Land or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Project or Land are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project and Land.

Section 5. Uniformity; Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Land and to the entire Project.

Section 6. Defaults. Each of the following shall be an Event of Default:

- (a) Failure by the Owner to pay to the Agency the servicing fee required pursuant to Section 3C5 of this Agreement, and in such event, interest shall accrue on any payment made beyond its due date at the then current rate being received by the Agency on its investments as determined in good faith by the Agency.
- (b) Commission by the Owner of any act prohibited by the terms of this Agreement, or failure by the Owner to perform or observe in timely fashion any action or covenant required by any of the terms of this Agreement, or failure by the Owner to produce satisfactory evidence of compliance therewith.
- (c) Any breach by the Owner of its obligations or any failure to observe its covenants under this Agreement.

Any events as set forth in subsections (b) and (c) of this Agreement shall not be deemed an Event of Default hereunder unless such failure to perform or observe, or breach has not been corrected within a period of 30 days following written notice provided to the Owner by the Agency provided however that if the prohibited act or failure stated in each notice is correctable, but cannot be corrected within the 30 day period, the Agency may consent to an extension of up to 120 days from the delivery of the written notice referred to herein if corrective action is instituted by the Owner within the initial 30 day period and is diligently pursued. Such consent shall not be

unreasonably withheld. It is further agreed that the Owner's new lender, Wachovia Multifamily Capital, Inc. and/or Fannie Mae, or their successors or assigns as designated in accordance with Section 10 of this Agreement (collectively, the "New Lender"), shall be provided a copy of each notice sent to the Owner in accordance herewith and shall be entitled to cure such act or failure within ninety (90) calendar days, which cure period may be extended on the same basis as the cure period provided to the Owner as set forth hereinabove, said time frame(s) to run from delivery of written notice to the New Lender.

Section 7. Expenses Due to Default. All expenses (including reasonable attorney's fees and costs and allowances) incurred in connection with an action to remedy a default under this Agreement, including the curing of any Event of Default, shall be paid by the Owner, together with interest at the then current rate being received by the Agency on its investments as determined in good faith by the Agency whether or not an action or proceeding is instituted.

Section 8. Remedies. Upon the occurrence of any Event of Default, the Agency may at its option take any one or more of the following actions or remedies and no failure to exercise any remedy or take any action enumerated shall constitute a waiver of such right or preclude a subsequent exercise by the Agency of any such remedy:

- (a) Sue the Owner for a mandatory injunction or other equitable relief requiring performance by the Owner of any of its obligations under this Agreement. The Owner agrees that the remedy at law for the violation or nonperformance of the Owner's obligations under this Agreement is not adequate by reason, among other things, of the public purpose to maintain affordable rental units for families of low or moderate income;
- (b) Appoint such person or persons whom the Agency in its sole discretion deems advisable, including officers or employees of the Agency to perform the functions of the managing agent or the Owner with respect to performance of the Covenants set forth in Section 3 of this Agreement, or to control those aspects of project operations necessary to cure violations of such Covenants. Such appointment by the Agency shall be for the duration provided in Section 7(b)(6) of the Act and any person so appointed shall be entitled to the same immunities and compensation as provided in the Act;
- (c) Notwithstanding the above enumeration of remedies, the Agency shall have available to it all other remedies provided at law or in equity or any other action permitted by law.

Section 9. Enforceability; Waiver. The provisions hereof are imposed upon and made applicable to the Land and the Project and shall run with the Land and the Project and shall be enforceable against the Owner or any other person or entity that has or had an ownership interest in the Land or the Project at the time of such violation or attempted violation. No delay in enforcing

the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any time or times.

No waiver by the Agency in any particular instance of any Event of Default or required performance by the Owner and no course of conduct of the parties or failure by the Agency to enforce or insist upon performance of any of the obligations of the Owner under this Agreement, at any time shall preclude enforcement of any of the terms of this Agreement thereafter.

Section 10. Amendments; Notices. This Agreement may be amended only by an instrument in writing executed and acknowledged on behalf of the Agency and the Owner in such manner that the instrument may be recorded.

Any provisions of this Agreement or the regulations referenced herein requiring the consent or approval of the Agency for the taking of any action or the omission of any action requires such consent by the Agency in writing signed by a duly authorized officer of the Agency. Any such consent or approval, unless it expressly states otherwise, is limited to the particular action or omission referred to therein and does not apply to subsequent similar actions or omissions.

Notice provided for under this Agreement shall be given in writing signed by a duly authorized officer and any notice required to be given hereunder shall be given by recognized private carrier with acknowledgment or confirmed by telecopier or by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto.

**Agency: Executive Director
New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue, P.O. Box 18550
Trenton, New Jersey 08650-2085**

**Owner: Minnisink Village Urban Renewal Associates, LLC
88 Mountainwood Road
Stamford, CT 06903**

From the date hereof until the indebtedness secured by the New Lender loan has been paid in full, copies of all notices to the Owner shall also be given to:

**Wachovia Multifamily Capital, Inc.
7255 Woodmont Avenue
Suite 200
Bethesda, MD 20814**

All notices shall be deemed given when receipt is acknowledged or confirmed by telecopier or by certified or registered mail return receipt received.

Section 11. Severability. The invalidity of any part or provision hereof shall not affect the validity, legality and enforceability of the remaining portions hereof, and to this end the provisions of this Agreement shall be severable.

Section 12. Successors and Assigns. This Agreement and all rights, duties, obligations and interests arising hereunder shall bind and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, successors in title, grantees in title, and permitted assigns.

Section 13. Claims and Indemnification.

A) It is mutually agreed by the Owner and Agency that the Agency and their directors, officers, agents, servants and employees shall not be liable for any action performed under this Agreement, and that the Owner shall hold them harmless from any claim or suit of whatever nature arising here from.

B) Any claims asserted against the Agency shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq. (except for N.J.S.A. 59:13-9 thereof). While this statute is not applicable by its terms to claims arising under contracts with the Agency, the Owner agrees that it shall be applicable to claims arising under this Agreement. It is acknowledged by the parties that the Agency is a public entity covered by the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

Section 14. Filing. This Agreement shall be duly recorded in the Office of the Register/County Clerk of Monmouth County, New Jersey immediately following its execution.

Section 15. Conflict. Owner acknowledges that the Agency expresses no opinion with regard to the Owner's formation documents or any of the loan documents or other documents in connection with the Owner's prepayment/refinancing of the First Mortgage Loan, Second Mortgage Loan and Third Mortgage Loan. The Agency's receipt and/or review of any the aforementioned documents is done solely in its capacity under the Act to ensure that the Land and Project will continue to be maintained for occupancy by low and/or moderate income tenants. In the event of any conflict between the terms of this Agreement and the terms of any of the aforementioned documents, the terms of this Agreement shall govern.

Section 16. Governing Law. This Agreement shall be governed by the laws of the State of New Jersey. The parties agree that any cause of action that may arise under this Agreement shall have jurisdiction and venue only in the Courts of the State of New Jersey in and for the County of Mercer.


Section 17. **Fannie Mae Rider.** The provisions of the Fannie Mae Rider attached hereto as Exhibit A are hereby incorporated into this Agreement and shall be in full force and effect and to the extent of any conflict with any provisions hereof, the Fannie Mae Rider shall control.

IN WITNESS WHEREOF, this Deed Restriction and Regulatory Agreement has been duly executed by the Owner and Agency on the date set forth above, and by signing below the Owner hereby acknowledges that it has received a true copy of this Agreement without charge.

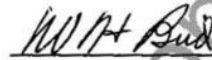
WITNESS/ATTEST:

OWNER:

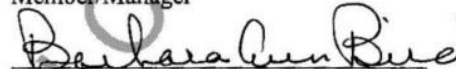
MINNISINK VILLAGE URBAN RENEWAL
ASSOCIATES, LLC


Christopher Turdo

By:


William H. Bird
Member/Manager

By:


Barbara Ann Bird
Member/Manager

NEW JERSEY HOUSING AND MORTGAGE
FINANCE AGENCY

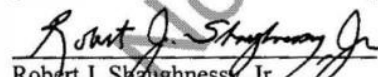

Doreen D. Applegate
Assistant Secretary

By:


Leslie S. Lefkowitz
Chief of Regulatory Affairs

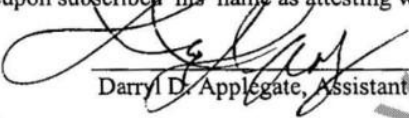
This Agreement has been reviewed
and approved as to form.
Attorney General of the State of New Jersey

By:


Robert J. Shaughnessy, Jr.
Deputy Attorney General

STATE OF NEW JERSEY, COUNTY OF MERCER SS:

I CERTIFY that on this 30th day of January, 2007, Darryl D. Applegate personally appeared before me, and being by me duly sworn on his oath, acknowledged and made proof to my satisfaction, that he is the Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, the Agency named in this Instrument, that Leslie S. Lefkowitz is the Chief of Regulatory Affairs of the Agency, that the execution, as well as the making of this Instrument, has been duly authorized by a proper resolution of the members of said Agency; and this Instrument was signed and delivered by the Chief of Regulatory Affairs as and for the voluntary act and deed of the Agency, in the presence of deponent, who thereupon subscribed his name as attesting witness.


Darryl D. Applegate, Assistant Secretary

Sworn to and subscribed before me,
this 30th day of January, 2007.



Notary Public of New Jersey
My Commission Expires:

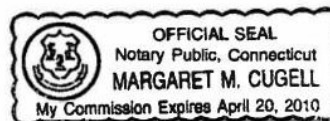
Melinda J. Sciarrotta
A Notary Public of New Jersey
My Commission Expires 3/24/2009

STATE OF Connecticut
COUNTY OF Fairfield SS: Stamford

I CERTIFY that on this 25th day of January, 2007, before me, personally appeared William H. Bird and Barbara Ann Bird, who, being by me duly sworn on their oath, acknowledges and makes proof to my satisfaction, (a) that they are the Members/Managers of Minnisink Village Urban Renewal Associates, LLC, (b) that this document was signed and delivered by them as the Members/Managers of Minnisink Village Urban Renewal Associates, LLC. It is a voluntary act as the Members/Managers of Minnisink Village Urban Renewal Associates, LLC and as duly authorized by a proper Resolution of said limited liability company.

Sworn to and subscribed before me,
this 25th day of January, 2007.


Notary Public



FANNIE MAE RIDER

**FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT
MINNISINK VILLAGE, HMFA #509**

THIS FANNIE MAE RIDER TO FINANCING, DEED RESTRICTION AND REGULATORY AGREEMENT ("Amendment") is executed as of January 30, 2007 is attached to and forms a part of the Financing, Deed Restriction and Regulatory Agreement, NJHMFA #509 (the "Regulatory Agreement"), dated as of January 30, 2007, by and between **MINNISINK VILLAGE URBAN RENEWAL ASSOCIATES, LLC**, a New Jersey limited liability company ("Owner"), its successors and assigns, and the **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY** ("Agency").

1. **Definitions.** All capitalized terms used in this Rider have the meanings given to those terms in the Regulatory Agreement.
2. **Applicability.** This Amendment shall amend and supplement the Regulatory Agreement. In the event any provision of this Rider conflicts with the Regulatory Agreement, the Rider shall supersede the conflicting provision of the Agreement. This Rider shall apply in spite of the fact that the covenants, reservations and restrictions of the Regulatory Agreement run with the land and shall be deemed applicable to any successor in interest to the Owner.
3. **Obligations not Secured by the Land and Project.** The payment and performance obligations of the Owner and any subsequent owner of the Land and Project under the Regulatory Agreement shall not be secured by or constitute a security interest in the Land or Project. The occurrence of an event of default under the Regulatory Agreement shall not defeat or render invalid the lien of the Multifamily Mortgage, Assignment of Rents and Security Agreement executed by the Owner for the benefit of Wachovia Multifamily Capital, Inc. ("Wachovia"), dated as of January 30, 2007 ("Fannie Mae Security Instrument").
4. **Obligations Personal.** The Agency agrees that no owner of the Land and Project (including Wachovia and/or Fannie Mae) subsequent to the Owner will be liable for, assume or take title to the Land and Project subject to:
 - (a) any failure of any prior owner of the Land and Project to perform or observe any representation or warranty, affirmative or negative covenant or other agreement or undertaking under the Regulatory Agreement; and
 - (b) the payment of any compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by any prior owner of the Land and Project under the Regulatory Agreement.

The Owner and each subsequent owner of the Land and Project shall be responsible under the Regulatory Agreement only for its own acts and omissions occurring during the period of its ownership of the Land and Project. All such liability and obligations shall be and remain personal to such person even after such person ceases to be the owner of the Land and Project.

5. **Foreclosure/Deed in Lieu of Foreclosure.** All provisions related to the sale or transfer of the Land and Project which require the consent of the Agency or transfer agreements, compliance with Agency transferee criteria and requirements, opinion requirements, assumption fees, transfer fees, shall not apply to any transfer of title to the Land and Project to Wachovia, Fannie Mae and/or a nominee thereof by

foreclosure or deed in lieu of foreclosure or to any third party purchaser from Wachovia, Fannie Mae and/or a nominee thereof at or subsequent to foreclosure or deed in lieu of foreclosure. Nothing contained in the Regulatory Agreement shall affect any provision of the Fannie Mae Security Instrument or any of the other Loan Documents (as defined in the Fannie Mae Security Instrument) which requires the Owner to obtain the consent of Wachovia or Fannie Mae as a precondition to sale, transfer or other disposition of, or any direct or indirect interest in, the Land and Project or of any direct or indirect interest in the Owner. No covenant obligating the Owner to obtain an agreement from any transferee to abide by all requirements and restrictions of the Regulatory Agreement shall apply to a transfer to Wachovia, Fannie Mae and/or a nominee thereof upon foreclosure or deed in lieu of foreclosure.

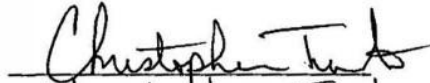
6. **Damage, Destruction or Condemnation of the Land and Project.** In the event that the Land and Project are damaged or destroyed or title to the Land and Project, or any part thereof, is taken through the exercise or the threat of the exercise of the power of eminent domain, the Owner shall comply with all applicable requirements of the Fannie Mae Security Instrument and the applicable requirements of the Fannie Mae Security Instrument shall control over any conflicting provision of the Regulatory Agreement. In furtherance, and not in limitation of the foregoing, Fannie Mae shall have the sole right to determine, in accordance with the standards set forth in the Fannie Mae Security Instrument, whether insurance or condemnation proceeds are to be applied to restore the Project (and to approve the plans and specifications in connection with any such restoration) or to prepay indebtedness.
7. **Regulatory Agreement Default.** Notwithstanding anything contained in the Regulatory Agreement to the contrary:
 - a. The occurrence of an Event of Default under the Regulatory Agreement shall not defeat or render invalid the lien of the Fannie Mae Security Instrument.
 - b. The occurrence of an Event of Default under the Regulatory Agreement shall not be or be deemed to be a default under the Loan Documents, except as may be otherwise specified in the Loan Documents.
7. **Assumption of Management Powers upon Regulatory Agreement Default.** The Agency and Owner agree that upon an occurrence of an Event of Default under the Regulatory Agreement to which N.J.S.A. 55:14K-7(b)(6) applies, and until **February 1, 2037**, any assumption of any management and operation of the Project shall be performed by a third-party qualified independent property manager licensed in the State of New Jersey."

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered by the Owner and the Agency as of the date first set forth above.


WITNESS/ATTEST:

OWNER:

**MINNISINK VILLAGE URBAN RENEWAL
ASSOCIATES, LLC**



Christopher Turdo

By: 
William H. Bird
Member/Manager

By: 
Barbara Ann Bird
Member/Manager

**NEW JERSEY HOUSING AND MORTGAGE
FINANCE AGENCY**


Darryl D. Applegate
Assistant Secretary

By: 
Leslie S. Lefkowitz
Chief of Regulatory Affairs

CLARE FRENCH, CITY CLK
MONMOUTH COUNTY, NJ
INSTRUMENT NUMBER
2007018416
RECORDED ON
Feb 07, 2007
10:29:54 AM
BOOK: 08-8629
PAGE: 510
Total Pages: 13
COUNTY RECORDING \$150.00
FEES
TOTAL PAID \$150.00

SCHEDULE
LEGAL DESCRIPTION

ALL that certain lot, parcel or tract of land, situate and lying in the Borough of Matawan, County of Monmouth, State of New Jersey, and being more particularly described as follows:

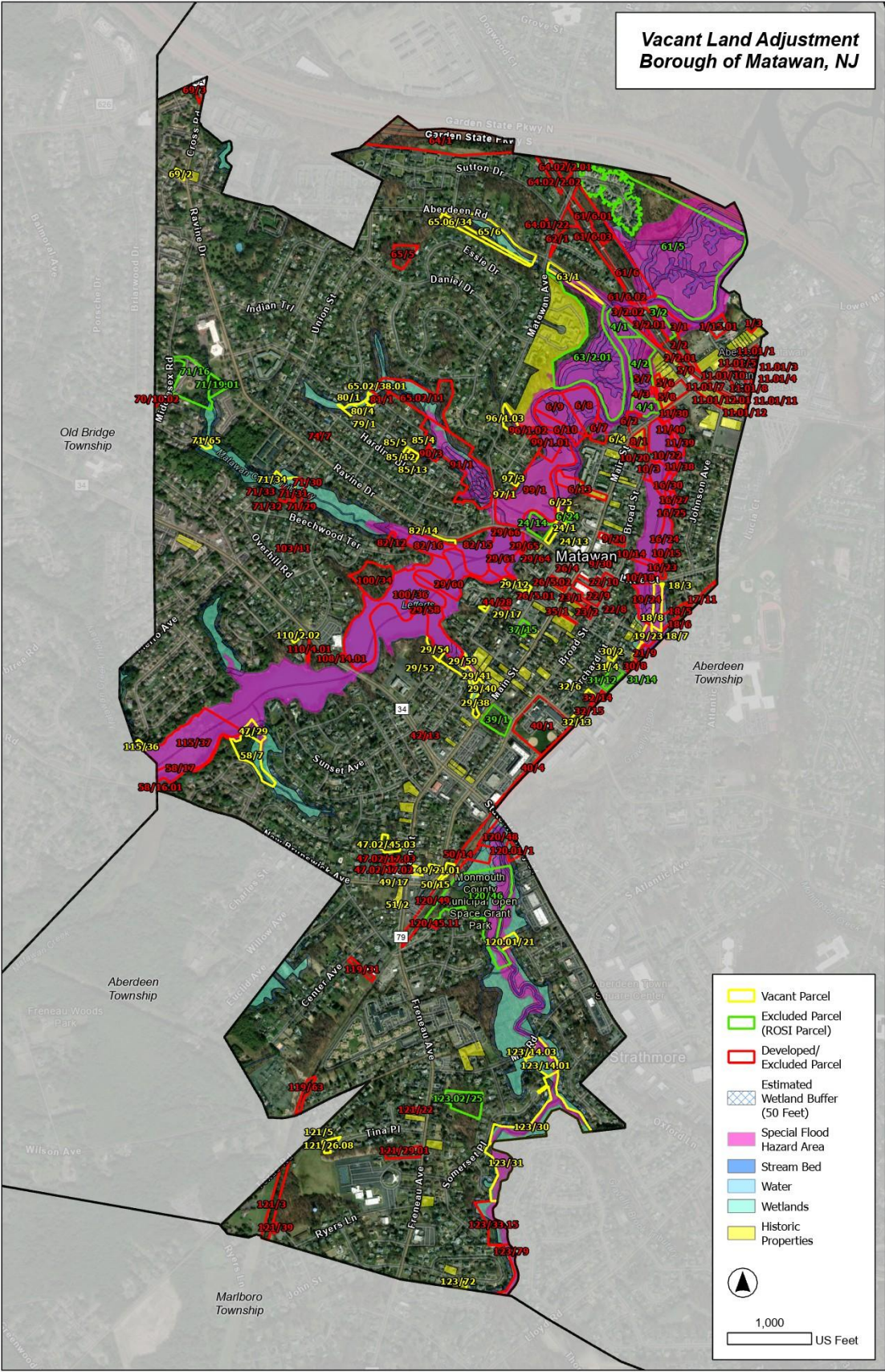
BEGINNING at an iron pin (set) in the westerly line of Freneau Avenue (New Jersey State Highway Route 79) (66 foot right-of-way) corner to Lot 44 (Lands now or formerly of Louis J. Aiese) and being distant 283.33 feet northerly from the intersection of the northerly line of Wilson Avenue (38 foot right-of-way) with the said westerly line of Freneau Avenue, said point also being distant 145.63 feet on a course of North 06 degrees 17 minutes 00 seconds West from the northerly line of lands now or formerly of Erwin Augenstein, and runs; thence

- (1) Along the northerly line of Lot 44, South 77 degrees 24 minutes 00 seconds West, a distance of 298.55 feet to an iron pin (set) corner to same; thence
- (2) Along the westerly line of Lot 44, South 12 degrees 36 minutes 00 seconds East, a distance of 144.74 feet to an iron pin (set) in the rear line of lots fronting Wilson Avenue; thence
- (3) Along said rear line, South 77 degrees 24 minutes 00 seconds West, a distance of 604.34 feet to an iron pin (set) in the easterly line of Lot 57 (lands now or formerly of Bernard P. & Coleen W. Calanni); thence
- (4) Along the easterly line of Lot 57, North 10 degrees 40 minutes 14 seconds West, a distance of 144.82 feet to an iron pin (set) corner to same; thence
- (5) Along Lot 57 and the rear line of lots fronting Wilson Avenue, South 77 degrees 24 minutes 00 seconds West, a distance of 471.62 feet to an iron pin (set) in the southeasterly line of Lot 63 (lands now or formerly of New Jersey Transit-Property Management); thence
- (6) Along the southeasterly line of Lot 63, northeasterly, on a curve to the right having a radius of 2839.90 feet, an arc length of 408.81 feet, a chord bearing North 41 degrees 43 minutes 34 seconds East and a chord distance of 408.46 feet to an iron pin (set) marking a point of tangency in same; thence
- (7) Still along same, North 45 degrees 51 minutes 00 seconds East, a distance of 615.32 feet to an iron pin (set) corner to Lot 39.02 (lands now or formerly of Atrium at Matawan Realty, L.L.C.); thence
- (8) Along the westerly line of Lot 39.02, South 03 degrees 47 minutes 50 seconds East, a distance of 198.77 feet to an iron pin (found) corner to same; thence
- (9) Still along the westerly line of Lot 39.02 and along Lot 41 (lands now or formerly of Atrium at Matawan Realty, L.L.C.), South 12 degrees 36 minutes 00 seconds East, a distance of 240.00 feet to an iron pin (found) corner to Lot 41; thence
- (10) Along the southerly line of Lot 41, North 77 degrees 24 minutes 00 seconds East, a distance of 557.57 feet to a drill hole (found) in the westerly line of Freneau Avenue; thence
- (11) Along the westerly line of Freneau Avenue, South 06 degrees 17 minutes 00 seconds East, a distance of 124.50 feet to the point and place of BEGINNING.; thence

FOR INFORMATIONAL PURPOSES ONLY: Also known as Lot 42 in Block 119 on the Borough of Matawan Tax Map.

The above description is drawn in accordance with a survey made by Harris Surveying, Inc., dated November 30, 2006.

Appendix B: Vacant Land Adjustment Documentation



DRAFT Vacant Land Adjustment Matawan Brough, Monmouth County, New Jersey June 6, 2025														
BLOCK	LOT	LOCATION	PROPERTY CLASS	OWNER	TRAIN STATION REDEVELOPMENT AREA	RSI	VACANT	TOTAL ACRES	ENCUMBERED ACRES	NET ACRES	ADJACENT CODE	ASSUMED DENSITY	TOTAL YIELD	RSR (6 Units)
79	1	FOREST AVE	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.33	0.33	0.02	A	8.00		
80	1	CONNA AVE	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.37	0.34	0.03	A	8.00	0.44	-
80	4	CONNA AVE	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.28	0.25	0.03	A	8.00		
85	4	FOREST AVE	State 1 - Vacant Land	ROSEB, DONL & LEO		YES		0.33	0.33	0.13	C	8.00		
85	12	MARSHING BLVD	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.03	0.03	0.02	C	8.00		
85	13	MARSHING	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.03	0.03	0.03	C	8.00	3.27	-
86	1	FOREST AVE	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.37	0.36	0.01	A	8.00		
133	30	CONQUEST PL	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.36	0.36	0.09	D	8.00	0.91	-
133	31	CONQUEST PL	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		2.26	2.13	0.02	D	8.00	8.34	1.05
147	29	LAKE LEFTBETS	State 1 - Vacant Land	UNKNOWN		YES		0.43	0.71	0.09	E	8.00		
148	7	MORRISON DR	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		2.38	1.60	0.94	F	8.00		
148	10	WINDA RECONSTRUCTION	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.33	0.30	0.03	F	8.00	6.03	1.21
149	40	MOORE ST	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		2.07	0.75	0.28	F	8.00		
149	52	MCOWIE ST	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.33	0.33	0.09	F	8.00		
149	11	SPRING ST	State 1 - Vacant Land	CAVEY, JOSEPH T. & ROSA A.		YES		0.30	0.09	0.09	H	8.00	3.73	-
149	12	SPRING ST	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.42	0.38	0.04	H	8.00		
49	38	122 MINN ST	State 1 - Vacant Land	MULLANNEY HOLDINGS LOT 18, LLC		YES		0.33	-	0.33	I	8.00	2.47	-
49	37	122 MINN ST	State 1 - Vacant Land	MULLANNEY HOLDINGS LOT 18, LLC		YES		0.33	-	0.33	I	8.00		
14	1	ROBERTSON	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.33	0.30	0.33	J	8.00	1.07	-
14	13	110 E. BAYVIEW DR	State 1 - Vacant Land	PARISH MANAGEMENT, LLC		YES		0.33	0.33	0.33	J	8.00		
63	6	ROBERTSON RD	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.03	1.12	0.89	K	8.00	15.21	3.05
63	104	MATAWAN AVE	State 1 - Vacant Land	STEELE, MICHAEL		YES		1.50	0.48	1.02	K	8.00		
148	17	ROBERTSON ST	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.38	-	0.38		8.00	0.07	-
138	2,02	TECHWOOD RD	State 1 - Vacant Land	VALMAN, RONALD		YES		0.38	-	0.38		8.00	2.38	-
148	1,03	MATAWAN AVE	State 1 - Vacant Land	STEELE, MICHAEL P. & KRISTINA M.		YES		0.40	0.14	0.16		8.00	4.32	-
148	1,23	MATAWAN AVE	State 1 - Vacant Land	UNKNOWN		YES		0.48	0.48			8.00		-
148	3	STEELE ST	State 15C - Public Property	COUNTY OF MONMOUTH VACANT LAND		YES		0.03	0.03	-		8.00		-
148	1	100 MATAWAN	State 1 - Vacant Land	UNKNOWN		YES		0.38	0.38	-		8.00		-
87	1	WINDLAND AVE	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.09	0.07	0.02		8.00	0.13	-
41,02	45,02	11000000 PL	State 1 - Vacant Land	DELVESTEIN, ROBERT & TARA		YES		0.33	-	0.33		8.00	4.33	-
61,02	10,02	WALK OF CHERRYHILL	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.38	0.38			8.00		-
6	4	100 MAIN ST	State 1 - Vacant Land	VALLEY, BRIAN J.		YES		0.35	0.35			8.00	2.02	-
6	10	ROBERTSON RD	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.46	0.23	0.23		8.00	1.48	-
21	6	100 CENTER ST	State 15C - Public Property	BOCOf MATAWAN ADMINISTRATIVE BLDG		YES		0.38	0.14	0.04		8.00	0.36	-
61	4	11000000 PL	State 1 - Vacant Land	UNKNOWN		YES		0.37	-	0.37		8.00	0.44	-
148	8	100 MATAWAN	State 1 - Vacant Land	UNKNOWN		YES		0.38	1.38	0.07		8.00		-
120,01	21	ROBERTSON CT	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.44	0.44	-		8.00		-
148	43	MAIN ST BEAR	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.38	0.38	-		8.00		-
148	59	LAKE LEFTBETS	State 1 - Vacant Land	UNKNOWN		YES		0.37	0.37			8.00		-
148	1	TECHWOOD ST	State 1 - Vacant Land	CATHERINE ASSOCIATION		YES		0.38	0.38			8.00	1.07	-
32	13	FAIRVIEW ST	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.33	0.30	0.23		8.00	1.42	-
148	2	114 CROSS RD	State 15C - Public Property	COUNTY OF MONMOUTH HOUSE		YES		0.38	0.38	0.20		8.00	2.06	-
133	14,01	WIND RD	State 1 - Vacant Land	CHRYSLER, DAN		YES		1.07	2.07			8.00		-
133	14,02	WIND RD	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.33	0.30			8.00		-
32	6	11000000 PL	State 1 - Vacant Land	POHMAN, KENNETH & BETTIE		YES		0.33	0.33	0.15		8.00	1.23	-
13	63	MATAWAN GREEN LN	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.33	0.30	0.05		8.00	0.43	-
14	14	WINDWOOD TRAIL	State 1 - Vacant Land	WINDWOOD, FREEDMAN, H. JR.		YES		0.33	0.33			8.00		-
133	14,03	WIND RD	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.47	-	0.47		8.00	1.73	-
49	13,03	100 BROAD ST	State 1 - Vacant Land	MULLANNEY HOLDINGS LOT 18, LLC		YES		0.48	-	0.48		8.00	1.45	-
148	15	ROBERTSON ST	State 1 - Vacant Land	AMERICAN BANCORP REALTY, LLC		YES		0.49	-	0.49		8.00	1.17	-
14	2	MAIN ST	State 1 - Vacant Land	AMSTAR ENTERPRISES, LLC		YES		0.14	0.14	0.09		8.00	0.30	-
133	1	TECHWOOD	State 1 - Vacant Land	WINDWOOD, FREEDMAN, H. JR.		YES		0.33	0.33			8.00	0.36	-
148	1	11 ARDEN RD	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		1.13	1.13	0.00		8.00	0.05	-
87	14	FAIRVIEW DR	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.48	0.25	0.43		8.00	1.44	-
148	3	WINDLAND AVE	State 1 - Vacant Land	WINDWOOD, FREEDMAN, H. JR. & SON		YES		0.48	0.14			8.00	1.73	-
133	73	PORT DR	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		YES		0.38	0.38			8.00		-
133	106	MARSHING DR	State 1 - Vacant Land	BARTY, JAMES E. & BETTIE L. BARTY		YES		0.33	0.20	0.06		8.00	0.38	-
148	33	JACKSON ST	State 15C - Public Property	BOCOf MATAWAN PLAYGROUND		NO	NO	0.42	-	0.42				-
81	5	MATAWAN AVE BEAR	State 15C - Public Property	BOCOf MATAWAN BALL FIELD		NO	NO	26.46	0.78					-
148	1	WIND RD	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		NO	NO	1.37	0.35	1.06				-
14	14	ROBERTSON LN	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		NO	NO	4.13	1.45					-
6	14	ROBERTSON & CLINTON	State 15C - Public Property	BOCOf MATAWAN RECREATION CENTER		NO	NO	0.73	0.73					-
148	1,02	ROBERTSON RD	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		NO	NO	14.42	11.50	2.52				-
133,02	25	PREMISE AVE	State 15C - Public Property	BOCOf MATAWAN VACANT LAND		NO	NO	0.38	-	0.38				-
71	18	124 LIZ MIDDLEBURY RD	State 15C - Public Property	BOCOf MATAWAN FILTERING PLANT		NO	NO	4.13	0.38	3.85				-

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	RSF (6.0/ACR)
71	10.00	RAVINE DR REAR	Shall. 1SC - Public Property	BORO OF MATAWAN VACANT LAND		NO	NO	0.87	0.14	0.73				
139	46	WILLOW LANE	Shall. 1SC - Public Property	BORO OF MATAWAN WATER CENTER		NO	NO	11.49	7.98	3.51				
139	48	WILLOW LANE	Shall. 1SC - Public Property	N/ TRANSIT PROPERTY MANAGEMENT		NO	NO	0.11						
96	1.00	MATAWAN AVE	Shall. 1SC - Public Property	BORO OF MATAWAN VACANT LAND		NO	NO	0.42	0.28	0.14				
18	5	POWERS AVE	Shall. 1 - Vacant Land	CHERRY ASSOCIATES, LLC		NO	NO	0.93	0.93	0.00				
58	10.00	NEW BRUNSWICK AVE	Shall. 1SC - Public Property	BORO OF MATAWAN VACANT LAND		NO	NO	0.09		0.09				
61.00	1.00	MATAWAN AVE REAR	Shall. 1SC - Public Property	RT & LE RAILROAD		NO	NO	1.17		1.17				
61	8	MATAWAN CREEK	Shall. 1SC - Public Property	RT & LE RAILROAD		NO	NO	4.59	1.70	2.89				
61	6.00	MATAWAN AVE	Shall. 1SC - Public Property	RT & LE RAILROAD		NO	NO	2.34	0.05	2.29				
61	1	MAIN ST	Shall. 1SC - Public Property	BORO OF MATAWAN VACANT LAND		NO	NO	0.11		0.11				
40	1.00	BRIDGE & CAUTION	Shall. 1SC - Public Property	BORO OF MATAWAN RECREATION CENTER		NO	NO	0.13		0.13				
1	15.00	PUBLIC WORKS DR	Shall. 1SC - Public Property	BORO OF MATAWAN TOW LARGUE	TRAIN STATION REDEVELOPMENT AREA	NO	NO	0.93	0.18	0.75				
3	2.00	MAIN ST	Shall. 1SC - Public Property	N/ TRANSIT PROPERTY MANAGEMENT	TRAIN STATION REDEVELOPMENT AREA	NO	NO	1.25	0.02	1.23				
5	7	MAIN ST	Shall. 1 - Vacant Land	KCL CHERRY ASSOCIATES, LLC	TRAIN STATION REDEVELOPMENT AREA	NO	NO	0.12		0.12				
5	7	MAIN ST	Shall. 1 - Vacant Land	KCL CHERRY ASSOCIATES, LLC	TRAIN STATION REDEVELOPMENT AREA	NO	NO	0.49	0.49					
5	8	14 MAIN ST	Shall. 1 - Vacant Land	KCL CHERRY ASSOCIATES, LLC	TRAIN STATION REDEVELOPMENT AREA	NO	NO	0.40	0.40					
6	13	14 MAIN ST	Shall. 1SC - Public Property	BORO OF MATAWAN HISTORIC SITE		NO	NO	1.48	1.48					
8	1	MAIN & BROAD STS	Shall. 1SC - Public Property	BORO OF MATAWAN ADJUNCTMENT		NO	NO	0.09	0.09					
9	10	115 MAIN ST	Shall. 1 - Vacant Land	PROPERTY OF POLYMERUS, INC		NO	NO	0.47		0.47				
11.00	8	17 ATLANTIC AVE	Shall. 1SC - Public Property	N/ TRANSIT PROPERTY MANAGEMENT	TRAIN STATION REDEVELOPMENT AREA	NO	NO	0.21		0.21				
11.00	10	MAIN ST	Shall. 1SC - Public Property	N/ TRANSIT PROPERTY MANAGEMENT	TRAIN STATION REDEVELOPMENT AREA	NO	NO	0.21		0.21				
11.00	11	ATLANTIC AVE	Shall. 1SC - Public Property	N/ TRANSIT PROPERTY MANAGEMENT	TRAIN STATION REDEVELOPMENT AREA	NO	NO	0.18		0.18				
11.00	1	MAIN & ATLANTIC	Shall. 1SC - Public Property	N/ TRANSIT PROPERTY MANAGEMENT	TRAIN STATION REDEVELOPMENT AREA	NO	NO	0.44		0.44				
11.00	2	MAIN ST	Shall. 1SC - Public Property	NEW JERSEY TRANSIT CORP	TRAIN STATION REDEVELOPMENT AREA	NO	NO	0.18		0.18				
11.00	3	17 ATLANTIC AVE	Shall. 1SC - Public Property	NEW JERSEY TRANSIT CORP	TRAIN STATION REDEVELOPMENT AREA	NO	NO	0.15		0.15				
11.00	4	11 MAIN ST	Shall. 1SC - Public Property	N/ TRANSIT PROPERTY MANAGEMENT	TRAIN STATION REDEVELOPMENT AREA	NO	NO	0.43		0.43				
11.00	5	11 MAIN ST	Shall. 1SC - Public Property	N/ TRANSIT PROPERTY MANAGEMENT	TRAIN STATION REDEVELOPMENT AREA	NO	NO	0.05		0.05				
11.00	6	11 MAIN ST	Shall. 1SC - Public Property	N/ TRANSIT PROPERTY MANAGEMENT	TRAIN STATION REDEVELOPMENT AREA	NO	NO	0.11		0.11				
11.00	7	MAIN ST	Shall. 1SC - Public Property	N/ TRANSIT PROPERTY MANAGEMENT	TRAIN STATION REDEVELOPMENT AREA	NO	NO	1.18		1.18				
22	4	MAIN ST	Shall. 1SC - Public Property	US GOV POST OFFICE		NO	NO	0.12		0.12				
22	5	115 MAIN ST	Shall. 1SC - Public Property	US GOV POST OFFICE		NO	NO	0.15		0.15				
22	8	BROAD & PARK AVE	Shall. 1SC - Public Property	US GOV POST OFFICE		NO	NO	0.31		0.31				
22	9	BROAD ST	Shall. 1SC - Public Property	US GOV POST OFFICE		NO	NO	0.19		0.19				
22	10	17 ATLANTIC AVE	Shall. 1SC - Public Property	BORO OF MATAWAN PARKING LOT		NO	NO	0.63		0.63				
11.00	12	MAIN ST	Shall. 1SC - Public Property	N/ TRANSIT PROPERTY MANAGEMENT	TRAIN STATION REDEVELOPMENT AREA	NO	NO	0.17	0.17					
11.00	13.00	MAIN ST	Shall. 1SC - Public Property	N/ TRANSIT PROPERTY MANAGEMENT	TRAIN STATION REDEVELOPMENT AREA	NO	NO	1.59	1.59					
23	1	MAIN & PARK AVE	Shall. 1SC - Public Property	MATAWAN ABBEYEN PUBLIC LIBRARY		NO	NO	0.39		0.39				
24	2	BROAD ST	Shall. 1SC - Public Property	BORO OF MATAWAN LIBRARY PREM		NO	NO	0.17		0.17				
26	4	115 MAIN ST	Shall. 1SC - Public Property	BORO OF MATAWAN ADMINISTRATIVE BLDG		NO	NO	0.34		0.34				
26	6.00	115 MAIN ST	Shall. 1SC - Public Property	BORO OF MATAWAN VACANT LAND		NO	NO	0.11		0.11				
13	14	115 CLINTON ST	Shall. 1SC - Public Property	BORO OF MATAWAN TAX DEPARTMENT BLDG		NO	NO	0.11		0.11				
103	13	RODNEYFIELD RD	Shall. 1 - Vacant Land	SPICHA, ADAM & ANN		NO	NO	0.05	0.18	0.03				
8	2.00	RODNEY RD	Shall. 1SC - Public Property	N/ TRANSIT PROPERTY MANAGEMENT	TRAIN STATION REDEVELOPMENT AREA	NO	NO	1.05	1.07					
8	7	115 MAIN ST	Shall. 1SC - Public Property	BORO OF MATAWAN PUMPING STATION		NO	NO	0.99	0.61	0.38				
10	14	RODNEY RD	Shall. 1SC - Public Property	BORO OF MATAWAN VACANT LAND		NO	NO	0.05	0.05					
36	5.00	JACKSON ST	Shall. 1SC - Public Property	BORO OF MATAWAN PK LOT OIL TANK		NO	NO	0.12		0.12				
133	22	WILLOW AVE	Shall. 1SC - Public Property	BORO OF MATAWAN VACANT LAND		NO	NO	0.11		0.11				
40.00	10	MAIN ST	Shall. 1 - Vacant Land	COAK, LARRY L & BEILA E		NO	NO	0.09		0.09				
74	WILLOW LANE AVE	Shall. 1 - Vacant Land	CHLA, VINCENT & JAMES		NO	NO	NO	0.07		0.07				
139	46.11	WILLOW AVE	Shall. 1SC - Public Property	BORO OF MATAWAN VACANT LAND		NO	NO	0.17		0.17				
139.00	8	WILLOW DR	Shall. 1 - Vacant Land	WHITE REALTY CORP N/ SPEEDWAY LLC		NO	NO	0.03	0.07	0.06				
133	20.00	WILLOW AVE	Shall. 1 - Vacant Land	WHITE REALTY CORP/LLC		NO	NO	1.06		1.06				
64	1	MATAWAN AVE REAR	Shall. 1SC - Public Property	STATE OF NJ HIGHWAY AUTHORITY		NO	NO	9.88	0.10	9.78				
70	10.00	RODNEYFIELD RD	Shall. 1 - Vacant Land	GEN. PARADISE		NO	NO	0.10		0.10				
69	3	POWERS AVE	Shall. 1SC - Public Property	COUNTY OF MONMOUTH		NO	NO	0.16		0.16				
133	4.00	POWERS DR	Shall. 1 - Vacant Land	UNKNOWN		EXCLUDE (OWNER)		0.11	0.01	0.09				
40	13	N. HIGHWAY 34	Shall. 1 - Vacant Land	PROPERTY PROPERTY TWO, LLC		EXCLUDE (RIGHT THINGS)		0.05		0.05				
36	23	17 ATLANTIC AVE	Shall. 1 - Vacant Land	EL VERMILION		EXCLUDE (PART OF DEVELOPED SITE)		0.21	0.08	0.13				
64	12	WILLOW AVE	Shall. 1 - Vacant Land	UNKNOWN		EXCLUDE (OPEN WATER AND RIPARIAN AREAS)		1.54		1.54				
6	8	RODNEY RD	Shall. 1SC - Public Property	BORO OF MATAWAN VACANT LAND		EXCLUDE (OPEN WATER AND RIPARIAN AREAS)		1.05	1.05	0.02				
99	1	HIGHLAND AVE	Shall. 1SC - Public Property	BORO OF MATAWAN VACANT LAND		EXCLUDE (OPEN WATER AND RIPARIAN AREAS)		1.84	1.74	0.10				
99	1	WILLOW DR	Shall. 1SC - Public Property	BORO OF MATAWAN VACANT LAND		EXCLUDE (OPEN WATER AND RIPARIAN AREAS)		0.49	0.37	0.12				
133	7	WILLOW AVE	Shall. 1SC - Public Property	BORO OF MATAWAN VACANT LAND		EXCLUDE (OPEN WATER AND RIPARIAN AREAS)		1.17	1.27					
6	2	MAIN ST	Shall. 1SC - Public Property	BORO OF MATAWAN VACANT LAND		EXCLUDE (OPEN WATER AND RIPARIAN AREAS)		0.29	0.10	0.19				
4	3	RODNEY RD	Shall. 1SC - Public Property	BORO OF MATAWAN VACANT LAND	TRAIN STATION REDEVELOPMENT AREA	EXCLUDE (OPEN WATER AND RIPARIAN AREAS)		1.44		1.44				
133	3	WILLOW DR	Shall. 1SC - Public Property	N/ TRANSIT PROPERTY MANAGEMENT		EXCLUDE (BY TRANSIT)		1.80		1.80				
64	5	RODNEY RD	Shall. 1 - Vacant Land	COAK, LARRY L & BEILA E		EXCLUDE (BANDLOCKED)		1.19		1.19				
83	12	WILLOW DR	Shall. 1 - Vacant Land	BARBARA GUINA		EXCLUDE (BANDLOCKED)		0.15	0.07	0.08				

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	RDP (# Units)
100	34	CRESTWOOD RD	Class 1 - Vacant Land	DOUGLAS CLUB W. MORGAN GETTERREY			EXCLUDE (LANDLOCKED)	3.37	0.15	3.22				
123	13,15	SOMERSET PL	Class 1SC - Public Property	BORO OF MATAWAN-VACANT LAND			EXCLUDE (LANDLOCKED)	2.35	2.39	0.04				
120	48	VALLEY DR	Class 1SC - Public Property	BORO OF MATAWAN-WATER TOWER			EXCLUDE (LANDLOCKED)	0.98	0.98	0.00				
121	38	REAR OF RYERS LN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LANDLOCKED)	0.13		0.13				
63	6,62	MATAWAN CREEK	Class 1SC - Public Property	NY TRANSIT PROPERTY MANAGEMENT			EXCLUDE (LANDLOCKED)	0.09	0.09	0.00				
47,02	17,03	TRISLER PL REAR	Class 1 - Vacant Land	SPRING DEVELOPMENT GROUP, LLC			EXCLUDE (LANDLOCKED)	0.25		0.25				
47,02	17,03	TRISLER PL REAR	Class 1 - Vacant Land	SPRING DEVELOPMENT GROUP, LLC			EXCLUDE (LANDLOCKED)	0.18		0.18				
64,01	22	MATAWAN AVE	Class 1 - Vacant Land	DALEPIA, JOSEPH & LAURIE			EXCLUDE (LANDLOCKED)	0.11		0.11				
50	14	BRIDGE ST REAR	Class 1SC - Public Property	BORO OF MATAWAN-VACANT LAND			EXCLUDE (LANDLOCKED)	0.07		0.07				
123	79	GRAVELLY BROOK	Class 1SC - Public Property	BORO OF MATAWAN-VACANT LAND			EXCLUDE (LANDLOCKED)	0.94	0.94	0.00				
10	20	JAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAME MATAWAN)	1.35	1.35					
12	22	JAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAME MATAWAN)	2.98	2.96	0.02				
15	25	JAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAME MATAWAN)	0.16	0.16					
16	26	JAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAME MATAWAN)	0.18	0.18					
17	27	JAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAME MATAWAN)	0.09	0.09	0.00				
18	28	JAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAME MATAWAN)	0.11	0.11					
19	24	JAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAME MATAWAN)	1.96	1.95	0.01				
16	29	JAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAME MATAWAN)	0.12	0.12					
16	30	JAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAME MATAWAN)	0.20	0.20					
11	37	JAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAME MATAWAN)	0.23	0.23					
11	38	JAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAME MATAWAN)	0.18	0.18					
40	40	JAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN	TRAIN STATION REDEVELOPMENT AREA		EXCLUDE (LAME MATAWAN)	0.08	0.08					
11	41	JAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN	TRAIN STATION REDEVELOPMENT AREA		EXCLUDE (LAME MATAWAN)	0.11	0.11					
11	42	JAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN	TRAIN STATION REDEVELOPMENT AREA		EXCLUDE (LAME MATAWAN)	0.10	0.10					
16	24	JAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAME MATAWAN)	1.79	1.79	0.01				
11	39	JAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAME MATAWAN)	0.13	0.13					
10	1	BROAD ST	Class 1 - Vacant Land	PETERSON, JAMES L			EXCLUDE (LAME MATAWAN)	0.18	0.14	0.04				
10	15	BROAD ST	Class 1SC - Public Property	BORO OF MATAWAN-VACANT LAND			EXCLUDE (LAME MATAWAN)	0.11	0.40	0.11				
10	18	JAKE MATAWAN	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAME MATAWAN)	0.17	0.17					
100	36	JAKE LEFFERTS	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAME LEFFERTS)	11.22	11.15	0.07				
29	60	JAKE LEFFERTS	Class 1 - Vacant Land	PROSPECT POINT GARDENS INC			EXCLUDE (LAME LEFFERTS)	1.90	1.94	0.01				
29	61	JAKE LEFFERTS	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAME LEFFERTS)	1.00	1.00	0.00				
29	58	JAKE LEFFERTS	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAME LEFFERTS)	3.85	3.85					
29	63	JAKE LEFFERTS	Class 1 - Vacant Land	COUNTYMAN, BARTLEY/DEEDMEYER, BRIANA			EXCLUDE (LAME LEFFERTS)	0.08	0.07	0.01				
29	64	JAKE LEFFERTS	Class 1 - Vacant Land	COUNTYMAN, BARTLEY/DEEDMEYER, BRIANA			EXCLUDE (LAME LEFFERTS)	0.04	0.04	0.00				
29	65	JAKE LEFFERTS	Class 1 - Vacant Land	COUNTYMAN, BARTLEY/DEEDMEYER, BRIANA			EXCLUDE (LAME LEFFERTS)	0.02	0.02	0.00				
29	66	JAKE LEFFERTS	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAME LEFFERTS)	0.06	0.06					
82	15	TRAINING DR	Class 1SC - Public Property	BORO OF MATAWAN-STORAGE BLDG			EXCLUDE (LAME LEFFERTS)	4.55	7.79	0.75				
82	16	JAKE LEFFERTS	Class 1 - Vacant Land	UNKNOWN			EXCLUDE (LAME LEFFERTS)	1.94	1.92	0.01				
11	11	PLUMMER AVE	Class 1SC - Public Property	NY TRANSIT PROPERTY MANAGEMENT			EXCLUDE (ELECTRICAL TRANSMISSION LINE)			0.90				
18	8	CHANDON AVE	Class 1SC - Public Property	NY TRANSIT PROPERTY MANAGEMENT			EXCLUDE (ELECTRICAL TRANSMISSION LINE)	1.40	0.67	0.73				
40	4	CHURCH ST	Class 1SC - Public Property	NY TRANSIT PROPERTY MANAGEMENT			EXCLUDE (ELECTRICAL TRANSMISSION LINE)	1.67	0.63	1.04				
30	8	CHURCH ST	Class 1SC - Public Property	NY TRANSIT PROPERTY MANAGEMENT			EXCLUDE (ELECTRICAL TRANSMISSION LINE)	0.14	0.07	0.08				
32	15	CANTON ST	Class 1SC - Public Property	NY TRANSIT PROPERTY MANAGEMENT			EXCLUDE (ELECTRICAL TRANSMISSION LINE)	0.31	0.02	0.29				
130	49	PRENEAU AVE	Class 1SC - Public Property	NY TRANSIT PROPERTY MANAGEMENT			EXCLUDE (ELECTRICAL TRANSMISSION LINE)	4.50	0.55	3.95				
21	9	CANTON ST	Class 1SC - Public Property	NY TRANSIT PROPERTY MANAGEMENT			EXCLUDE (ELECTRICAL TRANSMISSION LINE)	1.48	1.35	0.13				
44	28	WYCKOFF ST	Class 1SC - Public Property	BORO OF MATAWAN-VACANT LAND			EXCLUDE (DRIVEWAY)	0.13		0.13				
9	30	LITTLE & DUNLAP	Class 1SC - Public Property	BORO OF MATAWAN-VACANT LAND			EXCLUDE (DRIVEWAY)	0.01		0.01				
90	1	ARREST AVE	Class 1SC - Public Property	BORO OF MATAWAN-VACANT LAND			EXCLUDE (HEAVILY ENCUMBERED, UNENCUMBERED AREA VERY FRAGMENTED)	0.41	0.40	0.01				
91	1	MATAWAN AVE	Class 1SC - Public Property	BORO OF MATAWAN-SHARP LAKE			EXCLUDE (HEAVILY ENCUMBERED, UNENCUMBERED AREA VERY FRAGMENTED)	7.06	6.80	1.05				
65,02	11	NEED DR	Class 1SC - Public Property	BORO OF MATAWAN-VACANT LAND			EXCLUDE (HEAVILY ENCUMBERED, UNENCUMBERED AREA VERY FRAGMENTED)	5.54	3.83	1.72				
81	1	SONIA AVE	Class 1 - Vacant Land	TRONHOLM, FRANK			EXCLUDE (HEAVILY ENCUMBERED, UNENCUMBERED AREA VERY FRAGMENTED)	0.19	0.11	0.08				
71	29	BEECHWOOD TERR	Class 1 - Vacant Land	JANNEYSON, JOSEPH C			EXCLUDE (HEAVILY ENCUMBERED, SMALL UNENCUMBERED AREA IS LANDLOCKED)	0.32	0.17	0.15				
71	30	BEECHWOOD	Class 1 - Vacant Land	SHIPPY, BERRY & ELIZABETH			EXCLUDE (HEAVILY ENCUMBERED, SMALL UNENCUMBERED AREA IS LANDLOCKED)	0.76	0.56	0.19				
71	31	BEECHWOOD	Class 1 - Vacant Land	WITCHER, EDWARD & EVERS, STACY ANN			EXCLUDE (HEAVILY ENCUMBERED, SMALL UNENCUMBERED AREA IS LANDLOCKED)	0.11	0.04	0.07				
71	32	BEECHWOOD	Class 1 - Vacant Land	PITCHER, EDWARD & EVERS, STACY ANN			EXCLUDE (HEAVILY ENCUMBERED, SMALL UNENCUMBERED AREA IS LANDLOCKED)	0.20	0.09	0.11				
71	33	BEECHWOOD TERR	Class 1 - Vacant Land	STANARD, MICHAEL & AMY			EXCLUDE (HEAVILY ENCUMBERED, SMALL UNENCUMBERED AREA IS LANDLOCKED)	0.13	0.15	0.18				
64,02	2,03	REAR OF MATAWAN AVE	Class 1SC - Public Property	N Y & B RAILROAD			EXCLUDE (LANDLOCKED)	0.77		0.77				
110	15	CANTON AVE	Class 1 - Vacant Land	CORP N GPS SERVICE TAX DEPARTMENT			EXCLUDE (LOCAL UTILITY)	0.46		0.46				
62	1	MATAWAN AVE	Class 1SC - Public Property	STATE OF NJ-HIGHWAY AUTHORITY			EXCLUDE (NJ HIGHWAY AUTHORITY)	1.07	0.04	1.03				
61	0,03	MATAWAN AVE	Class 1SC - Public Property	NY TRANSIT PROPERTY MANAGEMENT			EXCLUDE (NJ TRANSIT)	2.40	0.17	2.23				
108	14,03	WTR	Class 1SC - Public Property	BORO OF MATAWAN-PUMPING STATION			EXCLUDE (PUMP STATION)	0.09		0.09				
11	30	MAIN ST	Class 1SC - Public Property	BORO OF MATAWAN-VACANT LAND	TRAIN STATION REDEVELOPMENT AREA		EXCLUDE (PART OF DEVELOPED SITE)	0.15	0.09	0.07				
1	3	DOCK ST	Class 1 - Vacant Land	HIGSON INC	TRAIN STATION REDEVELOPMENT AREA		EXCLUDE (LMD ROUND RDP)	0.22		0.22				
2	2	MAIN & HIGH ST	Class 1 - Vacant Land	PATIL, JAYANT	TRAIN STATION REDEVELOPMENT AREA		EXCLUDE (LMD ROUND RDP)	0.87	0.80	0.86				
5	9	MAIN & HIGH ST	Class 1 - Vacant Land	ALLS CHERRY ASSOCIATES, LLC	TRAIN STATION REDEVELOPMENT AREA		EXCLUDE (LMD ROUND RDP)	0.86		0.86				
TOTAL														5.50

Appendix C: Affordable Housing Ordinance & Affirmative Marketing.

ORDINANCE 14-06

AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE BOROUGH OF MATAWAN TO ADDRESS THE REQUIREMENTS OF THE STATE OF NEW JERSEY, COUNCIL ON AFFORDABLE HOUSING, OR ITS SUCCESSOR AGENCY, REGARDING COMPLIANCE WITH THE BOROUGH'S AFFORDABLE HOUSING OBLIGATIONS

BE IT ORDAINED by the governing body of the Borough of Matawan, Monmouth County, New Jersey, that the Zoning Ordinance of the Borough of Matawan is hereby amended to include provisions addressing Matawan's constitutional obligation to provide for its fair share of low- and moderate-income housing, consistent with N.J.A.C. 5:97-1, et seq., as may be amended and supplemented, and N.J.A.C. 5:80-26.1, et seq., as may be amended and supplemented, and pursuant to the New Jersey Fair Housing Act of 1985 and the Rules of the New Jersey Council on Affordable Housing (COAH). This Ordinance is intended to provide assurances that low- and moderate-income units ("affordable units") are created with controls on affordability over time and that low- and moderate-income households shall occupy these units. This Ordinance shall apply except where inconsistent with applicable law.

The Borough of Matawan shall file annual monitoring reports regarding the status of any affordable housing developments in the Borough with COAH or its successor agencies as required by N.J.A.C. 5:96 et seq. Any report filed by Matawan with COAH and any report prepared by COAH in response shall be available to the public at Matawan Borough Hall, Borough Clerk's Office, 201 Main Street, Matawan, New Jersey, 07747, at the COAH offices at P.O. Box 813, 101 South Broad Street, Trenton, New Jersey 08625-0813 and on COAH's website.

Section 1. Municipal Fair Share Obligation

The Borough of Matawan has a fair share obligation consisting of a 141 unit prior round obligation and a 14 unit rehabilitation obligation, as of the year 2000. The Borough's third round obligation and 2010 rehabilitation obligation have yet to be determined.

Section 2. Definitions

The following terms when used in this Ordinance shall have the meanings given in this Section:

"Act" means the Fair Housing Act of 1985, P.L. 1985, c. 222 (N.J.S.A. 52:27D-301 et seq.)

"Adaptable" means constructed in compliance with the technical design standards of the Barrier Free Sub Code, N.J.A.C. 5:23-7.

"Administrative agent: means the entity responsible for the administration of affordable units in accordance with this Ordinance, N.J.A.C. 5:96, N.J.A.C. 5:97 and UHAC (N.J.A.C. 5:80-26).

"Affirmative marketing" means a regional marketing strategy designed to attract buyers and/or renters of affordable units pursuant to N.J.A.C. 5:80-26.15.

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

"Affordable" means, a sales price or rent level that is within the means of a low- or moderate-income household as defined in N.J.A.C. 5:97-9 and in the case of an ownership unit, that the sales price for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.6, as may be amended and supplemented, and, in the case of a rental unit, that the rent for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.12, as may be amended and supplemented.

"Affordable development" means a housing development of which all or a portion consists of restricted units.

"Affordable housing development" means a development included in the Housing Element and Fair Share Plan, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100 percent affordable housing development.

"Affordable housing program(s)" means any mechanism in a municipal Fair Share Plan prepared or implemented to address a municipality's fair share obligation.

"Affordable unit" means a housing unit proposed or created pursuant to the Act, credited pursuant to N.J.A.C. 5:97-4, and/or funded through an affordable housing trust fund.

"Agency" means the New Jersey Housing and Mortgage Finance Agency established by P.L. 1983, c. 530 (N.J.S.A. 55:14K-1, et seq.).

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

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

"Certified household" means a household that has been certified by an Administrative Agent as a low-income household or moderate-income household.

"COAH" means the State of New Jersey Council on Affordable Housing.

"DCA" means 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.

"Developer" means any person, partnership, association, company or corporation that is the legal or beneficial owner or owners of a lot or any land proposed to be included in a proposed development including the holder of an option to contract or 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 use or change in the use 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 N.J.S.A. 40:55D-1, et seq.

"Inclusionary development" means a development containing both affordable units and market rate units. This term includes, but is not limited to: new construction, the conversion of a non-residential structure to residential use and the creation of new affordable units through the reconstruction of a vacant residential structure.

"Low-income household" means a household with a total gross annual household income equal to 50 percent or less of the median household 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.

"Market-rate units" means housing not restricted to low- and moderate-income households that may sell or rent at any price.

"Median income" means the median income by household size for the applicable housing region, as adopted annually by COAH.

"Moderate-income household" means a household with a total gross annual household income in excess of 50 percent but less than 80 percent of the median household income.

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

"Non-exempt sale" means any sale or transfer of ownership other than the transfer of ownership between husband and wife; the transfer of ownership between former spouses 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 order.

"Random selection process" means a process by which currently income-eligible households are selected for placement in affordable housing units such that no preference is given to one applicant over another except for purposes of matching household income and size with an appropriately priced and sized affordable unit (e.g., by lottery).

"Regional asset limit" means the maximum housing value in each housing region affordable to a four-person household with an income at 80 percent of the regional median as defined by COAH's adopted Regional Income Limits published annually by COAH.

"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. In assisted living residences, rent does not include charges for food and services.

"Restricted unit" means a dwelling unit, whether a rental unit or an ownership unit, that is subject to the affordability controls of N.J.A.C. 5:80-26.1, as may be amended and supplemented, but does not include a market-rate unit financed under UHGRP or MONI.

"UHAC" means the Uniform Housing Affordability Controls set forth in N.J.A.C. 5:80-26, et seq.

"Very low-income household" means a household with a total gross annual household income equal to 30 percent or less of the median household income for the applicable housing region.

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

"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 purposes of the rehabilitation program.

Section 3. Affordable Housing Programs

Matawan has or will establish the following programs to address its rehabilitation obligation and a portion of its prior round obligation:

1. A rehabilitation program. See Section 4.
2. Inclusionary residential development of a portion of Block 120, Lot 5.01.
3. In addition to the foregoing, any property in the Borough of Matawan that is currently zoned for nonresidential uses and is subsequently rezoned for residential purposes or receives a use variance to permit residential development shall provide an affordable housing set-aside of 15% if the affordable units will be for rent and 20% if the affordable units will be for sale.

The following general guidelines shall apply to all developments, existing and proposed, that contain low- and moderate-income housing units, including any currently unanticipated future developments that will provide low- and moderate-income housing units.

Section 4. Rehabilitation

1. Matawan's rehabilitation program shall be designed to renovate deficient housing units occupied by low- and moderate-income households such that, after rehabilitation, these units will comply with the New Jersey State Housing Code pursuant to N.J.A.C. 5:28. The rehabilitation program shall include an owner occupancy rehabilitation program and a renter occupancy rehabilitation program.
2. Matawan will designate an Administrative Agent to administer its entire rehabilitation program.
3. Both owner occupied and renter occupied units shall be eligible for rehabilitation funds.
4. All rehabilitated units shall remain affordable to low- and moderate-income households for a period of 10 years (the control period). For owner occupied units, the control period shall be enforced with a lien, and, for renter occupied units, the control period shall be enforced with a deed restriction.
5. Matawan shall dedicate a minimum of \$10,000 for the hard costs associated with each unit to be rehabilitated through the rehabilitation program, and shall reserve sufficient additional funds to cover required administrative costs associated with the program.
6. The Borough of Matawan shall adopt a resolution committing to fund any shortfall in the rehabilitation program.
7. The Administrative Agent shall provide a rehabilitation manual for the rehabilitation program to be adopted by resolution of the governing body. The manual shall be continuously available for public inspection in the Office of the Borough Clerk and in the office of the

Administrative Agent.

8. Units in a rehabilitation program shall be exempt from N.J.A.C. 5:97-9 and UHAC, but shall be administered in accordance with the following:

a. Upon the initial rental of a vacant unit subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the deed restriction shall require the unit to be rented to a low- or moderate-income household at an affordable rent and to be affirmatively marketed pursuant to N.J.A.C. 5:97-9 and UHAC.

b. If a unit is renter-occupied, upon completion of the rehabilitation, the maximum rent shall be the lesser of the current rent or the maximum permitted rent pursuant to N.J.A.C. 5:97-9 and UHAC.

c. Rents in rehabilitated units may increase annually based on the standards in N.J.A.C. 5:97-9.

d. Applicant and/or tenant households shall be certified as income-eligible in accordance with N.J.A.C. 5:97-9 and UHAC, except that households in owner occupied units shall be exempt from the regional asset limit.

Section 5. Phasing Schedule for Inclusionary Zoning

Matawan has prepared and adopted zoning regulations governing a new inclusionary residential zone. The inclusionary residential zone provides for a 15% set-aside of restricted rental units or a 20% set-aside of restricted ownership units.

In all inclusionary developments constructed in the Borough of Matawan, the following schedule shall be followed:

Maximum Percentage of Market-Rate Units Completed	Minimum Percentage of Low- and Moderate-Income Units Completed
25	0
25 + 1	10
50	50
75	75
90	100

Section 6. New Construction

1. Low/Moderate Split and Bedroom Distribution of Affordable Housing Units:

a. The fair share obligation 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. At least 10 percent of all restricted rental units shall be very

low income units (affordable to a household earning 30 percent or less of median income). The very low income units shall be counted as part of the required number of low income units within the development.

b. In each affordable development, at least 50 percent of the restricted units within each bedroom distribution shall be low-income units.

c. Affordable developments that are not age-restricted shall be structured in conjunction with realistic market demands such that:

1) The combined number of efficiency and one-bedroom units shall be no greater than 20 percent of the total low- and moderate-income units;

2) At least 30 percent of all low- and moderate-income units shall be two bedroom units;

3) At least 20 percent of all low- and moderate-income units shall be three bedroom units; and

4) The remaining units may be allocated among two and three bedroom units at the discretion of the developer.

d. Affordable developments that are age-restricted shall be structured such that the number of bedrooms shall equal the number of age-restricted low- and moderate-income units within the inclusionary development. This standard may be met by having all one-bedroom units or by having a two-bedroom unit for each efficiency unit.

2. Accessibility Requirements:

a. The first floor of all restricted townhouse dwelling units and all restricted units in all other multistory buildings shall be subject to the technical design standards of the Barrier Free Sub Code, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14.

b. All restricted townhouse dwelling units and all restricted units in other multistory buildings in which a restricted dwelling unit is attached to at least one other dwelling unit shall have the following features:

1) An adaptable toilet and bathing facility on the first floor;

2) An adaptable kitchen on the first floor;

3) An interior accessible route of travel on the first floor;

4) An adaptable room that can be used as a bedroom, with a door or the casing for the installation of a door, on the first floor;

5) An interior accessible route of travel between stories within an individual unit, except that if all of the terms of paragraphs b.1) through b.4) above have been satisfied, an interior accessible route of travel shall not be required between stories within an individual unit; and

6) An accessible entranceway as set forth at P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a, et seq.) and the Barrier Free Sub Code, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14, or evidence that Matawan has collected funds from the developer sufficient to make 10 percent of the adaptable entrances in the development accessible:

a) 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.

b) To this end, the builder of restricted units shall deposit funds within the Borough of Matawan's Affordable Housing Trust Fund sufficient to install accessible entrances in 10 percent of the affordable units that have been constructed with adaptable entrances.

c) The funds deposited under paragraph 6)b) above shall be used by the Borough of Matawan 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.

d) The developer of the restricted units shall submit a design plan and cost estimate for the conversion of adaptable to accessible entrances to the Construction Official of the Borough of Matawan.

e) Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible meet the requirements of the Barrier Free Sub Code, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14, and that the cost estimate of such conversion is reasonable, payment shall be made to the Borough's Affordable Housing Trust Fund in care of the Borough Treasurer who shall ensure that the funds are deposited into the Affordable Housing Trust Fund and appropriately earmarked.

f) Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that it is "site impracticable" to meet the requirements.

Determinations of site impracticability shall be in compliance with the Barrier Free Sub Code, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14.

3. Design:

a. In inclusionary developments, to the extent possible, low- and moderate-income units shall be integrated with the market units.

b. In inclusionary developments, low- and moderate-income units shall have access to all of the same common elements and facilities as the market units.

4. Maximum 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, utilizing the regional income limits established by COAH.

b. The maximum rent for restricted rental units within each affordable development shall be affordable to households earning no more than 60 percent of median income, and the average rent for restricted rental units shall be affordable to households earning no more than 52 percent of median income.

c. 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 10 percent of all low- and moderate-income rental units shall be affordable to very low-income households.

d. The maximum sales price of restricted ownership units within each affordable development shall be affordable to households earning no more than 70 percent of median income, and each affordable development must achieve an affordability average of 55 percent for restricted ownership units; in achieving this affordability average, moderate-income ownership units must be available for at least three different sales prices for each bedroom type, and low-income ownership units must be available for at least two different sales prices for each bedroom type.

e. In determining the initial sales prices and rent levels for compliance with the affordability average requirements for restricted units other than assisted living facilities and age-restricted developments, the following standards shall be used:

- 1) A studio shall be affordable to a one-person household;
- 2) A one-bedroom unit shall be affordable to 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.

f. In determining the initial sales prices and rents for compliance with the affordability average requirements for restricted units in assisted living facilities and age-restricted developments, the following standards shall be used:

- 1) A studio 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.

g. 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 Federal Reserve H.15 rate of interest), taxes, homeowner and private mortgage insurance and condominium or homeowner association fees do not exceed 28 percent of the eligible monthly income of the appropriate size household as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the price shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.

h. The initial rent for a restricted rental unit shall be calculated so as not to exceed 30 percent of the eligible monthly income of the appropriate size household, including an allowance for tenant paid utilities, as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the rent shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.

i. The price of owner-occupied low- and moderate-income units may increase annually based on the percentage increase in the regional median income limit for each housing region. In no event shall the maximum resale price established by the Administrative Agent be lower than the last recorded purchase price.

j. The rent of low- and moderate-income units may be increased annually based on the permitted percentage increase in the Housing Consumer Price Index for the United States. This increase shall not exceed nine percent in any one year. Rents for units constructed pursuant to low-income housing tax credit regulations shall be indexed pursuant to the regulations governing low-income housing tax credits.

Section 7. Utilities

1. Affordable units shall utilize the same type of heating source as market units within an inclusionary development.

2. Tenant-paid utilities included in the utility allowance shall be set forth in the lease and shall be consistent with the utility allowance approved by DCA for its Section 8 program.

Section 8. Occupancy Standards

In referring certified households to specific restricted units, the Administrative Agent shall, to the extent feasible and without causing an undue delay in the occupancy of a unit, strive to:

1. Provide an occupant for each bedroom;
2. Provide children of different sexes with separate bedrooms;
3. Provide separate bedrooms for parents and children; and
4. Prevent more than two persons from occupying a single bedroom.

Section 9. Control Periods for Restricted Ownership Units and Enforcement Mechanisms

1. Control periods for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.5, as may be amended and supplemented, and each restricted ownership unit shall remain subject to the requirements of this Ordinance for a period of at least thirty (30) years, until Matawan takes action to release the unit from such requirements; prior to such action, a restricted ownership unit must remain subject to the requirements of N.J.A.C. 5:80-26.1, as may be amended and supplemented.
2. The affordability control period for a restricted ownership unit shall commence on the date the initial certified household takes title to the unit.
3. 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 non-restricted, fair market value of the unit based on either an appraisal or the unit's equalized assessed value without the restrictions in place.
4. At the time of the initial sale of the unit, the initial purchaser shall execute and deliver to the Administrative Agent a recapture note obligating 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.
5. 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 restricted ownership units.
6. A restricted ownership unit shall be required to obtain a Continuing Certificate of Occupancy or a certified statement from the Construction Official stating that the unit meets all Code standards upon the first transfer of title following the removal of the restrictions provided under N.J.A.C. 5:80-26.5(a), as may be amended and supplemented.

Section 10. Price Restrictions for Restricted Ownership Units, Homeowner Association Fees and Resale Prices

Price restrictions for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, including:

1. The initial purchase price for a restricted ownership unit shall be approved 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 foregoing standards.
3. The method used to determine the condominium association fee amounts and special assessments shall be indistinguishable between the low- and moderate-income unit owners and the market unit owners.
4. 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 those that render the unit suitable for a larger household or the addition of a bathroom. See Section 13.

Section 11. Buyer Income Eligibility

1. Buyer income eligibility for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, such that low-income ownership units shall be reserved for households with a gross household income less than or equal to 50 percent of median income and moderate-income ownership units shall be reserved for households with a gross household income less than 80 percent of median income.
2. Notwithstanding the foregoing, however, the Administrative Agent may, subject to COAH's approval, permit moderate-income purchasers to buy low-income units in housing markets determined by COAH to have an insufficient number of eligible low-income purchasers to permit prompt occupancy of the units. All such low-income units to be sold to moderate-income households shall retain the required pricing restrictions for low-income units.
3. 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 a certified household for a period not to exceed one year.
4. 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,

taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, as applicable) does not exceed 33 percent of the household's eligible monthly income.

Section 12. Limitations on Indebtedness Secured by Ownership Unit: Subordination

1. 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.
2. With the exception of First Purchase Money Mortgages, neither an owner nor a lender shall at any time cause or permit the total indebtedness secured by a restricted ownership unit to exceed 95 percent of the maximum allowable resale price of the unit, as such price is determined by the Administrative Agent in accordance with N.J.A.C.5:80-26.6(b).

Section 13. Capital Improvements To Ownership Units

1. 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 capital improvements made since the purchase of the unit. Eligible capital improvements shall be those that render the unit suitable for a larger household or that add an additional bathroom. In no event shall the maximum sales price of an improved housing unit exceed the limits of affordability for the larger household.
2. 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. 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, 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 owner 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.

Section 14. Control Periods for Restricted Rental Units

1. Control periods for restricted rental units shall be in accordance with N.J.A.C. 5:80-26.11, as may be amended and supplemented, and each restricted rental unit shall remain subject to such controls and to the requirements of this Ordinance for a period of at least 30 years from the date the unit is initially occupied by a certified household. The control period on a restricted unit shall terminate only at such time as the municipality opts to release the unit from the restrictions in

accordance with N.J.A.C. 5:80-26.11(e), except that a low or moderate income household residing in a restricted rental unit at the termination of the control period shall be permitted to continue to reside in the unit for an indefinite period after the termination of the control period at the restricted rent level provided for by N.J.A.C. 5:80-26.1 *et seq.*, and the control period shall be deemed to have been automatically extended on that unit until the termination of such residency, provided that the occupant household continues to earn a gross annual income of less than 80 percent of the median income for the applicable COAH housing region. If at any time following the termination of the control period, the occupant household income is found to exceed 80 percent of the regional median income, the rental rate restriction shall expire at the later of the next scheduled lease renewal or 60 days. Nothing herein shall preclude the Owner and the Borough from mutually agreeing to extend the control period on some or all of the low and moderate income units in the development. During the entire period that a restricted rental unit is subject to controls, it shall comply with and remain subject to the requirements of N.J.A.C. 5:80-26.1, as may be amended and supplemented.

2. 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, and the deed restriction shall be filed by the developer or seller with the records office of the County of Monmouth. A copy of the filed document shall be provided to the Administrative Agent within 30 days of the receipt of a Certificate of Occupancy.

3. A restricted rental unit shall remain subject to the affordability controls of this Ordinance despite the occurrence of any of the following events:

- a. Sublease or assignment of the lease of the unit;
- b. Sale or other voluntary transfer of the ownership of the unit; or
- c. The entry and enforcement of any judgment of foreclosure.

Section 15. Rent Restrictions for Rental Units: Leases

1. 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 provided to the Administrative Agent.

2. No additional fees 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.

3. Application fees (including the charge for any credit check) shall not exceed five percent of the monthly rent of the applicable restricted unit and shall be payable to the Administrative Agent to be applied to the costs of administering the controls applicable to the unit as set forth in this Ordinance.

Section 16. Tenant Income Eligibility

1. Tenant income eligibility shall be in accordance with N.J.A.C. 5:80-26.13, as may be amended and supplemented, and shall be determined as follows:

a. Very low-income rental units shall be reserved for households with a gross household income less than or equal to 30 percent of median income.

b. Low-income rental units shall be reserved for households with a gross household income less than or equal to 50 percent of median income.

c. Moderate-income rental units shall be reserved for households with a gross household income less than 80 percent of median income.

2. The Administrative Agent shall certify a household as eligible for a restricted rental unit when the household is a very low-income household, low-income household or a moderate-income household, as applicable to the unit, and the rent proposed for the unit does not exceed 35 percent (40 percent for age-restricted units) of the household's eligible monthly income as determined pursuant to N.J.A.C. 5:80-26.16, as may be amended and supplemented; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:

a. The household currently pays more than 35 percent (40 percent for households eligible for age-restricted units) of its gross household income for rent, and the proposed rent will reduce its housing costs;

b. The household has consistently paid more than 35 percent (40 percent for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;

c. The household is currently in substandard or overcrowded living conditions;

d. The household documents the existence of assets with which the household proposes to supplement the rent payments; or

e. The household documents proposed 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.

3. The applicant shall file documentation sufficient to establish the existence of the circumstances in 1.a. through 2.e. above with the Administrative Agent, who shall counsel the household on budgeting.

Section 17. Municipal Housing Liaison

1. COAH requires Matawan to appoint a specific municipal employee to serve as a Municipal Housing Liaison responsible for administering the affordable housing program, including affordability controls, the Affirmative Marketing Plan, monitoring and reporting, and, where applicable, supervising any contracted Administrative Agent. Matawan has adopted an Ordinance creating the position of Municipal Housing Liaison. Matawan has, by Resolution appointed a Municipal Housing Liaison. The Municipal Housing Liaison is appointed by the governing body and may be a full or part time municipal employee. The Municipal Housing Liaison shall be approved by COAH and shall be duly qualified before assuming the duties of Municipal Housing Liaison.

2. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program for Matawan, including the following responsibilities which may not be contracted out to the Administrative Agent:

- a. Serving as Matawan's primary point of contact for all inquiries from the State, affordable housing providers, Administrative Agents and interested households;
- b. Monitoring the status of all restricted units in the Borough of Matawan;
- c. Compiling, verifying and submitting annual monitoring reports as required by COAH;
- d. Coordinating meetings with affordable housing providers and Administrative Agents, as needed; and
- e. Attending continuing education opportunities on affordability controls, compliance monitoring and affirmative marketing as offered or approved by COAH.

3. Subject to the approval of the COAH, the Borough of Matawan shall designate one or more Administrative Agent(s) to administer newly constructed affordable units in accordance with N.J.A.C. 5:96, N.J.A.C. 5:97 and UHAC. An Operating Manual shall be provided by the Administrative Agent(s) to be adopted by resolution of the governing body and subject to approval by the COAH. The Operating Manuals shall be available for public inspection in the Office of the Borough Clerk and in the office(s) of the Administrative Agent(s). The Municipal Housing Liaison shall supervise the contracting Administrative Agent(s).

Section 18. Administrative Agent

The Administrative Agent shall perform the duties and responsibilities of an Administrative Agent as set forth in UHAC, including those set forth in Sections 5:80-26.14, 16 and 18 thereof, which includes:

1. Affirmative Marketing:

a. Conducting an outreach process to affirmatively market affordable housing units in accordance with the Affirmative Marketing Plan of the Borough of Matawan and the provisions of N.J.A.C. 5:80-26.15; and

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.

2. 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;

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 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; and

f. Employing a random selection process as provided in the Affirmative Marketing Plan of the Borough of Matawan when referring households for certification to affordable units.

3. Affordability Controls:

a. Furnishing to attorneys or closing agents forms of deed restrictions and mortgages for recording at the time of conveyance of title of each restricted unit;

b. Creating and maintaining a file on each restricted unit for its control period, including the recorded deed with restrictions, recorded mortgage and note, as appropriate;

c. Ensuring that the removal of the deed restrictions and cancellation of the mortgage note are effectuated and properly filed with the Monmouth County Register of Deeds or Monmouth County Clerk's office after the termination of the affordability controls for each restricted unit;

d. Communicating with lenders regarding foreclosures; and

e. Ensuring the issuance of Continuing Certificates of Occupancy or certifications pursuant to N.J.A.C. 5:80-26.10.

4. 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; and

b. Instituting and maintaining an effective means of communicating information to low- and moderate-income households regarding the availability of restricted units for resale or re-rental.

5. Processing Requests from Unit Owners:

a. Reviewing and approving requests for determination from owners of restricted units who wish to take out home equity loans or refinance during the term of their ownership 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 municipality of an owner's intent to sell a restricted unit; and

d. Making determinations on requests by owners of restricted units for hardship waivers.

6. Enforcement:

a. Securing annually from the municipality a list of all affordable housing units for which 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. The posting annually in all rental properties, including two-family homes, of a notice as to the maximum permitted rent together with the telephone number of the Administrative Agent where complaints of excess rent or other charges can be made;

d. Sending annual mailings to all owners of affordable dwelling units reminding them of the notices and requirements outlined in N.J.A.C. 5:80-26.18(d)4;

e. Establishing a program for diverting unlawful rent payments to the municipality's Affordable Housing Trust Fund or other appropriate municipal fund approved by the DCA; and

f. Creating and publishing a written operating manual, as approved by COAH, setting forth procedures for administering the affordability controls.

7. Additional Responsibilities:

a. The Administrative Agent shall have the authority to take all actions necessary and appropriate to carry out its responsibilities, hereunder.

b. The Administrative Agent shall prepare monitoring reports for submission to the Municipal Housing Liaison in time for their submission by the Municipal Housing Liaison to COAH, as required by COAH.

c. The Administrative Agent shall attend continuing education sessions on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by COAH.

Section 19. Affirmative Marketing Requirements

1. The Borough of Matawan shall adopt by resolution an Affirmative Marketing Plan that is compliant with N.J.A.C. 5:80-26.15, as may be amended and supplemented, and that is subject to approval by COAH.

2. 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 marketing activities throughout COAH Housing Region 4 and is required to be followed throughout the period of restriction.

3. The Affirmative Marketing Plan shall provide a regional preference for all households that live and/or work in COAH Housing Region 4, comprised of Monmouth, Ocean and Mercer Counties.

4. The municipality has the ultimate responsibility for adopting the Affirmative Marketing Plan and for the proper administration of the Affirmative Marketing Program, including initial sales and rentals and resales and re-rentals. The Administrative Agent designated by the Borough of Matawan shall implement the Affirmative Marketing Plan to assure the affirmative marketing of all affordable units.

5. In implementing the Affirmative Marketing Plan, 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.
6. The Affirmative Marketing Plan shall describe the media to be used in advertising and publicizing the availability of housing. In implementing the Affirmative Marketing Plan, the Administrative Agent shall consider the use of language translations where appropriate.
7. The affirmative marketing process for available affordable units shall begin at least four months prior to the expected date of occupancy.
8. Applications for affordable housing 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 municipal building and the municipal library in the municipality in which the units are located; and the developer's rental office. Applications shall be mailed to prospective applicants upon request.
9. The costs of advertising and affirmative marketing of the affordable units shall be the responsibility of the developer, sponsor or owner.

Section 20. Enforcement of Affordable Housing Regulations

1. Upon the occurrence of a breach of any of the regulations governing the affordable unit by an Owner, Developer or Tenant, the municipality shall have all remedies provided at law or equity, including but not limited to foreclosure, tenant eviction, a requirement for household recertification, acceleration of all sums due under a mortgage, recuperation of any funds from a sale in violation of the regulations, injunctive relief to prevent further violation of the regulations, entry on the premises, and specific performance.
2. After providing written notice of a violation to an Owner, Developer or Tenant of a low- or moderate-income unit and advising the Owner, Developer or Tenant of the penalties for such violations, the municipality may take the following action(s) against the Owner, Developer or Tenant for any violation that remains uncured for a period of 60 days after service of the written notice:
 - a. The municipality may file an action in Court 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 adjudged 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:
 - 1) A fine of not more than \$500.00 per day or imprisonment for a period not to exceed 90 days, or both, 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;

2) In the case of an Owner who has rented a low- or moderate-income unit in violation of the regulations governing affordable housing units, payment into the Borough of Matawan Affordable Housing Trust Fund of the gross amount of rent illegally collected;

3) In the case of an Owner who has rented a low- or moderate-income unit in violation of the regulations governing affordable housing units, payment of an innocent tenant's reasonable relocation costs, as determined by the Court.

b. The municipality may file an action in Superior Court seeking a judgment that would result in the termination of the Owner's equity or other interest in the unit, in the nature of a mortgage foreclosure. Any such 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) The judgment shall be enforceable, at the option of the municipality, by means of an execution sale by the Sheriff, at which time the low- or moderate-income 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 municipality, including attorney's fees. The violating Owner shall have his right to possession terminated as well as his 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 municipality 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 municipality 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 municipality in connection with collecting such deficiency. In the event that a surplus remains after satisfying all of the above, such surplus, if any, shall be placed in escrow by the municipality 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 municipality 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 municipality. Any interest accrued or earned on such balance while being held in escrow shall belong to and shall be paid to the municipality, whether such balance shall be paid to the Owner or forfeited to the municipality.

3) Foreclosure by the municipality due to violation of the regulations governing affordable housing units shall not extinguish the restrictions of the regulations governing affordable housing units as the same apply to the low- or 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 municipality may acquire title to the low- or moderate-income 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 low- or moderate-income 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 which 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 municipality shall obligate the Owner to accept an offer to purchase from any qualified purchaser which may be referred to the Owner by the municipality, 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 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.

Section 21. Appeals

Appeals from all decisions of an Administrative Agent appointed pursuant to this Ordinance shall be filed in writing with the Executive Director of COAH and the Commissioner of the Department of Community Affairs of the State of New Jersey.

REPEALER

All Ordinances or parts of Ordinances inconsistent herewith are repealed as to such inconsistencies.

SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

EFFECTIVE DATE

This Ordinance shall take effect upon passage and publication as provided by law.

ATTEST:

BOROUGH OF MATAWAN

Borough Clerk

Mayor

Introduced:
Motion by:
Second by:
Introduction Roll Call:
Ayes:
Nays:
Absent:
Abstain:

Adopted:
Motion by:
Second by:
Adoption Roll Call:
Ayes:
Nays:
Absent:
Abstain:

I hereby certify the foregoing to be a true copy of an Ordinance adopted by the Mayor and Council
at a meeting held on _____, 2014.

Borough Clerk

NOTICE

NOTICE IS HEREBY GIVEN, that the above Ordinance was introduced and passed on first reading at the Regular Business Meeting of the Governing Body of the Borough of Matawan held in the Municipal Building on the ____ day of _____, 2014, and the same shall come up for public hearing at the Regular Business Meeting of the Governing Body to be held on the ____ day of _____, 2014, at 7:00P.M., at which time any persons interested shall be given the opportunity to be heard concerning said Ordinance. Following the public hearing, said Ordinance shall be considered for final adoption.

Borough Clerk

ATTACHMENT A
AFFIRMATIVE FAIR HOUSING MARKETING PLAN
For Affordable Housing in **(REGION 4)**

I. APPLICANT AND PROJECT INFORMATION

(Complete Section I individually for all developments or programs within the municipality.)

1a. Administrative Agent Name, Address, Phone Number		1b. Development or Program Name, Address	
1c. Number of Affordable Units:	1d. Price or Rental Range From	1e. State and Federal Funding Sources (if any)	
Number of Rental Units:	To		
Number of For-Sale Units:	1f. <input type="checkbox"/> Age Restricted <input type="checkbox"/> Non-Age Restricted		
1g. Approximate Starting Dates Advertising: Occupancy:			
1h. County Mercer, Monmouth, Ocean		1i. Census Tract(s):	
1j. Managing/Sales Agent's Name, Address, Phone Number			
1k. Application Fees (if any):			

(Sections II through IV should be consistent for all affordable housing developments and programs within the municipality. Sections that differ must be described in the approved contract between the municipality and the administrative agent and in the approved Operating Manual.)

II. RANDOM SELECTION

2. Describe the random selection process that will be used once applications are received.
--

III. MARKETING

3a. Direction of Marketing Activity: (indicate which group(s) in the housing region are least likely to apply for the housing without special outreach efforts because of its location and other factors)			
<input type="checkbox"/> White (non-Hispanic) <input checked="" type="checkbox"/> Black (non-Hispanic) <input checked="" type="checkbox"/> Hispanic <input type="checkbox"/> American Indian or Alaskan Native			
<input type="checkbox"/> Asian or Pacific Islander <input type="checkbox"/> Other group:			
3b. Commercial Media (required) (Check all that applies)			
	DURATION & FREQUENCY OF OUTREACH	NAMES OF REGIONAL NEWSPAPER(S)	CIRCULATION AREA
TARGETS PARTIAL COAH REGION 4			
Daily Newspaper			
<input type="checkbox"/>		Trenton Times	Mercer
<input type="checkbox"/>		Trentonian	Mercer
<input type="checkbox"/>		Asbury Park Press	Monmouth, Ocean
<input type="checkbox"/>		Ocean County Observer	Ocean
Weekly Newspaper			
<input type="checkbox"/>		Ewing Observer	Mercer
<input type="checkbox"/>		Hopewell Valley News	Mercer
<input type="checkbox"/>		Lawrence Ledger	Mercer
<input type="checkbox"/>		Pennington Post	Mercer
<input type="checkbox"/>		Princeton Town Topics	Mercer
<input type="checkbox"/>		Tempo Mercer	Mercer
<input type="checkbox"/>		Trenton Downtowner	Mercer
<input type="checkbox"/>		Windsor Heights Herald	Mercer
<input type="checkbox"/>		West Windsor-Plainsboro News	Mercer, Middlesex
<input type="checkbox"/>		Princeton Packet	Mercer, Middlesex, Somerset
<input type="checkbox"/>		Messenger-Press	Mercer, Monmouth, Ocean
<input type="checkbox"/>		Woodbridge Sentinel	Middlesex
<input type="checkbox"/>		Atlanticville	Monmouth
<input type="checkbox"/>		Coaster	Monmouth
<input type="checkbox"/>		Courier	Monmouth
<input type="checkbox"/>		Examiner	Monmouth
<input type="checkbox"/>		Hub, The	Monmouth

<input type="checkbox"/>		Independent, The	Monmouth
<input type="checkbox"/>		News Transcript	Monmouth
<input type="checkbox"/>		Two River Times	Monmouth
<input type="checkbox"/>		Coast Star, The	Monmouth, Ocean
<input type="checkbox"/>		Beach Haven Times	Ocean
<input type="checkbox"/>		Beacon, The	Ocean
<input type="checkbox"/>		Berkeley Times	Ocean
<input type="checkbox"/>		Brick Bulletin	Ocean
<input type="checkbox"/>		Brick Times	Ocean
<input type="checkbox"/>		Jackson Times	Ocean
<input type="checkbox"/>		Lacey Beacon	Ocean
<input type="checkbox"/>		Manchester Times	Ocean
<input type="checkbox"/>		New Egypt Press	Ocean
<input type="checkbox"/>		Ocean County Journal	Ocean
<input type="checkbox"/>		Ocean Star, The	Ocean
<input type="checkbox"/>		Tri-Town News	Ocean
<input type="checkbox"/>		Tuckerton Beacon	Ocean
<input type="checkbox"/>		Atlantic Highlands Herald	Monmouth

	DURATION & FREQUENCY OF OUTREACH	NAMES OF REGIONAL TV STATION(S)	CIRCULATION AREA AND/OR RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE
TARGETS ENTIRE COAH REGION 4			
<input type="checkbox"/>		2 WCBS-TV CBS Broadcasting Inc.	
<input type="checkbox"/>		4 WNBC NBC Telemundo License Co. (General Electric)	
<input type="checkbox"/>		5 WNYW Fox Television Stations, Inc. (News Corp.)	
<input type="checkbox"/>		7 WABC-TV American Broadcasting Companies, Inc (Walt Disney)	
<input type="checkbox"/>		9 WWOR-TV Fox Television Stations, Inc. (News Corp.)	
<input type="checkbox"/>		10 WCAU NBC Telemundo License Co. (General Electric)	

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<input type="checkbox"/>		11 WPIX WPIX, Inc. (Tribune)	
<input type="checkbox"/>		13 WNBT Educational Broadcasting Corporation	
<input type="checkbox"/>		58 WNJB New Jersey Public Broadcasting Authority	
TARGETS PARTIAL COAH REGION 4			
<input type="checkbox"/>		25 W25AW WZBN TV, Inc.	Mercer
<input type="checkbox"/>		39 WLVT-TV Lehigh Valley Public Telecommunications Corp.	Mercer
<input type="checkbox"/>		60 WBPH-TV Sonshine Family Television Corp	Mercer
<input type="checkbox"/>		63 WMBC-TV Mountain Broadcasting Corp.	Mercer
<input type="checkbox"/>		69 WFMZ-TV Maranatha Broadcasting Company, Inc.	Mercer
<input type="checkbox"/>		41 WXTV WXTV License Partnership, G.p. (Univision Communications Inc.)	Mercer, Monmouth
<input type="checkbox"/>		3 KYW-TV Cbs Broadcasting Inc.	Mercer, Ocean
<input type="checkbox"/>		6 WPVI-TV American Broadcasting Companies, Inc (Walt Disney)	Mercer, Ocean
<input type="checkbox"/>		12 WHYY-TV WHYY, Inc.	Mercer, Ocean
<input type="checkbox"/>		17 WPHL-TV Tribune Company	Mercer, Ocean
<input type="checkbox"/>		23 WNJS New Jersey Public Broadcasting Authority	Mercer, Ocean
<input type="checkbox"/>		29 WTXF-TV Fox Television Stations, Inc. (News Corp.)	Mercer, Ocean
<input type="checkbox"/>		35 WYBE Independence Public Media Of Philadelphia, Inc.	Mercer, Ocean
<input type="checkbox"/>		48 WGTW-TV Trinity Broadcasting Network	Mercer, Ocean
<input type="checkbox"/>		52 WNJT New Jersey Public Broadcasting Authority	Mercer, Ocean
<input type="checkbox"/>		57 WPSG CBS Broadcasting Inc	Mercer, Ocean
<input type="checkbox"/>		61 WPPX Paxson Communications License Company, LLC	Mercer, Ocean
<input type="checkbox"/>		65 WUVP-TV Univision Communications, Inc.	Mercer, Ocean
<input type="checkbox"/>		25 WNYE-TV New York City Dept. Of Info Technology & Telecommunications	Monmouth

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<input type="checkbox"/>		31 WPXN-TV Paxson Communications License Company, LLC	Monmouth
<input type="checkbox"/>		47 WNJU NBC Telemundo License Co. (General Electric)	Monmouth
<input type="checkbox"/>		50 WNJN New Jersey Public Broadcasting Authority	Monmouth
<input type="checkbox"/>		68 WFUT-TV Univision New York LLC	Monmouth, Ocean (Spanish)
<input type="checkbox"/>		62 WWSI Hispanic Broadcasters of Philadelphia, LLC	Ocean

	DURATION & FREQUENCY OF OUTREACH	NAMES OF CABLE PROVIDER(S)	BROADCAST AREA
TARGETS PARTIAL COAH REGION 4			
<input type="checkbox"/>		Cablevision of Hamilton	Partial Mercer, Monmouth
<input type="checkbox"/>		Comcast of Central NJ,	Partial Mercer, Monmouth
<input type="checkbox"/>		Patriot Media & Communications, CNJ	Partial Mercer
<input type="checkbox"/>		Cablevision of Monmouth, Raritan Valley	Partial Monmouth
<input type="checkbox"/>		Comcast of Mercer County, Southeast Pennsylvania	Partial Middlesex
<input type="checkbox"/>		Comcast of Monmouth County	Partial Monmouth, Ocean
<input type="checkbox"/>		Comcast of Garden State, Long Beach Island, Ocean County, Toms River	Partial Ocean

	DURATION & FREQUENCY OF OUTREACH	NAMES OF REGIONAL RADIO STATION(S)	BROADCAST AREA AND/OR RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE
TARGETS ENTIRE COAH REGION 4			
AM			
<input type="checkbox"/>		WFAN 660	
<input type="checkbox"/>		WOR 710	
<input type="checkbox"/>		WABC 770	
<input type="checkbox"/>		WCBS 880	
<input type="checkbox"/>		WBRR 1130	
<input type="checkbox"/>		WWTR 1170	
<input type="checkbox"/>		WTTM 1680	Spanish, Asian, etc.
FM			
<input type="checkbox"/>		WFNY-FM 92.3	

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<input type="checkbox"/>		WPAT-FM 93.1	Spanish
<input type="checkbox"/>		WNYC-FM 93.9	
<input type="checkbox"/>		WPST 94.5	
<input type="checkbox"/>		WFME 94.7	
<input type="checkbox"/>		WPLJ 95.5	
<input type="checkbox"/>		WQXR-FM 96.3	
<input type="checkbox"/>		WQHT 97.1	
<input type="checkbox"/>		WSKQ-FM 97.9	Spanish
<input type="checkbox"/>		WRKS 98.7	
<input type="checkbox"/>		WAWZ 99.1	Christian
<input type="checkbox"/>		WBAI 99.5	
<input type="checkbox"/>		WPHI-FM 100.3	
<input type="checkbox"/>		WCBS-FM 101.1	
<input type="checkbox"/>		WKXW-FM 101.5	
<input type="checkbox"/>		WQCD 101.9	
<input type="checkbox"/>		WNEW 102.7	
<input type="checkbox"/>		WPRB 103.3	
<input type="checkbox"/>		WKTU 103.5	
<input type="checkbox"/>		WWPR-FM 105.1	
<input type="checkbox"/>		WDAS-FM 105.3	
<input type="checkbox"/>		WLTW 106.7	
TARGETS PARTIAL COAH REGION 4			
AM			
<input type="checkbox"/>		WFIL 560	Hunterdon
<input type="checkbox"/>		WIP 610	Hunterdon
<input type="checkbox"/>		WAEB 790	Hunterdon
<input type="checkbox"/>		WCHR 1040	Hunterdon
<input type="checkbox"/>		WGPA 1100	Hunterdon
<input type="checkbox"/>		WEEX 1230	Hunterdon
<input type="checkbox"/>		WKAP 1470	Hunterdon

<input type="checkbox"/>		WRNJ 1510	Hunterdon
<input type="checkbox"/>		WWJZ 640	Hunterdon, Middlesex
<input type="checkbox"/>		WPHY 920	Hunterdon, Middlesex
<input type="checkbox"/>		WPHT 1210	Hunterdon, Middlesex
<input type="checkbox"/>		WBUD 1260	Hunterdon, Middlesex
<input type="checkbox"/>		WMCA 570	Middlesex (Christian)
<input type="checkbox"/>		WIMG 1300	Middlesex
<input type="checkbox"/>		WCTC 1450	Middlesex, Somerset
FM			
<input type="checkbox"/>		WRTI 90.1	Hunterdon
<input type="checkbox"/>		WCVH 90.5	Hunterdon
<input type="checkbox"/>		WHYY-FM 90.9	Hunterdon
<input type="checkbox"/>		WXTU 92.5	Hunterdon
<input type="checkbox"/>		WAEB-FM 104.1	Hunterdon
<input type="checkbox"/>		WFKB 107.5	Hunterdon
<input type="checkbox"/>		WMMR 93.3	Hunterdon, Middlesex
<input type="checkbox"/>		WYSP 94.1	Hunterdon, Middlesex
<input type="checkbox"/>		WBEN-FM 95.7	Hunterdon, Middlesex
<input type="checkbox"/>		WRDW-FM 96.5	Hunterdon, Middlesex
<input type="checkbox"/>		WOGL 98.1	Hunterdon, Middlesex
<input type="checkbox"/>		WUSL 98.9	Hunterdon, Middlesex
<input type="checkbox"/>		WIOQ 102.1	Hunterdon, Middlesex
<input type="checkbox"/>		WMGK 102.9	Hunterdon, Middlesex
<input type="checkbox"/>		WJIZ 106.1	Hunterdon, Middlesex
<input type="checkbox"/>		WKDN 106.9	Hunterdon, Middlesex (Christian)
<input type="checkbox"/>		WAXQ 104.3	Hunterdon, Middlesex, Somerset
<input type="checkbox"/>		WNTI 91.9	Hunterdon, Somerset
<input type="checkbox"/>		WZZO 95.1	Hunterdon, Somerset
<input type="checkbox"/>		WCTO 96.1	Hunterdon, Somerset
<input type="checkbox"/>		WLEV 100.7	Hunterdon, Somerset
<input type="checkbox"/>		WNJT-FM 88.1	Middlesex

<input type="checkbox"/>		WRSU-FM 88.7	Middlesex
<input type="checkbox"/>		WWFM 89.1	Middlesex
<input type="checkbox"/>		WWPH 107.9	Middlesex
<input type="checkbox"/>		WDVR 89.7	Middlesex, Somerset
<input type="checkbox"/>		WVPH 90.3	Middlesex, Somerset
<input type="checkbox"/>		WMGQ 98.3	Middlesex, Somerset
<input type="checkbox"/>		WBLS 107.5	Middlesex, Somerset
3c. Other Publications (such as neighborhood newspapers, religious publications, and organizational newsletters) (Check all that apply)			
	NAME OF PUBLICATIONS	OUTREACH AREA	RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE
TARGETS ENTIRE COAH REGION 4			
Weekly			
		Nuestra Comunidad	Central/South Jersey Spanish-Language
TARGETS PARTIAL COAH REGION 4			
Weekly			
<input type="checkbox"/>		New Jersey Jewish News	Northern and Central New Jersey Jewish
<input type="checkbox"/>		El Hispano	Camden and Trenton areas Spanish-Language
<input type="checkbox"/>		Ukrainian Weekly	New Jersey Ukrainian community
3d. Employer Outreach (names of employers throughout the housing region that can be contacted to post advertisements and distribute flyers regarding available affordable housing) (Check all that applies)			
DURATION & FREQUENCY OF OUTREACH		NAME OF EMPLOYER/COMPANY	LOCATION
Mercer County			
<input type="checkbox"/>		Mercer County Board of Education	1075 Old Trenton Rd., Trenton, NJ
<input type="checkbox"/>		Medical Center at Princeton	253 Witherspoon St., Princeton, NJ
<input type="checkbox"/>		Bristol-Myers Squibb	100 Nassau Park Blvd., Princeton, NJ and 820 Bear Tavern Rd., Trenton, NJ
<input type="checkbox"/>		St. Lawrence Rehabilitation Center	2381 Lawrenceville Rd., Lawrenceville, NJ
<input type="checkbox"/>		McGraw-Hill	120 Windsor Center Dr., East Windsor, NJ
<input type="checkbox"/>		Conair Corporation	150 Milford Rd., Hightstown, NJ
<input type="checkbox"/>		Shiseido America, Inc.	366 Princeton Hightstown Rd., East Windsor, NJ

<input type="checkbox"/>		NJ Manufacturers Insurance Company	1001 Grand St. S., Hammonton, NJ
<input type="checkbox"/>		Homasote	932 Lower Ferry Rd., Trenton, NJ
<input type="checkbox"/>		Robert Wood Johnson University Hospital	1 Hamilton Health Pl., Trenton, NJ
<input type="checkbox"/>		Congoleum Corp.	3500 Quakerbridge Rd., Mercerville, NJ
<input type="checkbox"/>		Coca-Cola Foods	480 Mercer St., Hightstown, NJ
<input type="checkbox"/>		Peddie School	111 Armellino Ct., Hightstown, NJ
<input type="checkbox"/>		Dana Communications	2 E Broad St., Hopewell, NJ
<input type="checkbox"/>		Merrill Lynch	410 Scotch Rd., Hopewell, NJ
<input type="checkbox"/>		Janssen Pharmaceutical	1125 Trenton-Harbourton Rd., Titusville, NJ
<input type="checkbox"/>		St. Francis Medical Center	601 Hamilton Avenue, Trenton, NJ 08629-1986
<input type="checkbox"/>		The Trenton Times	500 Perry St., Trenton, NJ
<input type="checkbox"/>		Gaum. Inc.	1080 US Highway 130, Robbinsville, NJ
Monmouth County			
<input type="checkbox"/>		Meridian Health System	1350 Campus Parkway, Neptune
<input type="checkbox"/>		US Army Communications Electronics Command Fort Monmouth	CECOM Bldg 901, Murphy Drive, Fort Monmouth
<input type="checkbox"/>		County of Monmouth Hall of Records	1 East Main Street, Freehold
<input type="checkbox"/>		Central State Healthcare Systems	West Main Street, Freehold
<input type="checkbox"/>		Monmouth Medical Center	300 Second Ave., Long Branch
<input type="checkbox"/>		Asbury Park Press	3601 Route 66, Neptune, NJ
<input type="checkbox"/>		Food Circus Super Markets, Inc.	835 Highway 35 PO BOX 278 Middletown, NJ
<input type="checkbox"/>		Monmouth University	Cedar Ave., West Long Branch
<input type="checkbox"/>		Naval Weapons stations Earle	State Highway 34, Colts Neck, NJ
<input type="checkbox"/>		Norkus Enterprises, Inc.	505 Richmond Ave., Point Pleasant, NJ
<input type="checkbox"/>		Horizon Blue Cross Blue Shield	1427 Wyckoff Road, Farmingdale, NJ
Ocean County			
<input type="checkbox"/>		Saint Barnabas Health Care System	300 2nd Ave., Long Branch, NJ 07740
<input type="checkbox"/>		Six Flags Theme Parks Inc	Route 537, Jackson, NJ 08527
<input type="checkbox"/>		Meridian Health Care System	415 Jack Martin Blvd., Brick, NJ
<input type="checkbox"/>		Southern Ocean County Hospital	1140 Route 72 West, Manahawkin, NJ

<input type="checkbox"/>		Jenkinsons	300 Ocean Ave., Pt. Pleasant Beach, NJ 08742
3c. Community Contacts (names of community groups/organizations throughout the housing region that can be contacted to post advertisements and distribute flyers regarding available affordable housing)			
Name of Group/Organization	Outreach Area	Racial/Ethnic Identification of Readers/Audience	Duration & Frequency of Outreach

IV. APPLICATIONS

Applications for affordable housing for the above units will be available at the following locations:		
4a. County Administration Buildings and/or Libraries for all counties in the housing region (list county building, address, contact person) (Check all that applies)		
	BUILDING	LOCATION
<input type="checkbox"/>	Mercer County Library Headquarters	2751 Brunswick Pike, Lawrenceville, NJ 08648
<input type="checkbox"/>	Monmouth County Headquarters Library	125 Symmes Drive, Manalapan, NJ 07726
<input type="checkbox"/>	Ocean County Library	101 Washington Street, Toms River, NJ 08753
4b. Municipality in which the units are located (list municipal building and municipal library, address, contact person)		
4c. Sales/Rental Office for units (if applicable)		

V. CERTIFICATIONS AND ENDORSEMENTS

I hereby certify that the above information is true and correct to the best of my knowledge. I understand that knowingly falsifying the information contained herein may affect the (select one: Municipality's COAH substantive certification or DCA Balanced Housing Program funding or HMFA UHORP/MONI funding).	
Name (Type or Print) _____	
Title/Municipality _____	
Signature _____	Date _____

RESOLUTION

OF THE BOROUGH COUNCIL OF THE BOROUGH OF MATAWAN, COUNTY OF MONMOUTH STATE OF NEW JERSEY ADOPTING THE 'AFFIRMATIVE MARKETING PLAN' FOR THE BOROUGH OF MATAWAN

WHEREAS, in accordance with NJDCA regulations at N.J.A.C. 5:97-1, *et seq.*, and the New Jersey Uniform Housing Affordability Controls at N.J.A.C. 5:80-26-1, *et seq.*, the Borough of Matawan is required to adopt by resolution an Affirmative Marketing Plan to ensure that all affordable housing units created, including those created by the rehabilitation of rental housing units within the Borough of Matawan, are affirmatively marketed to low and moderate income households, particularly those living and/or working within Housing Region 4, the COAH Housing Region encompassing the Borough of Matawan.

NOW, THEREFORE, BE IT RESOLVED, that the Borough Council of the Borough of Matawan, County of Monmouth, State of New Jersey, does hereby adopt the following Affirmative Marketing Plan:

Affirmative Marketing Plan

- A. All affordable housing units in the Borough of Matawan shall be marketed in accordance with the provisions herein unless otherwise provided at N.J.A.C. 5:97-1, *et seq.*
- B. The Borough of Matawan has a Prior Round affordable housing obligation and will likely have a Third Round affordable housing obligation. This Affirmative Marketing Plan shall apply to all developments that contain or will contain low and moderate income units, including those that have already been constructed, those that are or will be included in the Borough's current Fair Share Plan and those that may be constructed in the future in unanticipated developments. This Affirmative Marketing Plan shall also apply to any rehabilitated rental units that are vacated and re-rented during the applicable period of controls for rehabilitated rental units (unless otherwise governed by the requirements of a Federally-funded program).
- C. The Affirmative Marketing Plan shall be implemented by an Administrative Agent designated by and/or under contract to the Borough of Matawan. All of the costs of advertising and affirmatively marketing affordable housing units shall be borne by the developer/seller/owner of the affordable unit(s).
- D. In implementing the Affirmative Marketing Plan, the Administrative Agent, acting on behalf of the Borough of Matawan, shall undertake all of the following strategies:
 - 1. Publication of one advertisement in a newspaper of general circulation within the housing region.

2. Broadcast of one advertisement by a radio or television station broadcasting throughout the housing region.
 3. At least one additional regional marketing strategy using one of the other sources listed below.
- E. 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 or sponsor of affordable housing. The Affirmative Marketing Plan is also 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 the Housing Region in which the municipality is located and covers the entire period of the deed restriction for each restricted housing unit. The Borough of Matawan is located in Housing Region 4, consisting of Mercer, Monmouth and Ocean Counties.
- F. The Affirmative Marketing Plan is a continuing program intended to be followed throughout the entire period of restrictions and shall meet the following requirements:
1. All newspaper articles, announcements and requests for applications for low and moderate income units shall appear in the Trenton Times, the Asbury Park Press and the Ocean County Observer.
 2. The primary marketing shall take the form of at least one press release and a paid display advertisement in the above newspapers once a week for four consecutive weeks. Additional advertising and publicity shall be on an "as needed" basis. The developer/owner shall disseminate all public service announcements and pay for display advertisements. The developer/owner shall provide proof of publication to the Administrative Agent. All press releases and advertisements shall be approved in advance by the Administrative Agent.
 3. The advertisement shall include a description of the:
 - a. Location of the units;
 - b. Directions to the units;
 - c. Range of prices for the units;
 - d. Size, as measured in bedrooms, of units;
 - e. Maximum income permitted to qualify for the units;

- f. Location of applications;
 - g. Business hours when interested households may obtain an application; and
 - h. Application fees.
- 4. Newspaper articles, announcements and information on where to request applications for low and moderate income housing shall appear at least once a week for four consecutive weeks in at least three locally oriented weekly newspapers within the region, one of which shall be circulated primarily in Monmouth County and the other two of which shall be circulated primarily outside of Monmouth County but within the housing region.
- 5. The following regional cable television stations or regional radio stations shall be used during the first month of advertising. The developer must provide satisfactory proof of public dissemination:
 - a. WKXW (101.5 FM)
 - b. WOR (710AM)
 - c. WTTM (1680 AM)
 - d. Comcast of Mercer County, Southeast Pennsylvania
 - e. Comcast of Monmouth County
 - f. Comcast of Central New Jersey
- G. Applications, brochure(s), sign(s) and/or poster(s) used as part of the affirmative marketing program shall be available/posted in the following locations:
 - 1. Matawan Borough Municipal Building.
 - 2. Matawan Public Library.
 - 3. Matawan Borough Web Site.
 - 4. Developer's Sales/Rental Offices.
 - 5. Mercer County Administration Building.
 - 6. Monmouth County Administration Building.
 - 7. Ocean County Administration Building.

8. Mercer County Library (all branches).
9. Monmouth County Library (all branches).
10. Ocean County Library (all branches).

Applications shall be mailed by the Administrative Agent to prospective applicants upon request. Also, applications shall be available at the developer's sales/rental office and shall be mailed to prospective applicants upon request.

- H. The Administrative Agent shall develop, maintain and update a list of community contact person(s) and/or organizations(s) in Mercer, Monmouth and Ocean Counties that will aid in the affirmative marketing program with particular emphasis on contacts that will reach out to groups that are least likely to apply for housing within the region, including major regional employers identified in Attachment A, Part III, Marketing, Section 3d of NJDCA's ***Affirmative Fair Housing Marketing Plan for Affordable Housing in Region 4*** (attached to and hereby made part of this Resolution).

1. Quarterly informational flyers and applications shall be sent to each of the following agencies for publication in their journals and for circulation among their members:

Mercer County Board of Realtors
Monmouth County Board of Realtors
Ocean County Board of Realtors

2. Quarterly informational circulars and applications shall be sent to the administrators of each of the following agencies within the counties of Mercer, Monmouth and Ocean:

Welfare or Social Service Board (via the Director)
Rental Assistance Office (local office of DCA)
Office on Aging
Housing Authority (municipal or county)
Community Action Agencies
Community Development Departments
Salvation Army, Trenton Office

3. Quarterly informational circulars and applications shall be sent to the chief personnel administrators of all of the major employers within the region, as listed on Attachment A, Part III, Marketing, Section 3d.

- I. The following is a listing of community contact person(s) and/or organizations in Mercer, Monmouth and Ocean Counties that will aid in the affirmative marketing program and provide guidance and counseling services to prospective occupants of low and moderate income units:

1. Affordable Housing Liaison, Matawan Borough.

YOU WILL NEED TO ADD TO THIS LIST - PERHAPS YOUR ADMIN. AGENT CAN HELP.

- J. A random selection method to select occupants of low and moderate income housing will be used by the Administrative Agent, in conformance with N.J.A.C. 5:80-26.16 (1). The Affirmative Marketing Plan shall provide a regional preference for all households that live and/or work in Housing Region 4 comprised of Mercer, Monmouth and Ocean Counties.
- K. The Administrative Agent shall administer the Affirmative Marketing Plan. The Administrative Agent has the responsibility to income qualify low and moderate income households; to place income eligible households in low and moderate income units upon initial occupancy; to provide for the initial occupancy of low and moderate income units with income qualified households; to continue to qualify households for re-occupancy of units as they become vacant during the period of affordability controls; to assist with outreach to low and moderate income households; and to enforce the terms of the deed restriction and mortgage loan as per N.J.A.C. 5:80-26-1, *et seq.*
- L. The Administrative Agent shall provide or direct qualified low and moderate income applicants to counseling services on subjects such as budgeting, credit issues, mortgage qualifications, rental lease requirements and landlord/tenant law and shall develop, maintain and update a list of entities and lenders willing and able to perform such services.
- M. All developers/owners of low and moderate income housing units shall be required to undertake and pay the costs of the marketing of the affordable units in their respective developments, subject to the direction and supervision of the Administrative Agent.
- N. The implementation of the Affirmative Marketing Plan for a development that includes affordable housing shall commence at least 120 days before the issuance of either a temporary or permanent certificate of occupancy. The implementation of the Affirmative Marketing Plan shall continue until all low income housing units are initially occupied and for as long as affordable units exist that remain deed restricted and for which the occupancy or re-occupancy of units continues to be necessary.
- O. The Administrative Agent shall provide the Affordable Housing Liaison with the information required to comply with monitoring and reporting requirements pursuant to N.J.A.C. 5:80-26-1, *et seq.*

I hereby certify that this is a true copy of a resolution duly adopted by the Borough Council of the Borough of Matawan at a Borough Council meeting held on May 6, 2014.

Karen Wynne

Borough Clerk

DRAFT

**Appendix D: Proposed Development Fee
Ordinance.**

**MATAWAN BOROUGH
ORDINANCE NO: _____**

**AN ORDINANCE OF THE BOROUGH OF MATAWAN, REVISING THE
BOROUGH’S ORDINANCES TO INCLUDE AN AFFORDABLE
HOUSING DEVELOPMENT FEE ORDINANCE IN CHAPTER XXX OF
THE BOROUGH CODE**

WHEREAS, the Borough of Matawan adopted a Housing Element and Fair Share Plan on XXX. The Housing Element and Fair Share Plan included a recommendation to adopt a Development Fee Ordinance (“DFO”) to collect both residential and non-residential development fees to be used to help facilitate the creation of affordable housing in the Borough; and

WHEREAS, the Borough also created an Affordable Housing Trust Fund into which said development fees were to be deposited; and

NOW, THEREFORE, BE IT ORDAINED, By the Borough Council of the Borough of Matawan, as follows:

Section 1. Chapter XXX, are hereby revised with the following:

§XXX-1. FINDINGS & PURPOSE

- A. The Matawan Mayor and Council find and declare that the creation and preservation of affordable housing in the Borough serves the public interest. Maintaining and improving a stock of sound affordable housing requires affirmative steps by local government working cooperatively with public bodies at all levels and with the private sector. The Borough has created an Affordable Housing Trust Fund from the payment of residential and non-residential development fees to assist with the creation of affordable housing projects and programs, to utilize for Affordability Assistance and to pay for certain administrative expenses.
- B. The Supreme Court in Holmdel Builders Assn. v. Holmdel Township, 121 N.J. 550 (1990) determined that mandatory development fees are both statutorily and constitutionally permissible, as authorized by the Fair Housing Act of 1985 (the Act), N.J.S.A. 52:27d-301 et seq., and the State Constitution, subject to the now abolished Council on Affordable Housing's (“COAH”) rule adoptions. The purpose of this Chapter is to provide municipal regulations that comport with the Fair Housing Act (FHA), N.J.S.A. 50:27D-301 et. seq., applicable COAH Regulations, and any applicable regulations adopted by the New Jersey Department of Community Affairs (“DCA”).
- C. The purpose of these municipal development fee regulations is to provide

revenues with which to fund rehabilitation of housing units occupied by very-low, low, and moderate income households, to construct housing for very-low, low, and moderate income households, to fund other programs for very-low, low, and moderate income housing, to pay for Affordability Assistance, and to pay for certain administrative expenses, in order for Matawan to meet its responsibility for providing affordable housing pursuant to the Mount Laurel doctrine espoused by the Supreme Court, the FHA, and other applicable laws.

- D. This Ordinance establishes standards for the collection, maintenance, and expenditure of development fees that are consistent with applicable COAH regulations and the Statewide Non-Residential Development Fee Act (NRDF)(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 or Program approved Spending Plan.

§XXX-2. BASIC REQUIREMENTS

- A. This Ordinance shall become effective upon adoption.

§XXX-3. Definitions

The following terms, as used in this Ordinance, shall have the following meanings:

“Affordable housing development” means a development included in the Housing Element and Fair Share Plan, and includes, but is not limited to, an inclusionary development, a municipal construction project or a one hundred percent (100%) affordable housing development.

“COAH” or the “Council” means the New Jersey Council on Affordable Housing established under the Fair Housing Act. When the Borough of Matawan is under the jurisdiction of the Superior Court with regard to its affordable housing obligations, “COAH” or the “Council” shall also mean the Court where applicable. Pursuant to the 2024 amendments to the Fair Housing Act by P.L. 2024 c.4, COAH has been replaced with the Affordable Housing Dispute Resolution Program, known as “the Program.” In many instances, P.L. 2024 c.4 allows for reliance upon COAH regulations wherever the Fair Housing Act is silent. Any reference to COAH in this ordinance shall also mean the Program where applicable.

“Development fee” means money paid by a developer for the improvement of property as authorized by the FHA, applicable COAH regulations and other applicable law.

“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.

“Equalized assessed value” 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 of P.L. 1973, c.123 (C.54:1-35a through C.54:1-35c).

“Green building strategies” means those 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.

“New Residential Development” shall mean:

- a. The construction of a new residential unit or dwelling structure which includes a new foundation.
- b. The construction of a new residential unit or dwelling structure where the existing building framing has been demolished and only the foundation or the foundation and floor joists are remaining.
- c. Conversion of existing non-residential space to residential units within the existing building footprint.
- d. Creation of new residential units as additions to an existing structure, thereby changing the use from single family to two family or multifamily.
- e. Creation of an additional floor of living space on an existing residential unit.
- f. New Residential Development does not include additions to or renovations of existing one and two-family dwellings that do not change the use of the structure or qualify under subsections a through e of this definition.

§XXX-4. Residential Development Fees

A. Imposition of Fees

- 1) Within the Borough of Matawan, all new residential development, except for developers of the types of developments specifically exempted below, shall pay a fee of one and a half percent (1.5%) of the equalized assessed value for all new 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.
- 2) 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 six percent (6%) percent 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.

B. Eligible Exactions, Ineligible Exactions and Exemptions for Residential Developments

- 1) Affordable housing developments, inclusionary projects that include affordable housing, and/or developments where the developer has made a payment in lieu of on-site construction of affordable units, if permitted by Ordinance or by Agreement with the Borough of Matawan, shall be exempt from the payment of development fees.
- 2) Developments that have received preliminary or final site plan approval before 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. For example, a substantial alteration in site layout, development density, or types of uses within the proposed development. Where site plan approval is not applicable, the issuance of a Zoning Permit and/or Construction 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 Zoning Permit and/or Construction Permit is issued.
- 3) Any project for improvement of a structure to comply with existing state or local building, fire, health, sanitary or safety code specifications which are solely necessary to assure safe living conditions shall be exempt from paying a residential development fee.
- 4) Any alteration of a structure listed on the National Register of Historic Places or a state inventory of historic places shall be exempt from paying a residential development fee, but a development fee shall be charged for any new dwelling constructed as a replacement for a previously existing dwelling on the same lot that was or will be demolished, unless the owner resided in the previous dwelling for a period of one year or more prior to obtaining a demolition permit. Where a development fee is charged for a replacement dwelling, the development fee shall be calculated on the increase in the equalized

assessed value of the new structure as compared to the previous structure.

- 5) Structural alterations that do not increase gross floor area of a residential building or structure or increase the equalized assessed value of a property shall be exempted from paying a development fee.
- 6) Nonprofit organizations constructing residential projects which have received tax-exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code, providing current evidence of that status is submitted to the Municipal Clerk, together with a certification that services of the organization are provided at reduced rates to those who establish an inability to pay existing charges, shall be exempted from paying a development fee.
- 7) Federal, state, county and local governments shall be exempted from paying a development fee.
- 8) Homes replaced as a result of a natural disaster, fire, or flood shall be exempt from the payment of a development fee. This exemption applies only for the owner of record at the time of the fire, flood, or natural disaster and the use is not increased, i.e., a single-family house is destroyed and a two-family home is built in its place. Should this scenario occur, the fee will be calculated from the difference between the new, more intense use (two-family) from the original use that was destroyed (single family).

XXXX-5. Non-Residential Development Fees

A. Imposition of Fees

- 1) Within all zoning districts, non-residential developers, except for developers of the types of developments specifically exempted below, shall pay a fee equal to two and one-half (2.5) percent of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots.
- 2) Within all zoning districts, non-residential developers, except for developers of the types of developments specifically exempted below, shall also pay a fee equal to two and one-half (2.5) percent of the increase in equalized assessed value resulting from any additions to existing structures to be used for non-residential purposes.
- 3) Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of two and a half percent (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.

B. Eligible Exactions, Ineligible Exactions and Exemptions for Non-residential Development

- 1) The non-residential portion of a mixed-use inclusionary or market rate development shall be subject to a two and a half percent (2.5%) development fee, unless otherwise exempted below.
- 2) The two and a half percent (2.5%) development fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within the 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 for the non-residential development, whichever is later.
- 5) If a property which 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 of Matawan as a lien against the real property of the owner.
- 6) Federal, state, county and local governments constructing nonresidential housing shall be exempted from paying a development fee.

XXX-6. Collection Procedures

- A. Upon the granting of a preliminary, final or other applicable approval for a development, the approving authority or entity shall notify or direct its staff to notify the Construction Official responsible for the issuance of a Zoning Permit and/or Construction Permit.
- B. 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 as per the instructions provided. The developer of a non-residential development shall complete Form N-RDF as per the instructions provided. The Construction Official shall verify the information submitted by the non-residential developer as per the instructions provided in the Form N-RDF. The Tax Assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.
- C. The Construction Official responsible for the issuance of a Construction Permit shall notify the Borough Tax Assessor of the issuance of the first Construction Permit for a development which is subject to a development fee.
- D. Within 90 days of receipt of such notification, the Borough Tax Assessor shall prepare an estimate of the equalized assessed value of the development.
- E. The Construction Official responsible for the issuance of a final Certificate of Occupancy shall notify the Borough Tax Assessor of any and all requests for the scheduling of a final inspection on a property which is subject to a development fee.
- F. Within 10 business days of a request for the scheduling of a final inspection, the Borough 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.
- G. Should the Borough of Matawan 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 (C.40:55D-8.6).
- H. Fifty percent (50%) of the initially calculated 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 the Certificate of Occupancy. A final certificate of occupancy shall not be issued for any

non-residential development until such time as the fee imposed has been paid by the developer.

I. Appeal of Development Fees

- 1) A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Such a challenge must be made within 45 days from the issuance of the Certificate of Occupancy. Pending a review and determination by the Board, collected fees shall be placed in an interest-bearing escrow account by the Borough of Matawan. 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 of Matawan. 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.

XXX-7. Affordable Housing Trust Fund

- A. There is hereby created a separate, interest-bearing Affordable Housing Trust Fund to be maintained by the Chief Financial Officer of the Borough of Matawan for the purpose of depositing development fees collected from residential and non-residential developers and proceeds from the sale of units with extinguished controls.
- B. The following additional funds shall be deposited in the Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:
 - 1) Payments in lieu of on-site construction of a fraction of an affordable unit, where permitted by Ordinance or by Agreement with the Borough of Matawan;
 - 2) Funds contributed by developers to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached dwelling unit development accessible;

- 3) Rental income from municipally operated units;
 - 4) Repayments from affordable housing program loans;
 - 5) Recapture funds;
 - 6) Proceeds from the sale of affordable units; and
 - 7) Any other funds collected in connection with Matawan's affordable housing program.
- C. In the event of a failure by the Borough of Matawan to comply with trust fund monitoring and reporting requirements or to submit accurate monitoring reports; or a failure to comply with the conditions of a Judgement of Compliance and Repose from a court or a Compliance Certification from the Program, or the revocation of same; or a failure to implement the Borough's approved Spending Plan and to expend funds within the applicable required time period as set forth in In re Tp. of Monroe, 442 N.J. Super. 565 (Law Div. 2015) (aff'd 442 N.J. Super. 563); or the expenditure of funds on activities not approved by the Program or the Court; or for other good cause demonstrating the unapproved use(s) of funds, the Court or the Program may authorize the State of New Jersey, Department of Community Affairs, Division of Local Government Services (LGS), to direct the manner in which the funds in the Affordable Housing Trust Fund shall be expended, provided that all such funds shall, to the extent practicable, be utilized for affordable housing programs within the Borough of Matawan, or, if not practicable, then within the County or the Housing Region.
- D. Interest accrued in the Affordable Housing Trust Fund shall only be used to fund eligible affordable housing activities in an approved Spending Plan.

XXX-8. Use of Funds

- A. The expenditure of all funds shall conform to a Spending Plan approved by the Program or the Court. Funds deposited in the Affordable Housing Trust Fund may be used for any activity approved by the Program or the Court to address the Borough of Matawan's 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; Regional Housing Partnership programs; 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 the Program or the Court and specified in the approved Spending Plan.
- B. Funds shall not be expended to reimburse the Borough of Matawan for past housing activities prior to the Borough's adoption of its original ordinance collecting development fees.
- C. At least 30 percent of all development fees collected and interest earned on such fees 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. One-third of the affordability assistance portion of development fees collected shall be used to provide affordability assistance to very low-income households earning 30 percent or less of the regional median household income by household size for Housing Region 4, in which Matawan is located.
- 1) 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, and assistance with emergency repairs. The specific programs to be used for affordability assistance shall be identified and described within the Spending Plan.
 - 2) Affordability assistance to households earning 30 percent or less of the regional median household income by household size may include buying down the cost of low or moderate income units in the municipal Fair Share Plan to make them affordable to households earning 30 percent or less of median income. The specific programs to be used for very low income affordability assistance shall be identified and described within the Spending Plan.
 - 3) Payments in lieu of constructing affordable housing units on site, if permitted by Ordinance or by Agreement with the Borough of Matawan, and funds from the sale of units with extinguished controls shall be exempt from the affordability assistance requirement.
- D. The Borough of Matawan may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan, including its programs for affordability assistance.
- E. No more than 20 percent of all revenues collected from development fees may 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 a Housing

Element and Fair Share Plan, and/or administer an affirmative marketing program or a rehabilitation program.

- 1) In the case of a rehabilitation program, the administrative costs of the rehabilitation program shall be included as part of the 20 percent of collected development fees that may be expended on administration.
- 2) Administrative funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with the Program or the Court's monitoring requirements. Administrative funds may be used for legal fees and other professional fees related to compliance with the Borough's affordable housing obligations as set forth in applicable law and regulations governing same.

XXX-9. Monitoring

The Borough of Matawan shall provide annual reporting of Affordable Housing Trust Fund activity to the State of New Jersey, Department of Community Affairs, through its Affordable Housing Monitoring System (AHMS), which is required to be completed by February 15th of every year, beginning in 2025. The reporting shall include an accounting of all 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. Such reporting shall include an accounting of development fees collected from residential and non-residential developers, payments in lieu of constructing affordable units on site (if permitted by Ordinance or by Agreement with the Borough), funds from the sale of units with extinguished controls, barrier free escrow funds, rental income from Borough owned affordable housing units, repayments from affordable housing program loans, and any other funds collected in connection with Matawan's affordable housing programs, as well as an accounting of the expenditures of revenues and implementation of the Spending Plan approved by the Program or the Court.

XXX-10. Ongoing Collection of Fees

The ability for the Borough of Matawan to impose, collect and expend development fees shall expire on July 1, 2035 unless the Borough of Matawan has first filed an adopted Housing Element and Fair Share Plan with the Program, the Court, or with a future designated State administrative agency, has petitioned for a Judgment of Compliance from the Court or for a Compliance Certification or its equivalent from a State administrative agency authorized to approve and administer municipal affordable housing compliance and has received approval of its Development Fee Ordinance from the entity that will be reviewing and approving the Housing Element and Fair Share Plan.

Section 2. All ordinances or parts of ordinances in conflict or inconsistent with any part of this ordinance are hereby repealed to the extent that they are in such conflict or inconsistent.

Section 3. If any section, subsection sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance.

DRAFT

**Appendix E: Resolutions Appointing the Municipal
Housing Liaison and Administrative Agent.**

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 F: Draft Ordinance Associated Maps for the Proposed HI-AH Overlay Zone

DRAFT ORDINANCE – June 4, 2025

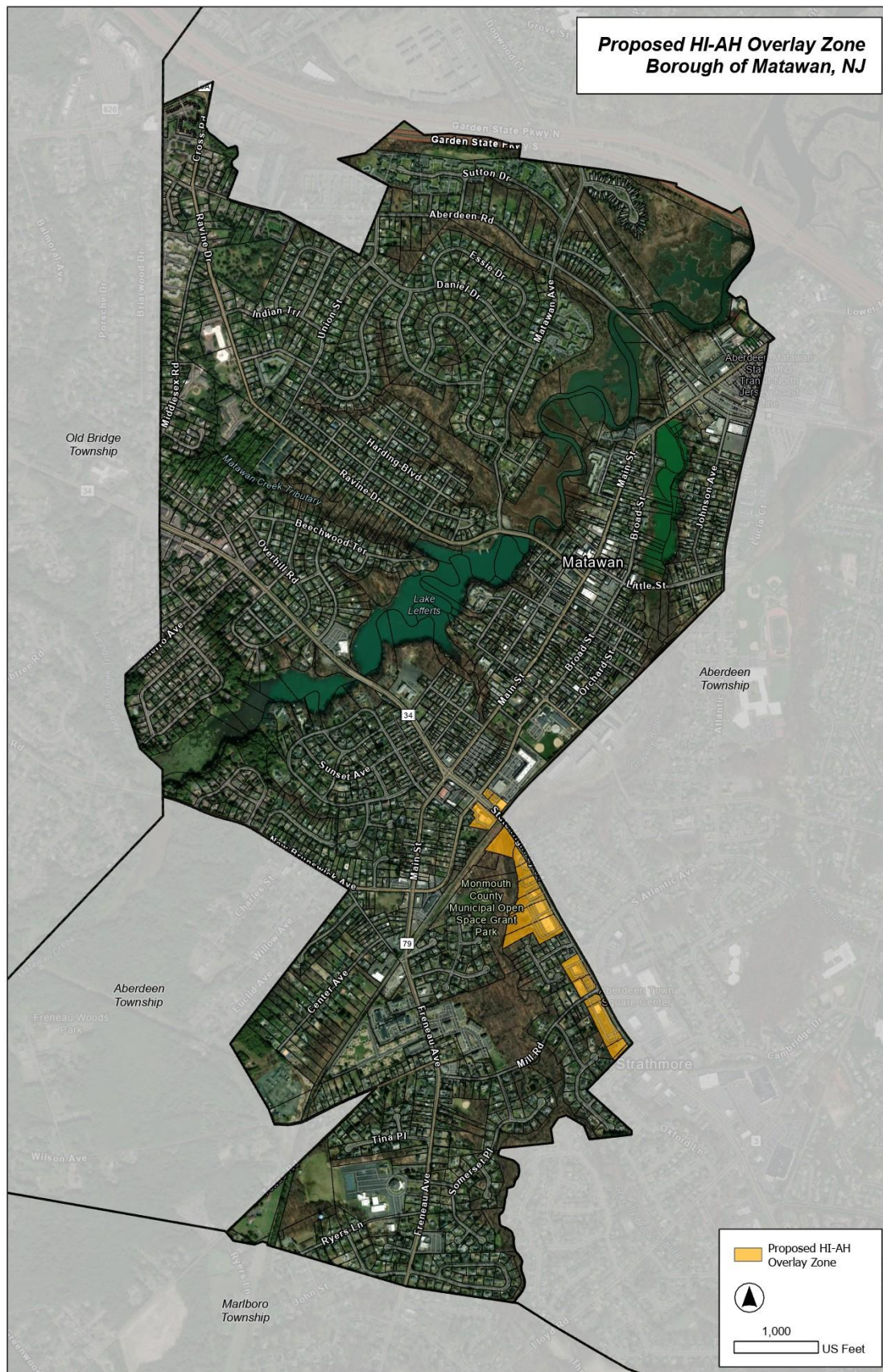
HI Highway Improvement District Overlay Zone

Borough of Matawan, Monmouth County

Creation of New Zone District Permitting Inclusionary Development

- A. 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.
- B. 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
- C. 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.
- D. 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

- (5) 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.
 - (6) Maximum principal building height: 3 stories / 35 feet
 - (7) Maximum accessory building height: 1 story /15 feet
 - (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.
- E. Site Design Requirements:
- (1) The development shall include either an indoor or an outdoor amenity or recreation facilities for residents.
- F. 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 Chapter XXX, 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.



Appendix G: Spending Plan

DRAFT BOROUGH OF MATAWAN
AFFORDABLE HOUSING SPENDING PLAN

June 6, 2025

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 by 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 Fourth Round time period (2025-2035), 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 \$7,700 in interest through 2035.

TABLE 1: PROJECTED REVENUES												
Affordable Housing Trust Fund, July 1, 2025 through 2035												
Source	7/1/25- 12/31/25	1/1/26- 12/31/26	1/1/27- 12/31/27	1/1/28- 12/31/28	1/1/29- 12/31/29	1/1/30- 12/31/30	1/1/31- 12/31/31	1/1/32- 12/31/32	1/1/33- 12/31/33	1/1/34- 12/31/34	1/1/35- 12/31/35	Total
Residential Development Fee	\$20,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$420,000
Non-Residential Development Fee	\$6,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$126,000
PIL Construction	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest	\$200	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$7,700
Total	\$26,200	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750	\$52,750	\$553,700

The Borough of Matawan projects a total of \$553,700 in revenue and interest to be collected between July 1, 2025 and December 31, 2035. All interest earned on the account shall be used only for the purposes of affordable housing.

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 for both residential and non-residential developments 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

The Borough of Matawan anticipates using future trust funds for the following:

- New construction of affordable housing units and related development costs, and in the case of inclusionary developments, eligible costs shall be pro-rated based on the proportion of affordable housing units included in the development. The New Construction program shall constitute projects such as Group Homes, Market to Affordable housing, or other similar opportunities; in this regard, the Borough intends to set aside money for opportunities that may

occur in the event a housing unit becomes available for acquisition that may be appropriate for a conversion into affordable housing via a deed restriction and resale or via deeding the unit over to a qualified group home provided.

- Extensions or improvements of roads and infrastructure directly serving affordable housing development sites; in the case of inclusionary developments, costs shall be pro-rated based on the proportion of affordable housing units included in the development;
 - Acquisition and/or improvement of land to be used for affordable housing;
 - Purchase of existing market rate or affordable housing for the purpose of maintaining or implementing affordability controls, such as in the event of foreclosure;
 - Accessory apartment or market-to-affordable programs;
 - Green building strategies designed to save money for low and moderate income households, either for new construction that is not funded by other sources, or as part of necessary maintenance or repair of existing affordable units;
 - Maintenance and repair of affordable housing units;
 - Repayment of municipal bonds issued to finance low and moderate income housing activity;
 - Affordability assistance to very low, low and moderate income buyers and renters of affordable housing units to lower the cost of homeownership; and
 - Any other activity as specified herein.
- a) Affordability Assistance - Pursuant to applicable rules, the Borough will commit to spend at least 30% of the development fees collected and interest earned to provide affordability assistance to very low, low and moderate income households. As shown in the Table 2, a minimum of \$116,110 is required to be available from the affordable housing trust fund for this purpose through 2035.

However, in actuality, the Borough is exceeding its affordability assistance requirement, and identifying and proposing to dedicate \$250,000 of its trust fund to affordability assistance. One-third of the affordability assistance will be dedicated toward affordability assistance for very low income households.

The Borough proposes a variety of mechanisms to provide for affordability assistance, as follows.

- The Borough of Matawan shall make trust fund monies available for Payment Assistance, including down payments, closing costs (title work and policy, reasonable attorney's fees for closing of title, preparation of survey, homeowners insurance, recording fees and other necessary closing expenses to third parties), payment of lenders fees (mortgage points, application fees, appraisal fees, bank attorney review fees, and necessary mortgage closing expenses) and rental assistance (rental subsidies, moving expenses and security deposits). This program would also assist with security deposits, homeowners

association and condominium fees, special assessment fees, and for assistance with emergency repairs for low and moderate income households. With this program, priority will be given to very low income households for compliance with the requirement that one-third of the affordability assistance requirement be used for the very low income population. Depending on actual development fees collected, the Borough's trust fund could provide \$100,000 toward this funding option.

- 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 a very low income unit. In exchange, that particular 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 lower income housings based on 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. Depending on actual development fees collected, the Borough's trust fund could provide \$75,000 toward the Lump Sum program. This initiative assists the Borough, in complying with the requirement that one-third of the affordability assistance requirement be used for the very low income population.
- The Borough of Matawan shall develop a program to assist affordable households and developments with repairs of water heaters and furnaces. Depending on actual development fees collected, the Borough's trust fund could provide a minimum of \$50,000 to assist with the replacement of water heaters or furnaces in existing affordable units that are more than ten 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 target existing very low income units.
- The Borough shall develop a program to fund green building techniques, such as solar panel installations at affordable developments. Solar panels could provide affordability assistance by reducing the building's utility expenses. Depending on actual development fees collected, the Borough's trust fund could provide \$25,000 to fund green building techniques.
- If the municipality demonstrates that there are no units for which affordability assistance programs can be offered, the Borough will request a waiver of the requirement.

Table 2 includes the calculation of the required affordability assistance amounts through 2035.

TABLE 2: AFFORDABILITY ASSISTANCE CALCULATION		
		Total
Actual development fees and interest	+	0
Projected development fees and interest through 2035.	+	\$553,700

TABLE 2: AFFORDABILITY ASSISTANCE CALCULATION		
Less Housing Activity Expenditure in the Third Round	-	0
Total	=	\$553,700
30% Requirement	x 0.30	\$166,110
Less Affordability assist. Expenditures thru 5/15/2025	-	\$0.00
Projected Min. Afford. Asst. through 2035	=	\$166,110
Projected Min. Afford. Asst. for Very Low Income through 2035	x 1/3	\$55,370

b) Administrative Expenses

Per affordable housing regulations, no more than 20% of the revenues collected from development fees shall be expended on administration. The Borough projects that a maximum of \$236,477 will be available from the affordable housing trust fund to be used for administrative expenses.

TABLE 3: ADMINISTRATIVE EXPENSE CALCULATION		
		Total
Actual fees and interest		\$0
Projected Development Fees and interest though 2035	+	\$553,700
Total for Admin. Calculation, through 2035	=	\$553,700
20% Maximum for Admin. Expense	x 0.20	\$110,740
Less Admin	-	\$0
Available for Admin. through 2035	=	\$110,740

Legal or other fees related to litigation opposing affordable housing sites or objecting to affordable housing regulations and/or actions are not eligible uses of the affordable housing trust fund.

Projected administrative expenditures, subject to the 20% 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 Borough'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 sites and developments.

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 as required by the Settlement Agreement.
11. Preparation of the very-low income monitoring every three years as required by the Settlement Agreement.
12. Preparation of a Housing Element and Fair Share Plan and a Spending Plan to satisfy future Round 5 requirements.

4. EXPENDITURE SCHEDULE

The Borough of Matawan intends to use affordable housing trust fund revenues as detailed in Table 4.

TABLE 4: EXPENDITURE SCHEDULE												
Projects/ Program	Projected Expenditure Schedule July 1, 2025 – December 31, 2035											
	7/1/25- 12/31/25	1/1/26- 12/31/26	1/1/27- 12/31/27	1/1/28- 12/31/28	1/1/29- 12/31/29	1/1/30- 12/31/30	1/1/31- 12/31/31	1/1/32- 12/31/32	1/1/33- 12/31/33	1/1/34- 12/31/34	1/1/35- 12/31/35	Total
Affordable Programs	\$1,000	\$8,500	\$18,000	\$19,500	\$22,000	\$21,960	\$22,000	\$20,000	\$20,000	\$20,000	\$20,000	\$192,960
Affordability Assistance	\$5,000	\$20,000	\$20,000	\$10,000	\$25,000	\$25,000	\$25,000	\$30,000	\$30,000	\$30,000	\$30,000	\$250,000
Administrative Expenses	\$10,000	\$10,000	\$5,000	\$5,000	\$7,500	\$10,000	\$10,000	\$10,500	\$10,740	\$15,000	\$17,000	\$110,740
Total	\$16,000	\$38,500	\$43,000	\$34,500	\$54,500	\$56,960	\$57,000	\$60,500	\$60,740	\$65,000	\$67,000	\$553,700

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 rehabilitation and/or affordability assistance program, and/or additional affordable housing activity necessary to address any remaining Unmet Need. 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 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.

SUMMARY

The Borough intends to spend affordable housing trust fund revenues pursuant to applicable rules and to be consistent with the housing programs outlined in the 2025 Housing Element and Fair Share Plan.

The Borough estimates a total of \$553,700 in potential revenue and interest to be collected through December 31, 2035. This projected amount would be used to fund and administer its affordable housing plan.

The Spending Plan summary is provided below.

TABLE 5: SPENDING PLAN SUMMARY		
		Total
Balance		\$0
Projected Revenue Through 2035		
Development fees	+	\$546,000
Payments in lieu of construction	+	\$0.00
Other funds	+	\$0.00
Interest	+	\$7,700
Total Available Funds		\$553,700
Affordable Programs	+	\$192,960
Affordability Assistance*	+	\$250,000
Administration**	+	\$110,740
Total Projected Expenditures	=	\$553,700
Remaining Balance	=	0

* Actual affordability assistance minimums are calculated on an ongoing basis, based on actual revenues.

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